

Board Report

P u b l i c

Date
Friday,
29 November 2019

Time
4.00 pm

Venue
Panuku Development
Auckland

82 Wyndham Street



Local Government Official Information and Meetings Act 1987.

7 Other reasons for withholding official information

(1) Where this section applies, good reason for withholding official information exists, for the purpose of [section 5](#), unless, in the circumstances of the particular case, the withholding of that information is outweighed by other considerations which render it desirable, in the public interest, to make that information available.

(2) Subject to [sections 6, 8, and 17](#), this section applies if, and only if, the withholding of the information is necessary to—

(a) protect the privacy of natural persons, including that of deceased natural persons; or

(b) protect information where the making available of the information—

(i) would disclose a trade secret; or

(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or

(ba) in the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the [Resource Management Act 1991](#), to avoid serious offence to tikanga Maori, or to avoid the disclosure of the location of waahi tapu; or

(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—

(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or

(ii) would be likely otherwise to damage the public interest; or

(d) avoid prejudice to measures protecting the health or safety of members of the public; or

(e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or

(f) maintain the effective conduct of public affairs through—

(i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom [section 2\(5\)](#) applies, in the course of their duty; or

(ii) the protection of such members, officers, employees, and persons from improper pressure or harassment; or

(g) maintain legal professional privilege; or

(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or

(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

(j) prevent the disclosure or use of official information for improper gain or improper advantage.

Board Agenda

- Where:** Panuku office, 82 Wyndham Street, Auckland
- When:** Friday, 29 November 2019 | 10.00 am – 5.00 pm
- Board Members:** Adrienne Young-Cooper – Chair
Victoria Carroll – Director
John Coop – Director
David Kennedy – Director
Richard Leggat – Director
Paul Majurey – Director
Mike Pohio – Director
Martin Udale – Director (*leave of absence*)
Paul Brown – Intern
- In attendance:** David Rankin –Chief Executive Officer (acting)
Monica Ayers – GM People and Culture
Angelika Cutler – GM Corporate Affairs
Carl Gosbee – GM Corporate Services
Rod Marler – GM Design and Place
Brenna Waghorn – GM Strategy and Planning
Ian Wheeler – GM Assets and Delivery
Allan Young – GM Development
Jenni Carden – Executive Officer/ Company Secretary

Opening of Public meeting 4.00 pm

Public meeting	
1.	Opening of public meeting
	1.1 Apologies
	1.2 Health and Safety moment
	1.3 Directors' interests
	1.4 Directors' Board meeting attendance register
	1.5 Minutes of 29 October 2019 Board meeting
	1.6 Public deputation
2.	Chief Executive's report
3.	Health and Safety report
4.	Strategic reports
	4.1 Board forward work programme for 2020

5.	Priority Location reports 5.1 Transform Waterfront: Westhaven Pile Berth Redevelopment project 5.2 Transform Waterfront: Precinct development site, Wynyard Quarter 5.3 Unlock Henderson: C40 site sale 5.4 Unlock Henderson: 2 – 6 Henderson Valley Road, sale and subdivision 5.5 Haumaru: 21-27 Henderson Valley Road 5.6 Unlock Avondale: Sale of 18 Elm Street
6.	Business reports 6.1 Projected housing supply 6.2 Update on Environment Court appeals
7.	General Business

Directors' Interests as at 1 November 2019

Member	Interest	Company / Entity	Conflicts pre-identified?
Adrienne YOUNG-COOPER	Chair	Panuku Development Auckland Limited	
	Trustee	Cornwall Park Trust Board Incorporated	
	Director	Queenstown Airport Corporation Limited	
	Director	SeaLink New Zealand Limited and related companies: FreightLink Ltd SeaLink Travel Group Limited	Yes
	Trustee	Sir John Logan Campbell Residury Trust	
	Trustee	Sir John Logan Campbell Medical Trust Incorporated	
	Director	Westhaven Marina Limited	
Victoria CARROLL	Director	Panuku Development Auckland Limited	
	Director	Manawa Housing Limited	
	Director	Mediterrania Holdings Limited	
	Director	Mediterrania Limited	
	Trustee	Community Housing Aotearoa	
	Trustee	Mangatawa Papamoa Block Incorporation	
	Trustee	Nga Potiki a Tamapahore Treaty Settlement Trust	
John COOP	Director	Panuku Development Auckland Limited	
	Chair	Warren and Mahoney	Possible

Member	Interest	Company / Entity	Conflicts pre-identified?
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David I. KENNEDY	Director	Panuku Development Auckland Limited	
	Director	525 Blenheim Road Limited	
	Director	Cathedral Property Limited	
	Director	Good General Practice Limited	
	Director	Grantley Holdings Limited	
	Director	Hobsonville Development GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Ngāi Tahu Justice Holdings Limited	
	Director	Ngāi Tahu Property (CCC-JV) Limited	
	Director	Ngāi Tahu Property Joint Ventures Limited	Possible, Unlock Northcote
	Director	Ngāi Tahu Property Joint Ventures (No.2) Limited	
	Director	Ngāi Tahu Real Estate Limited	
	Director	NTP Development Holdings Limited	
	Director	NTP Investment Holdings Limited	
	Director	NTP Investment Property Group Limited	
Director	Prestons Road Limited		

Richard I. LEGGAT	Director	Panuku Development Auckland Limited	
	Chairman	NZ Cycle Trail Incorporated	
	Executive Chair	Kiwis for kiwi	
	Director	Hamilton Waikato Tourism	
	Director	Mortleg Ltd	
	Director	Snowsports NZ	
	Director	Trophy Metropolitan Ltd	
	Director	Warren and Mahoney	
	Director	Winter Games New Zealand	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Member	Union Cycliste Internationale Ethics Commission	
	Director	Westhaven Marina Limited	

Member	Interest	Company / Entity	Conflicts pre-identified?
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Paul F. MAJUREY	Director	Panuku Development Auckland Limited	
	Director	Iwi Commercial Property Limited	
	Chair	Tāmaki Makaurau Community Housing Limited	
	Chair	Puhinui Park Limited	
	Chair	Whenuapai Housing Limited	
	Director	Arcus Property Limited	
	Chair	Marutūāhu Rōpū Limited	
	Chair	Ngāti Maru Limited	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Hauraki Collective (12 iwi collective)	
	Chair	Te Pūia Tāpapa	
	Chair	Impact Enterprise Fund	
	Chair	Tūpuna Maunga Authority	
	Co-Chair	Sea Change Tai Timu Tai Pari Ministerial Advisory Committee	
	Mana Whenua Representative	Hauraki Gulf Forum	
	Director	Pare Hauraki Kaimoana	
	Trustee	Hauraki Fishing Group	
	Director	Tikapa Moana Enterprises Limited	
	Director	Pouarua Farms	
	Trustee	Crown Forestry Rental Trust	
Director	Atkins Holm Majurey Limited		

Member	Interest	Company / Entity	Conflicts pre-identified?
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Michael E. POHIO	Director	Panuku Development Auckland Limited	
	Chairman	BNZ Partners Waikato	
	Chairman	Ngamotu Hotels Ltd	
	Chairman	Rotoiti 15 Investment Limited partnership	
	Chairman	Tai Hekenga Ltd	
	Director	Argosy	
	Director	Ngāi Tahu Holdings	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	Ospri New Zealand Ltd • National Animal Identification and Tracing Ltd	
	Director	TBFree	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	The Rees Management Limited	

C. Martin UDALE	Director	Panuku Development Auckland Limited	
	Director	Accessible Properties New Zealand Limited	
	Director	Cardinal Trustees Ltd	
	Director	Essentia Consulting Group Ltd	
	Director	Fleming Urban Ltd	
	Director	Forest Group Ltd	
	Director	Hobsonville Development GP Ltd	
	Director	New Ground Living (Hobsonville Point) Ltd	
	Director	Tall Wood Ltd	
	Director	Tallwood Assembly Limited	
	Director	Tallwood Design Limited	
	Director	Tallwood Holdings Limited	
	Director	Tallwood Projects Limited	
	Director	Tāmaki Redevelopment Company Ltd	Possible
	Director	Tāmaki Regeneration Ltd	
	Director	THA GP Limited	
	Director	TW Twenty Twenty Ltd	
	Member	Kiwi Rail Property Committee	

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **PUBLIC** SESSION AT 82 WYNDHAM ST, AUCKLAND ON TUESDAY 29 OCTOBER 2019 COMMENCING AT 3.13 PM.

1.1 APOLOGIES	24 10/19	Apologies were received from Martin Udale, due to extended leave, and from Directors Paul Majurey and Susan Macken for not attending this part of the meeting.
1.2 HEALTH AND SAFETY MOMENT	25 10/19	The Chair led the Health and Safety moment, highlighting the importance of avoiding hazards in the home which were ACC's biggest risk.
1.3 DIRECTORS' INTERESTS	26 10/19	The Panuku Board reviewed and received the Register of Directors' Interests and the identified interests for specific projects.
1.4 DIRECTORS' BOARD MEETING ATTENDANCE REGISTER	27 10/19	The Panuku Board noted The Panuku Board Attendance Register noting Martin Udale was on extended leave.
1.5 MINUTES OF THE 24 SEPTEMBER 2019 BOARD MEETING	28 10/19	The Panuku Board reviewed and approved the Minutes of The Panuku Board Meeting of 24 September 2019, with confidential information redacted, as a true and accurate record of the meeting.
1.6 PUBLIC DEPUTATION CLONBERN ROAD PUBLIC CARPARK	29 10/19	<p>The meeting moved to public session.</p> <p>The Panuku Board welcomed nine visitors from Remuera Business Association and Remuera Residents Association spoke to the meeting and highlighted:</p> <ul style="list-style-type: none"> • Remuera was a hilly suburb with many older residents and few parking options close to the carpark location. • Reduction in car park availability due to tradespeople working on numerous developments. • Presented a petition from nearly 6000 people objecting to the closure. • Lack of parking was driving down foot traffic and sales across Remuera. • Presented an engineering report from Stiffe Hooker outlining possible solution to address seismic issues. • They were exploring interim parking options with Auckland Transport and local businesses, which Panuku is participating in. <p>Management responded it was awaiting a response from Panuku's engineers to Stiffe Hooker's potential solution, including likely cap.</p>

		<p>Action Point:</p> <ul style="list-style-type: none"> • Management to respond to Remuera Business Association on timing of a response to the Stiffe Hooker report.
2.0 CHIEF EXECUTIVES REPORT	30 10/19	The Panuku Board received the report.
3.0 HEALTH & SAFETY REPORT	31 10/19	Blair McMichael, Health & Safety Manager, introduced the report. Following the completion of discussions, the Panuku Board received the report.
4.1 TRANSFORM MANUKAU: BUSINESS CASE OPTIONS FOR TRANSFORM MANUKAU	32 10/19	The Panuku Board received the report.
4.2 UNLOCK PANMURE: RELATIONSHIP WITH TAMAKI REGENERATION COMPANY	33 10/19	The Panuku Board received the report
4.3 CORPORATE PROPERTY: 82 MANUKAU ROAD, PUKEKOHE, GO TO MARKET	34 10/19	The Panuku Board received the report.
5.1 ANNUAL REPORT 2018-2019	35 10/19	The Panuku Board received the report.
5.2 DISPOSAL PROGRAMME REPORT	36 10/19	<p>The Panuku Board received the report.</p> <p>The Panuku Board:</p> <p>a. Agreed to the following properties commencing the rationalisation process:</p> <ol style="list-style-type: none"> 1) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i> 2) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i> 3) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i> 4) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i> 5) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i> 6) <i>Withheld from the public under S7(2)(h) of the LGOIMA.</i>
5.3 CORPORATE PROPERTY: 50	37 10/19	The Panuku Board received the report.

CENTREWAY, OREWA, GO TO MARKET		
6.1 GENERAL BUSINESS	38 10/19	<p>The Panuku Board acknowledged Director Susan Macken's contribution and service to Panuku, including in her role as outgoing Deputy Chair.</p> <p>The Chair also personally acknowledged the support she had received from Susan Macken.</p> <p>Susan Macken thanked the Board and Executive and acknowledged the progress and greater clarity of the organisation.</p>
CLOSE OF MEETING		The meeting closed with a karakia at 3.21pm.

READ AND CONFIRMED

_____ **Chair**

_____ **Date**

DRAFT

Chief Executive's Report

Document Author	David Rankin – Chief Executive (acting)
Date	22 November 2019

1. Overview

This report provides the board with a summarised overview of the activities, opportunities and issues facing the organisation.

This report is a public report, however confidential information is redacted. Information that has been redacted is indicated in **blue font**. Where redacted information exists, a reference to the section of the Local Government Official Information and Meetings Act 1987 (LGOIMA) will be cited in the publicly available version of the report.

2. Strategic matters

This section outlines issues that are not otherwise covered by a decision or information paper elsewhere in the agenda and relates to matters such as strategic priorities, strategic relationships and the macro environment.

2.1 CCO review, liaison councillor, CCO oversight committee

We have received the draft terms of reference (ToR) for the CCO review (Attachment 1). The ToR will be considered at the 26 November Governing Body meeting. Once the ToR has been agreed, council will look to appoint the independent panel members who will lead the review. It is hoped to make these appointments prior to Christmas.

The new liaison councillor role is intended to be the day-to-day political contact point between Auckland Council and the CCO boards. Councillor Fa'anana Efeso Collins has been assigned to Panuku as our liaison councillor. He is the councillor for Manurewa-Papakura ward. A "role description" is being developed by the CCO Governance team in collaboration with councillors and CCOs. We are advised that the liaison councillors do not start attending CCO board meetings until the role description is confirmed, possibly not until the new year.

The Governing Body has approved the council committee structure for the new political term. This includes a "CCO oversight" committee. The work programme for the CCO oversight committee is still being developed. There is likely to be one committee meeting prior to Christmas where the CCOs will be asked to discuss their Quarter 1 reports. In the new year, the approach may be modified to have a rolling programme of one or two CCOs coming in to discuss issues with the committee, rather than all appearing each month.

2.2 Tāmaki Vision Event

On 6 November Tāmaki Regeneration Company (TRC) hosted a Tāmaki vision event to share the refreshed masterplan for Tāmaki, creating a new vision for the area. The event was attended by delivery partners that TRC will continue to work with including Kāianga Ora, Panuku, Auckland Council, Auckland Transport and the local board.

The masterplan proposes a 25-year long-term strategy and pathway for transformational change, guiding the development of Tāmaki into the future to deliver the overarching vision for an "Inclusive Tāmaki". The masterplan outlines 14 key moves to deliver the regeneration outcomes sought for Tāmaki, addressing the social, economic, and housing opportunities for

the area. The aspirational plan includes the development of new neighbourhoods and communities, transport mode shift, upgrading schools and revitalisation of Glen Innes and Panmure town centres. Panuku plans for Panmure are aligned and contribute to the wider vision and we will continue to work with TRC on shared objectives

2.3 PwC review

Withheld from the public under S7(2)(h) of the LGOIMA.

2.4 Governance manual for Substantive Council Controlled Organisations

Auckland Council has updated the Governance Manual for substantive Council Controlled Organisations (CCO). The CCO governance manual is a guide to help council-controlled organisations navigate key relationships, accountability, reporting, decision making and strategies.

The table below provides a summary of significant updates to the Governance Manual.

Reference	Updates	Year of update
	Changes to introduction section, CCO accountability framework, financial governance, board governance, Māori Outcomes, Plans and Strategies.	2019
Appendix	Policies updated include:	
	<ul style="list-style-type: none"> • CCO Accountability Framework 	2018
	<ul style="list-style-type: none"> • Group financial policies 	2017-19
	<ul style="list-style-type: none"> • Board performance review framework 	2018
	<ul style="list-style-type: none"> • Requirements for Local Board Engagement Plans 	2018
	<ul style="list-style-type: none"> • Risk Management 	2018
	<ul style="list-style-type: none"> • Auckland Council Group Communication Framework and Action Plan 	2018
	<ul style="list-style-type: none"> • Te Pae Tāwhiti - workshop protocols 	2018
	<ul style="list-style-type: none"> • Principles for Council Strategies 	2018
	<ul style="list-style-type: none"> • LGOIMA Protocols 	2019

The manual has been uploaded to the Resource Centre of Board Books for directors' reference.

It is also available online: <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/council-controlled-organisations/Documents/governance-manual-substantive-ccos.pdf>

3. Panuku organisational changes

3.1 Organisational structure change update

Withheld from the public under S7(2)(h) of the LGOIMA.

4. Property management portfolio

Execution of Deed of lease under delegation – Takapuna Campground forming part 22 The Promenade

Takapuna Campground forms part of the Takapuna Beach Reserve. The Panuku Board has previously been advised on the complex history of this site and the process for the Devonport-Takapuna Local Board (DTLB) to confirm the future use of the site as a redeveloped holiday park.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

5. Operational performance reporting

5.1 Monthly performance dashboard

Withheld from the public under S7(2)(h) of the LGOIMA.

5.2 Quarter One report to Council

Withheld from the public under S7(2)(h) of the LGOIMA.

5.3 Waterfront Awards

In November the Transform Waterfront programme won the “Best Team” award at the Auckland Property Council’s People in Property Awards. A group of women representing the whole waterfront programme accepted the award on behalf of all the people who have been involved in Transform Waterfront, past and present, for all their hard work getting the location to where it is today. The judges said, “This team demonstrates that long term successful delivery in property involves focusing on the team to deliver a diverse range of outputs.” A morning tea was held for staff to celebrate at Panuku.

Former Councillor Penny Hulse received the Rider Levett Bucknall award for outstanding leadership and the Supreme Excellence Award. The judges said, “Penny’s role and influence at the highest levels of Auckland City governance have been exemplary. She had the ability to garnish support across the political spectrum to focus on the best outcomes for Auckland’s built environment especially through her leadership role in all phases on the Unitary Plan” and “In contrast to the somewhat negative and shallow dealings the property industry has with some politicians, the judges have observed many years of considered and intelligent governance from Penny.”

5.4 Media and digital summary

Leave and resignation of Panuku Chief Executive

Key Auckland media, including NZ Herald and Stuff.co.nz, covered the leave period in October and resignation of Panuku’s Chief Executive on 1 November. A media release was issued to advise of the resignation, as well as being published on Panuku’s own channels.

NZIA Awards

Two Panuku partner projects won significant NZ Institute of Architects Awards over the weekend and this has been covered by all major outlets on 10 November, including [One News](#), [Stuff.co.nz](#) and [NZ Herald](#). Warren and Mahoney Architects won a commercial award for 12

Madden Street and Architectus won the Sir Ian Athfield Award for Housing for the Wynyard Central East 2 housing precinct.

Risks in a softening property market

Interest.co.nz published a story based on Panuku's October board paper from the portfolio management team about the cooling property market and the challenges associated with this. It also covered our work with crown agencies.

Hobsonville Marina

The Sunday Star Times published a substantial feature on Hobsonville Marina on 20 October. Panuku provided a statement attributed to COO David Rankin. No decisions on the future of the marina will be made until a Marina Strategy is developed by Auckland Council.

Franklin Markets - Pukekohe

Stuff.co.nz published a story on 23 October about Panuku working closely with the operators of Pukekohe's Franklin Markets, as part of Unlock Pukekohe, to secure the market's future.

South Auckland hub

The NZ Herald reported on the Government Property Group and opportunities to co-locate government services in Manukau on 19 October. Panuku advised the reporter that we are awaiting direction from the group about potential opportunities.

Most influential people in Auckland politics

Panuku Board Chair Adrienne Young-Cooper and Director Paul Majurey were named in Simon Wilson's top 25 most influential people in Auckland politics, published in the NZ Herald on 15 November.

Health and Safety Report

Document Author(s)	Blair McMichael – Health and Safety Manager
Approver	Carl Gosbee – Chief Financial Officer
Date	7 November 2019

1. Purpose

This paper is a monthly update to the board on progress against key health and safety objectives from the Health and Safety Plan 2019/20, recent incidents, the monitoring and management of risks, and staff wellbeing.

2. Executive summary

During the month a single near miss was reported when plywood from the adjacent development site, Park Hyatt, was collected by the wind and dumped within the viaduct marina. Across the year the Panuku monthly incident frequency rates show a decline, below that of the industry comparative reported by the NZ Business Leaders Forum.

Work continues in implementing Noggin, a replacement support software for health and safety, and risk, with ICT security gateways being the current focus.

We experienced the effects of the Sky City Convention Centre fire which involved regular air quality monitoring, contingency working from other locations, and regular communications to ensure the health and wellbeing of Panuku staff. This event resulted in the business applying aspects of our Business Continuity Plan, BCP, and will be reflected in a lessons' learnt report to be completed by the Panuku Risk Manager in November.

We continue to drive ConstructSafe training into the business.

The Panuku Health and Safety Committee met in October considering aspects of health and safety training, incident reporting, wellness and the drafting of the health and safety charter. During November the committee will seek to reconfirm its charter, agree a common health and safety policy (with Auckland Council) and renew the business health and safety critical risks.

The board report highlights significant project health and safety risk reporting particularly during the 'delivery' of physical works.

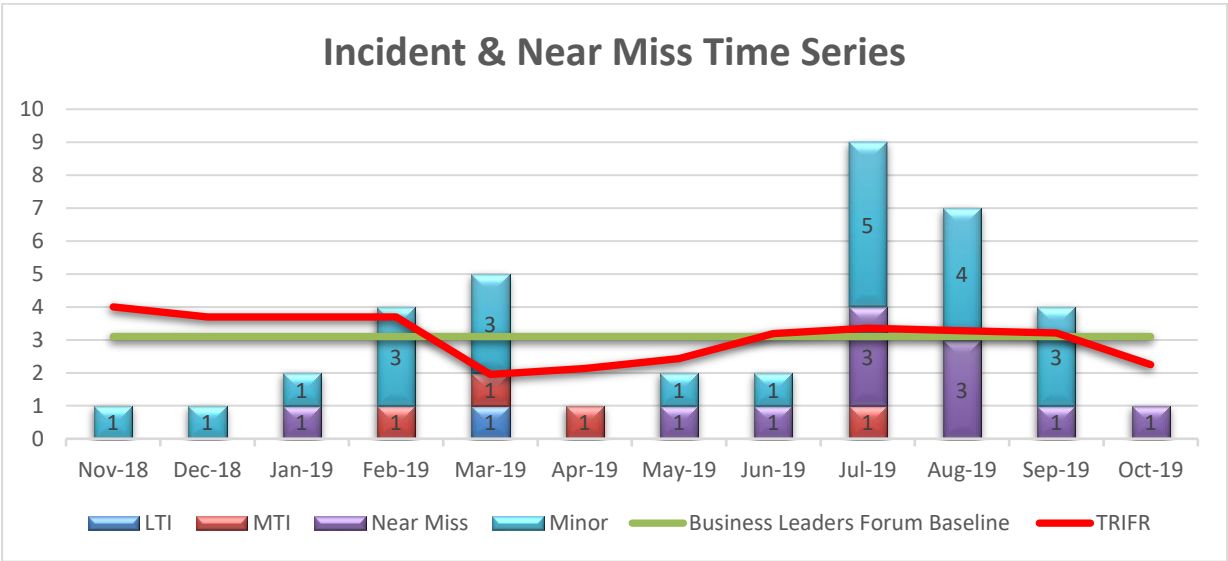
3. Health and safety key performance indicators

We track our health and safety key performance indicators (KPIs) which represent both lead and lag indicators, as outlined below.

3.1 Incidents and near misses

During the month we recorded only one near miss. The near miss was reported as three plywood 'hoardings', insufficiently braced at the Park Hyatt development site which were blown into our marina operations space in the Viaduct Harbour, striking a marina power pedestal. The incident had the potential to injure Panuku staff or members of the public, as it impacted on a space managed by Panuku. Since this incident, the site contractor has secured all hoardings to each other and to the building exterior to ensure no future recurrence.

Figure 1. Events: Incidents and Near Misses (Lag Indicator)



TRIFR Total Recordable Incident Frequency Rate; **MTI** Medical Treatment Injury; **LTI** Lost Time Injury

Figure 1 (above) shows the Panuku Total Recordable Incident Frequency Rate (TRIFR). Our TRIFR (2.5) results are below those of the NZ Business Leaders Health and Safety Forum benchmark TRIFR of 3.1. Leading up to the Christmas break the construction industry historically shows an increase in the number of incidents. This may be attributed to increased fatigue, time pressures and other mindful distractions. As such, we will be looking to increase the level of communications to our construct partners at this time, including the need to secure the sites and maintain vigilance around drug and alcohol use, to ensure Panuku act proactively.

3.2 Project health and safety risks by phase

We continue to extend our project health and safety reporting and now cover the Initiate, Plan and Deliver phases of Panuku's projects. The graph metrics are leading indicators of health and safety activity, and engagement throughout a standard project lifecycle. The information from these graphs provides enhanced monitoring of Panuku's health and safety management of the higher risk projects and contractor health and safety.

During October, we continued to work closely with the delivery project managers on the initiate and plan phases of project health and safety activities and guide them on Panuku's engagement and reporting responsibilities, as a leading PCBU. We consider that our reporting will improve as we upload all remaining guidance and supporting templates to the Project Management Framework SharePoint site. This work is intended to be completed during November.

In November we will extend reporting to provide a snap-shot around the completion of monthly reporting and monitoring undertaken on each project, where physical works are delivered through Panuku.

Graph Definitions

Initiate: Initiate is when the project is moving from a concept into reality, preliminary planning is underway to determine how and when and what to deliver.

Plan: Plan is when the project planning is detail focused for a lot of the key project attributes including design, procurement and scheduling.

Deliver: Deliver or delivery is when the project has moved into doing and the project plan is being turned into action. Delivery reflects actual site physical works

H&S Risk: This column heading reports that a delivery project manager has reported multiple risks for one or more projects. i.e. Asbestos contamination, construction health and safety (working at height, excavations, plant and equipment).

Documents: These are the H&S documents associated with a project. This may include the health and safety risk register, review and monitoring of safety, business cases and project execution plan relevant to demonstrate compliance with the CMF. It also includes the design safety report and any other relevant design information for safety in design.

Development and Project H&S Activity

Each project should have a safety in design risk in the initiate and plan phases and a construction H&S risk in the deliver phase. These three phases are reported on in figures 2,3 and 4 below. Additionally, each project should have multiple documents. The project H&S documents and the supporting information they contain show the detail, including the how and when Panuku met its H&S obligations.

Caveat: Project H&S information limitation

When reporting on project H&S information the Health & Safety team report on the quantity of H&S information provided within the reporting tool Sentient, not the quality. Data quality attributes: accurate, comprehensive, valid, relevant and timely. Employee feedback and anecdotal evaluation is that there are issues with the quality of H&S data.

Figure 2. Health and safety risk: Project Initiate Phase

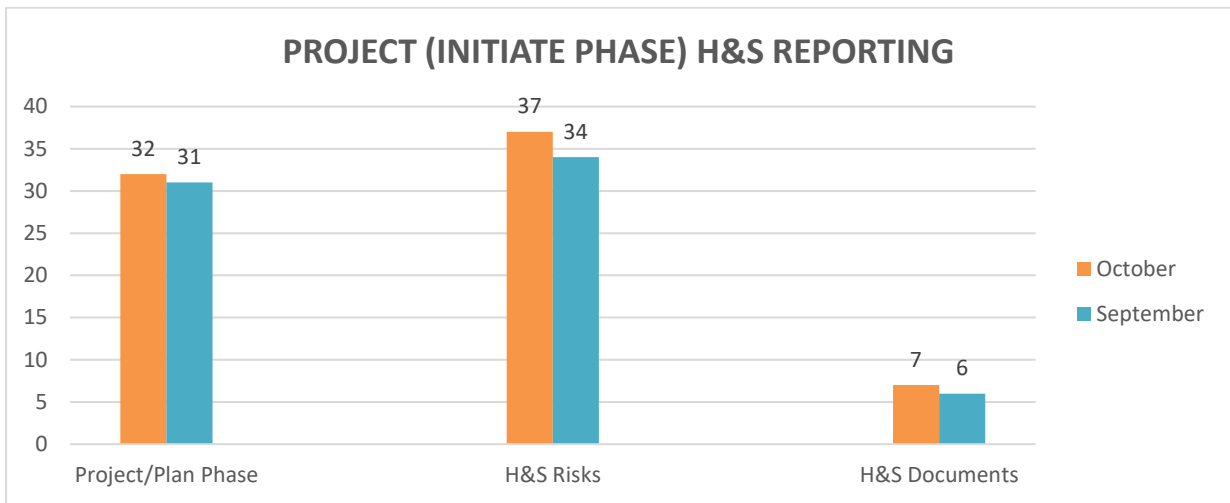
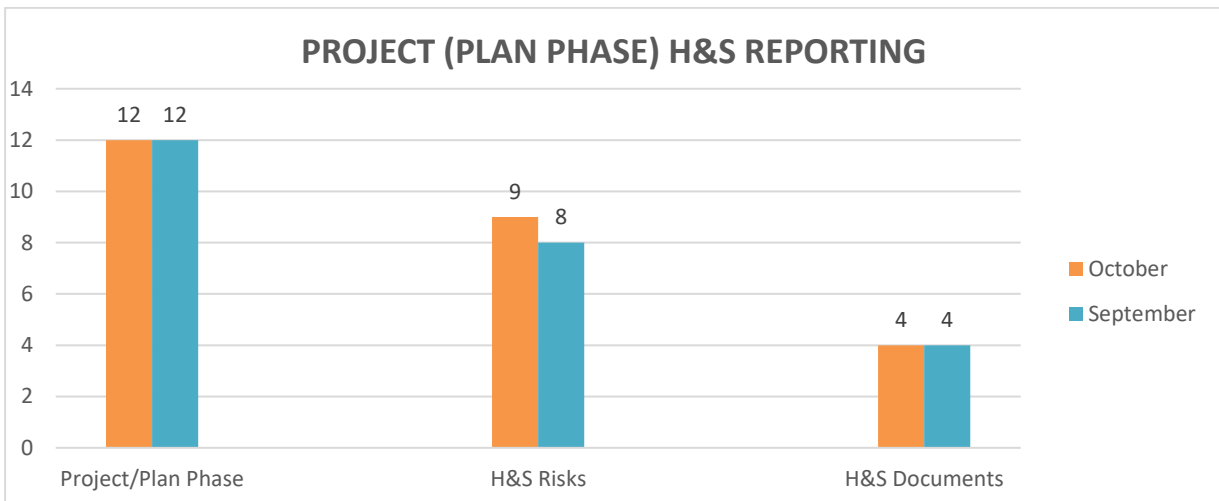
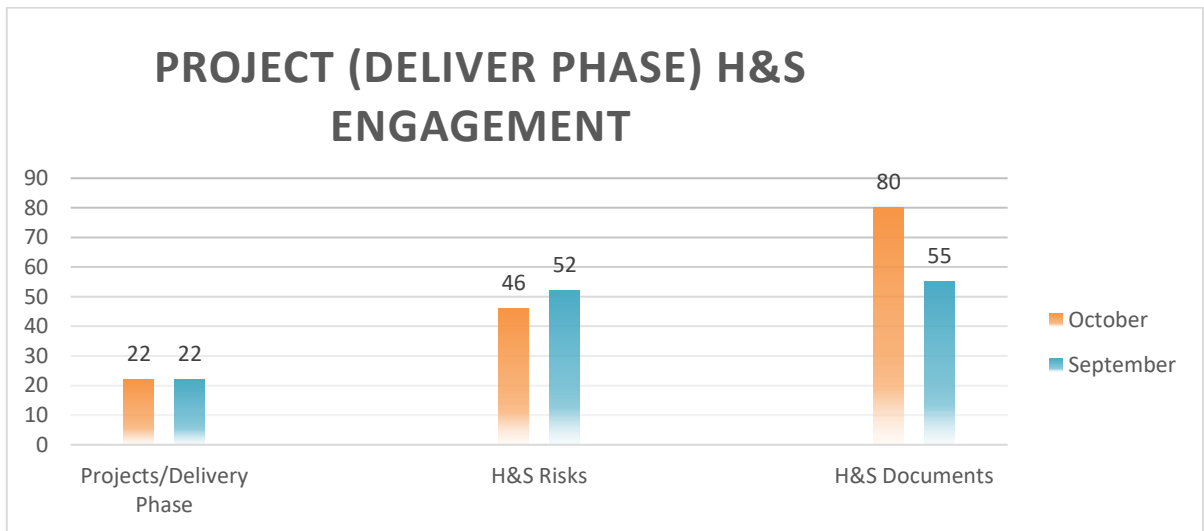


Figure 3. Health and safety risk: Project Plan Phase



Panuku is nearly static in terms of its project plan and initiate phases with health and safety engagement reporting progress this month. This can be seen clearly in the comparative metric for September and October in Figures 2 and 3. There is a recognition of the risks associated with initiate and planning stage activity; negatively there seems to be limited formal documentation to support our H&S activity. A possible contributor to the lack of documentation, based on anecdotal feedback from delivery project managers and coordinators, is that they are unclear as to what is required of them and what constitutes initiate phase H&S documentation. H&S have been collaborating with the PfMO lead developing a new Sharepoint site and have provided a significantly more holistic and comprehensive library of project phase guidelines, tips and exemplar documentation for delivery project managers. The new PfMO site has only just gone live and it will take time to determine the impact of this new knowledge-base on project managers health and safety engagement.

Figure 4. Health and safety risk: Project Deliver Phase



An easy comparison between the September and October H&S metrics in Figure 4 illustrates that Panuku deliver phase H&S engagement is continuing to trend positively, with a significant increase in the quantity of H&S documentation being uploaded to Sentient in support of our project H&S activity. The graph illustrates that we are continuing to improve our deliver phase H&S and are becoming more experienced in the documentation of our H&S activity, monitoring and audits.

4 Corporate H&S risks

In October our central business operations were indirectly affected by the Sky City international Conference Centre fire. No Panuku staff or worker's health and safety was affected by the fire, smoke or fumes.

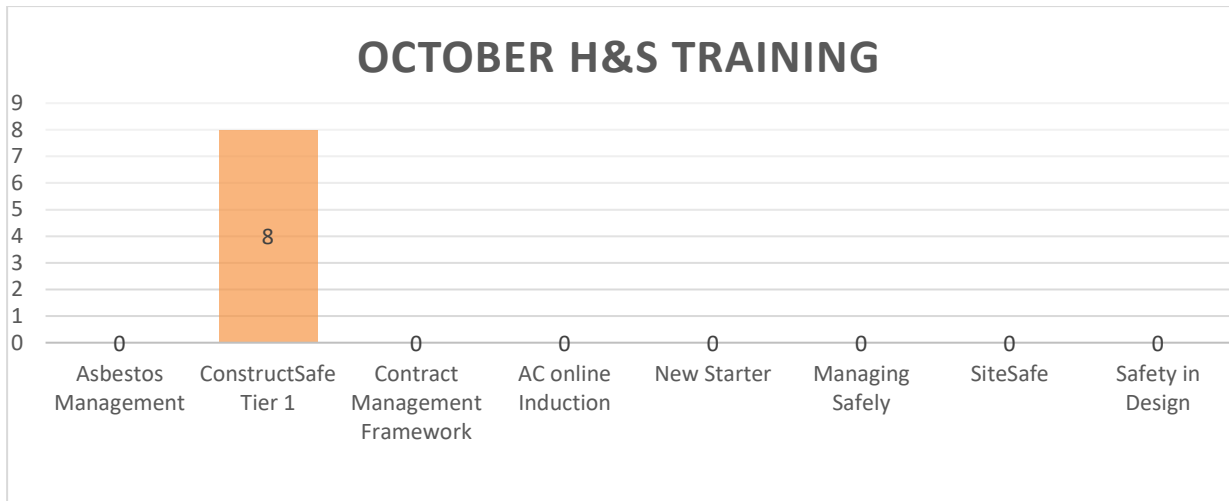
During the event we undertook regular monitoring around the Panuku main office and had the building maintenance provider test the air-conditioning unit with contingency planning around the air quality should the wind direction and smoke affect the building. We provided direction to our marina operations, kiosk and placemaking activities affected by the smoke plume. As part of our business continuity planning multiple communications were sent out by the Health and Safety Manager, People and Culture Communications Advisor, and the Acting Chief Executive. These communications provided Panuku staff with information around our office air quality monitoring results, our approach to working from home, air quality within other council operated buildings, traffic disruptions, and recognition of some staff who had increased levels of sensitivity to any change in the building air quality, including staff with existing respiratory conditions such as asthma.

The Sky City fire provided the business with opportunities to improve our timeliness of communications and ensure regular trialling and currency of our business continuity plan. These points will form part of a lessons learnt report to be drafted by the Panuku Risk manager to our executive in November.

5 Competent and engaged people

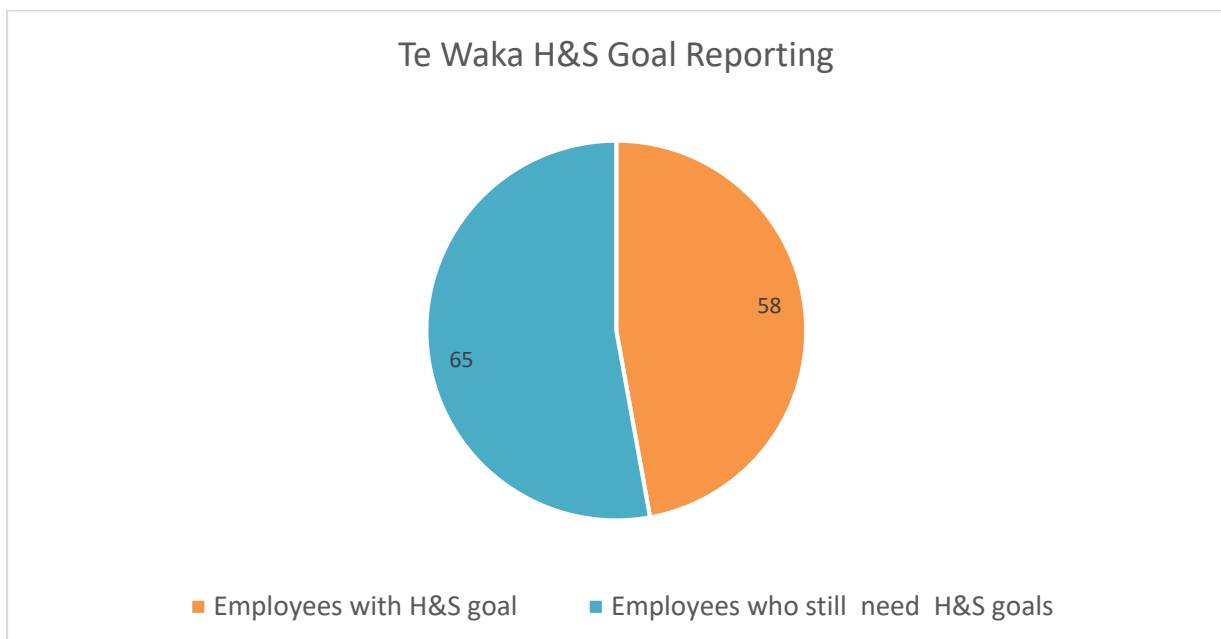
Figure 5 provides an overview of October's health and safety training, by course type. We continue to work with the executive and directly with staff to ensure that the employees who need ConstructSafe competency have attended an evaluation session prior to December. In November, H&S are running the first of Panuku's situational management in public forums training sessions, after employee feedback asking for additional skills to help manage difficult or fractious situations. H&S have collaborated with the head of engagement in developing these sessions and aim to provide Panuku employees with a comprehensive range of tools for managing conflict in these contexts.

Figure 5. Training: Competent and engaged people (Lead Indicator)



6 Te Waka Goals

As part of the annual H&S plan for FY 2020, one of the deliverables for Panuku was the addition of function specific Te waka H&S safety goals for employees who are people leaders, visiting construction sites, working on marina's et al. Three months after introducing these individual H&S goals, 47% or 58 of 123 employees have completed adding a specific H&S goal to their Te Waka performance measures. The ELT are aware of this issue and are following up with there respective people leaders.



7 Health and safety management systems

Following on from last month, and the programme of work aimed at improving our health and safety and risk management software support, we continue to work with the Auckland Council ICT supplier team on meeting their security requirements. We also continue progress in establishing a contract working closely with the Council procurement team. Both items are intended to be resolved in November to allow the software implementation to begin.

8 Panuku staff wellness

The Panuku Health and Safety committee meet early in October. The committee covered multiple issues including the updating of training registers for each directorate, appointment of a new committee member, drafting and review of the health and safety charter, and priority communications including measles, mental health, and the NZ Shakeout trial.

The committee will be ratifying the Panuku health and safety charter in November; reviewing the existing Auckland Council and Panuku health and safety policy – to agree a single policy which will go to our executive and Board for approval; and setting a date to review our health and safety critical risks.

Information Paper: Board forward work programme for 2020

Document Author(s)	Kingsha Changwai – Manager Planning and Reporting Martha Tong, Head of PMO Jenni Carden – Executive Officer/Company Secretary
Reviewer	Brenna Waghorn – GM Strategy and Planning
Date	14 November 2019

1. Purpose

The purpose of this report is to inform the Board on the company’s key planning activities of the company for the 2020-21 year.

2. Executive Summary

The company key planning activities and dates are provided to the Board for information. Activities include the Statement of Intent, Corporate Business Planning, and priority location plans as a key part of the business plan and budget.

We have worked to smooth the forward work programme but ensure that the Board maintains sufficient oversight of the priority location programmes prior to approving annual budgets. For the remainder of this financial year the forward work programme is primarily based around technical work and key programme decisions the Board will need to make. Each Board meeting will involve a ‘deep dive’ into one or two programmes, and approval of a summary business case document.

The attached calendar view provides key dates for Board activity and decision making and forms part of the Board forward work programme.

3. Discussion

Statement of Intent

The SOI is Panuku’s accountability agreement with the Auckland Council. The SOI publicly states the activities and intentions of Panuku Development Auckland (Panuku) for the next three years and the objectives that those activities will contribute to. This SOI includes performance measures and targets as the basis of company’s accountability to the shareholder.

The process for developing the SOI has started and the planned outputs and key dates are noted as follows:

- New SOI Performance measures discussion at the ARC meeting **18 November 2019**, providing manage guidance on the new SOI performance measures

- Mayor's Letter of Expectation (LOE) containing shareholder expectations and priorities to be addressed in the new SOI (**early December 2019**)
- Draft SOI and Budget approved by the Board **19 Feb 2019**
- Draft SOI submitted to the shareholder by **28 Feb 2020** (*legal requirement*)
- Shareholder feedback by **30 April 2020** (*legal requirement*)
- Shareholder issues addressed **May 2020**
- Final SOI approved by the Board **17 June 2020**
- Final SOI submitted to Council **30 June** (*legal requirement*)

Corporate Business Plan

The Business Plan 2020-21 is a key document that will guide and drive the performance of Panuku in the 2020-21 year. The Corporate business plan will contain a summary significant information for the business such as strategic opportunities, priority location key metrics such as total capital expenditure, property management and other business metrics and initiatives and a summary of the financial budgets for the year.

The process for developing the Corporate Business Plan and Budgets for the 2020-21 year has started and the outputs and dates are noted as follows:

- Instructions for planning and budgeting to the Business provided to the Business in **November 2019**
- Business units and Programmes complete their business plan priorities and budgets by **end January 2020**
- Draft business priorities and budgets are identified for modifying the LTP 2020-21 budgets
- Draft budgets approved by the Board **19 Feb 2020** to be submitted for the council's annual plan process
- Council provides feedback on Panuku budgets **April to May 2020**
- Corporate Business Plan and Final Budgets approved by the Board **June 2020**

Priority Location Planning (including Master Planning)

We are proposing a phased approach to the annual review and approval of programmes of activity in the priority locations, and an annual allocation of budget to each programme (February to Council and June to programmes).

This approach is intended to allow the Board to spend more time reviewing current and proposed activity in each location. Each location will be reviewed on a rolling cycle, which is documented in the attached board work programme.

At each programme review (deep-dive) the Board will have available in the resource centre the full programme business case and all supporting documentation, including market information and master planning, This information will be reviewed each year so that it remains current, and fully re-visited every three years to align with the council annual and long term plan funding cycles.

The board will be asked to approve a **summary** of the programme business case, which will include key elements of master planning, commercial feasibility, financial impact and delivery programme.

In February each year the Board will be asked to approve the annual budget to council, which is for the entire portfolio of projects, and in June it will be asked to approve the funding to each location (programme). This approval will be supported by information on the projects in each location, including capital projects and development activity.

A number of locations are undertaking a variety of spatial planning and market testing activity, and as this work is completed programmes will be brought to the Board. Those with the most significant spatial planning, such as the Waterfront, are prioritised ahead of the June allocation of annual budget and confirmation of long-term plan bid.

The Board has already reviewed in detail Northcote, Manukau and Avondale. The remaining programmes are spread over the remainder of the calendar year. These dates are draft, particularly for those later in the calendar year. Dates are dependent on market activity, partner approvals and technical work and if the Board needs to make significant decisions on any location, the refresh of the programme will be moved to align with that decision. For example, Manukau may be brought forward to address any significant changes in the role of the crown.

The key dates are as follows:

- Approval of the annual budget to Council, and approval of Onehunga and Hobsonville in February 2020
- Approval of Panmure and Henderson in March 2020
- Approval of Haumaru and Papatoetoe in April 2020
- Approval of Waterfront and Pukekohe in May 2020
- Approval of the priority location portfolio annual allocation of funds 17 June 2020 (as per business planning, above)
- Approval of Takapuna and Avondale in August 2020
- Approval of Manukau and Optimisation in September 2020
- Approval of Northcote and Ormiston in October 2020
- Approval of Supports and AT assets in November 2020

Attachments

- Attachment 1 – Board work programme 2020

Board work programme 2020

	Jan	19 Feb	18 Mar	22 Apr	20 May	17 Jun	Jul	19 Aug	23 Sep	21 Oct	18 Nov	16 Dec
Board meeting location		Onehunga	Panuku office	Takapuna	Panuku office	Panuku office		Avondale	Panuku office	Pukekohe	Panuku office	Off-site
Stakeholder engagement		Maungakiekie-Tamaki Local Board	Haumarū Board TBC: Auckland Council Governing Body	Devonport-Takapuna Local Board	Waitematā Local Board	Rangatira		Whau Local Board	IMSB	Franklin Local Board	Rangatira	
Priority Location Committee		Onehunga tour	Optimisation? + Haumarū?	Takapuna tour	No meeting (extended deep dive)	No meeting (Rangatira)		TBC	TBC	TBC	No meeting (Rangatira)	
Priority location deep dive (PBC review)		<ul style="list-style-type: none"> Onehunga (30) Hobsonville (30) 	<ul style="list-style-type: none"> Panmure (30) Henderson (30) 	<ul style="list-style-type: none"> Haumarū (30) Papatoetoe (30) 	<ul style="list-style-type: none"> Waterfront (60) Pukekohe (60) 	<ul style="list-style-type: none"> Portfolio (90) 		<ul style="list-style-type: none"> Takapuna (30) Avondale (30) 	<ul style="list-style-type: none"> Manukau (30) Optimisation (30) 	<ul style="list-style-type: none"> Northcote (30) Ormiston (30) 	<ul style="list-style-type: none"> Supports (30) AT assets (30) 	
Annual reporting	No meeting	<ul style="list-style-type: none"> 31 December 2019 Half Year Financial Statements Draft SOI to council Draft Annual Plan (budget) to Council SOI targets for 2020-2021 to be recommended to council (draft) 		<ul style="list-style-type: none"> Audit New Zealand proposal Annual report direction 	<ul style="list-style-type: none"> Dividend payment to Auckland Council SOI targets and performance measures for 2020-2021 to be recommended to council (final) 	<ul style="list-style-type: none"> SOI 2020-2023 Annual Business Plan 2020-2021 Business Strategy (refresh) Programme Business Cases – Portfolio decision Annual Plan (budget) LTP bid to Council Gateway Objectives 2019-2020 (achievement) Gateway Objectives 2020-2021 (setting) Audit representation letter for annual audit 		<ul style="list-style-type: none"> Annual report 2019-2020 (confidential) 		<ul style="list-style-type: none"> Annual report 2019-2020 (public) 		Strategy day
Performance reporting		<ul style="list-style-type: none"> People & Culture Priority Location Portfolio (Q2) Property Management Portfolio (Q2) Financial (Q2) Risk (Q2) Disposals programme Projected housing supply 	<ul style="list-style-type: none"> Property Market 	<ul style="list-style-type: none"> Priority Location Portfolio (Q3) Property Management Portfolio (Q3) Financial (Q3) Risk (Q3) Disposals programme Projected housing supply 		<ul style="list-style-type: none"> Property Market 		<ul style="list-style-type: none"> People & Culture Priority Location Portfolio (Q4) Property Management Portfolio (Q4) Financial (Q4) Risk (Q4) Disposals programme Projected housing supply 	<ul style="list-style-type: none"> Property Market 	<ul style="list-style-type: none"> Priority Location Portfolio (Q1) Property Management Portfolio (Q1) Financial (Q1) Risk (Q1) Disposals programme Projected housing supply 	<ul style="list-style-type: none"> Property Market 	
Compliance reporting		<ul style="list-style-type: none"> Divestment strategy update Grants and donations report Board committee structure and membership 	<ul style="list-style-type: none"> Risk workshop Quarterly report to council (Q2) 		<ul style="list-style-type: none"> Quarterly report to council (Q3) 		<ul style="list-style-type: none"> Policy update Grants and donations report 	<ul style="list-style-type: none"> Quarterly report to council (Q4) 	<ul style="list-style-type: none"> Board review follow up 			

Decision Paper: Transform Waterfront, Westhaven Pile Berth Redevelopment project

Document Author(s)	Lance Furniss – Senior Project Manager Jamie Faull - Manager Project Delivery - Waterfront
Reviewer	Katelyn Orton - Project Development Director - Waterfront
Date	15 November 2019

1. Purpose

To seek board approval for progressing the Westhaven Pile Berth Redevelopment project.

2. Executive summary

The Pile Berth Redevelopment project (Pile Berth project) will replace the existing under-utilised pile moorings in Westhaven Marina with new modern berths to improve the profitability, quality, and public amenity of the marina. The development has an approved resource consent, and a total allocated budget *withheld from the public under S7(2)(h) of the LGOIMA*.

Withheld from the public under S7(2)(h) of the LGOIMA. As the board will be aware, an extended resource consent process, complicated by challenges to primacy and agreements on co-governance, has delayed implementation of the project. The Resource Consent was granted 20 December 2018, with a subsequent section 116 appeal for commencement of the project, allowing it to proceed separately from the primacy challenge.

Following a review of the project in September 2019, an external cost estimate was commissioned for the project. *Withheld from the public under S7(2)(h) of the LGOIMA.*

In order to manage the difference in project cost compared with allocated budget, the project team propose to phase the project by deferring construction of approximately half the berths, and minimising initial landscaping design to meet Resource Consent requirements only (phase 1). The intention is to apply for additional funding as part of the next LTP funding process to complete the second pier and enhance the landscaping (phase 2). We expect that phase 2 to be considered favorably for LTP funding due to providing a commercial return.

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA.

Not proceeding with the project now will prevent delivery of 99 car parks required to replace those lost through the marine village and promenade stage 2 projects. It will also have implications for the reclamation costs, which currently include Panuku receiving dredging material *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA.*

3. Recommendations

The Panuku Board approves an allocated budget *withheld from the public under S7(2)(h) of the LGOIMA* to proceed immediately with phase 1 of the Pile Berth project, which incorporates: the reclamation, pier 1, and minimised landscaping.

4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
3 June 2014	Decision Paper Westhaven Pile Moorings Business Case	Resolved that: The Board approves Stage 1 of the project to redevelop the pile moorings area of the Westhaven marina <i>withheld from the public under S7(2)(h) of the LGOIMA.</i>
25 March 2014	Information Paper : Staged Redevelopment of the Pile Mooring Area	Received.
28 August 2013	Decision Paper (Approval): Westhaven Plan	Resolved that: (i) The feedback from the consultation on the draft plans for Westhaven and the results of the post-consultation technical analysis regarding car parking be noted by the Board and provided to the shareholder; (ii) The Board approves in principle the recommended way forward for implementation of the first phase of development for Westhaven which includes the Promenade (Stage 1), Marine Centre (Stage 1), Y Pier extension, and Pile Mooring redevelopment; (iii) The Board approves the projects, timeline and budgets set out in Section 8 of this paper and the finalisation of the Westhaven Plan for public distribution in September/October; (iv) The final Westhaven Plan be provided to Auckland Council's Auckland Plan Committee.
29 May 2013	Attachment to the Board papers: Consultation highlights on the draft plans for Westhaven	Received
26 February 2013	Board report: Draft Plans for Westhaven	Resolved that the Westhaven Plan, as amended, and supporting programme business case be approved and the Plan be released as a basis for stakeholder consultation.
7 November 2012		Received and agreed with amendments
10 June 2012	Presentation: Westhaven MLTDP Update	Received

5. Discussion

Background

The Westhaven Marina Pile Berth project is the first stage of the redevelopment of the pile mooring area at Westhaven (see figure 1) to significantly improve the profitability, quality, and public amenity of the marina. This area of the marina is considered suitable for redevelopment since it is currently under-utilised and has deep water suitable for larger vessels. The area is held by Panuku under a full rental model separate from the Trusts making it more straightforward to redevelop.

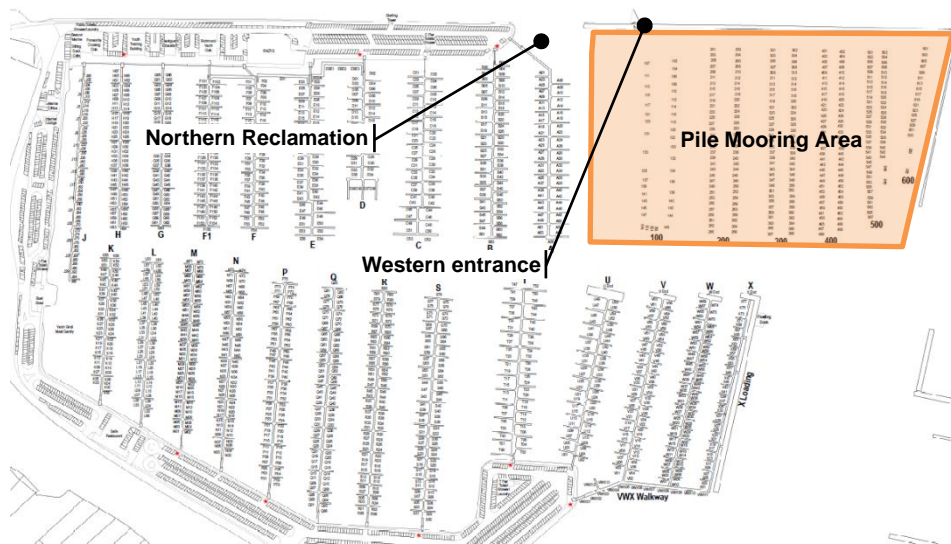


Figure 1 Westhaven Marina with pile mooring area in orange

Ultimately the intention is to replace all pile moorings with new modern berths, however a staged approach to development is proposed. This project is the first stage and will replace the first two rows of pile moorings with approximately 100 new modern berths while retaining 200 low cost moorings. It includes extending the northern reclamation and closing the western entrance (see figure 1), creating a new landscaped public area and car parking.

Replacing the pile moorings with new berths will improve revenue for the marina by replacing under-utilised moorings with higher rate, and in demand, berths (see table 1 for current berth waitlist). The extension of the reclamation will reduce the vulnerability of the marina to storm events and sea level rise, reduce marina sedimentation, create the replacement car parks required as part of the marine village development, and provide a new public space and promenade.

Berth Type	Applicants
12m	29
14m	35
16m	56
18m	54
20m	30
22m	11
24m+	4
Multihull	26
Commercial	14

Table 1 Westhaven Marina berth waitlist

Previous board advice

As identified in Section 4, previous papers have been presented to the (then) board in relation to this project, the last being in June 2014. The board at that time resolved to approve progressing the project *withheld from the public under S7(2)(h) of the LGOIMA*. Subsequent to that approval, the project has progressed slowly, and the financial assumptions and cost estimates have changed over that time. An updated cost estimate was prepared as part of a Detailed Business Case presented to the Portfolio Steering Group (PSG) in April 2019. The estimate was *withheld from the public under S7(2)(h) of the LGOIMA* based on the original 2014 estimate, with allowances for cost escalation, and savings from new source of mudcrete material. *Withheld from the public under S7(2)(h) of the LGOIMA*.

The April draft business case was not approved by PSG, and additional information on clarity of staging and costs was requested. A review of the project design, financials, programme and project management was undertaken incorporating an external QS review and is presented below.

Proposed design

The reclamation, carpark and landscaping design are presented in figure 2 and 3. The carpark and landscape design is at conceptual level, and is what was presented in the resource consent application.

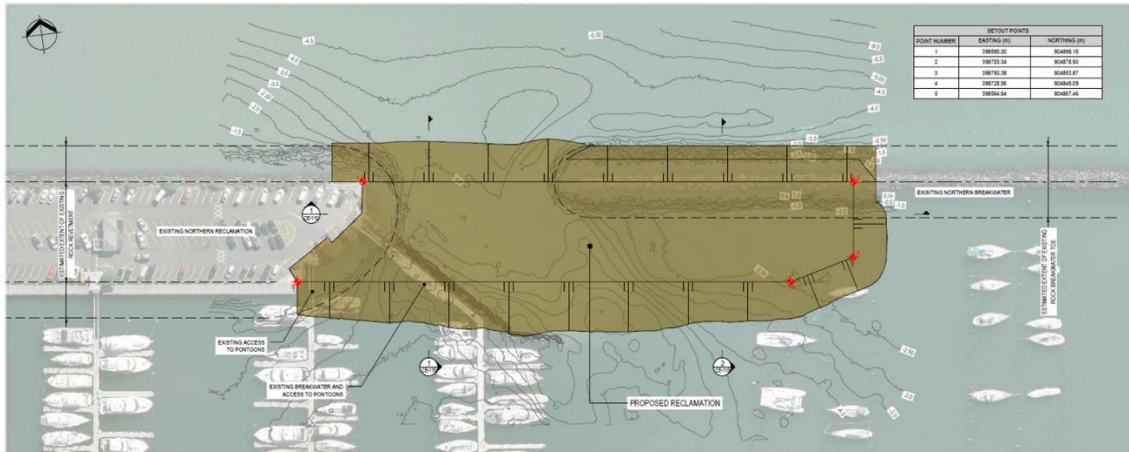


Figure 2 Reclamation design

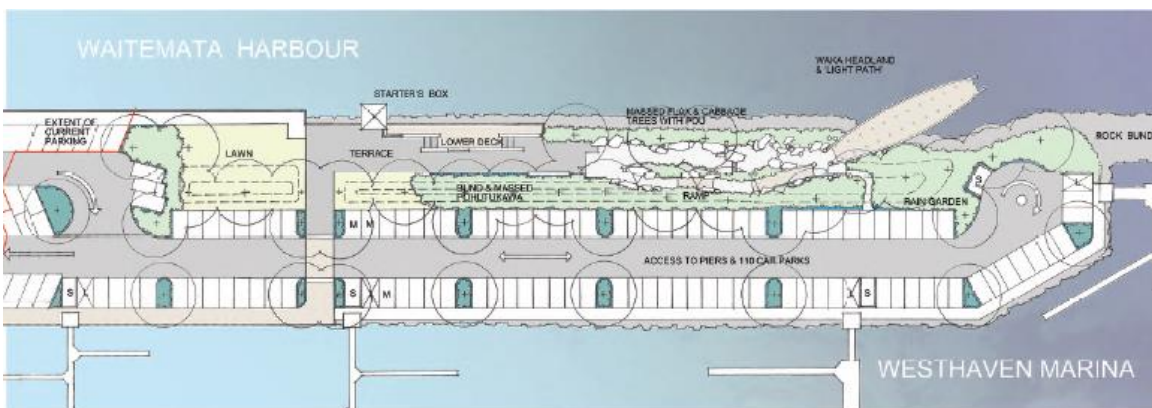


Figure 3 Carpark and landscape design

The current proposed berth layout is presented in figure 4. This layout has been prepared to provide efficient design and take account of future extensions, vessel size trends and most importantly the current vessel waitlist.

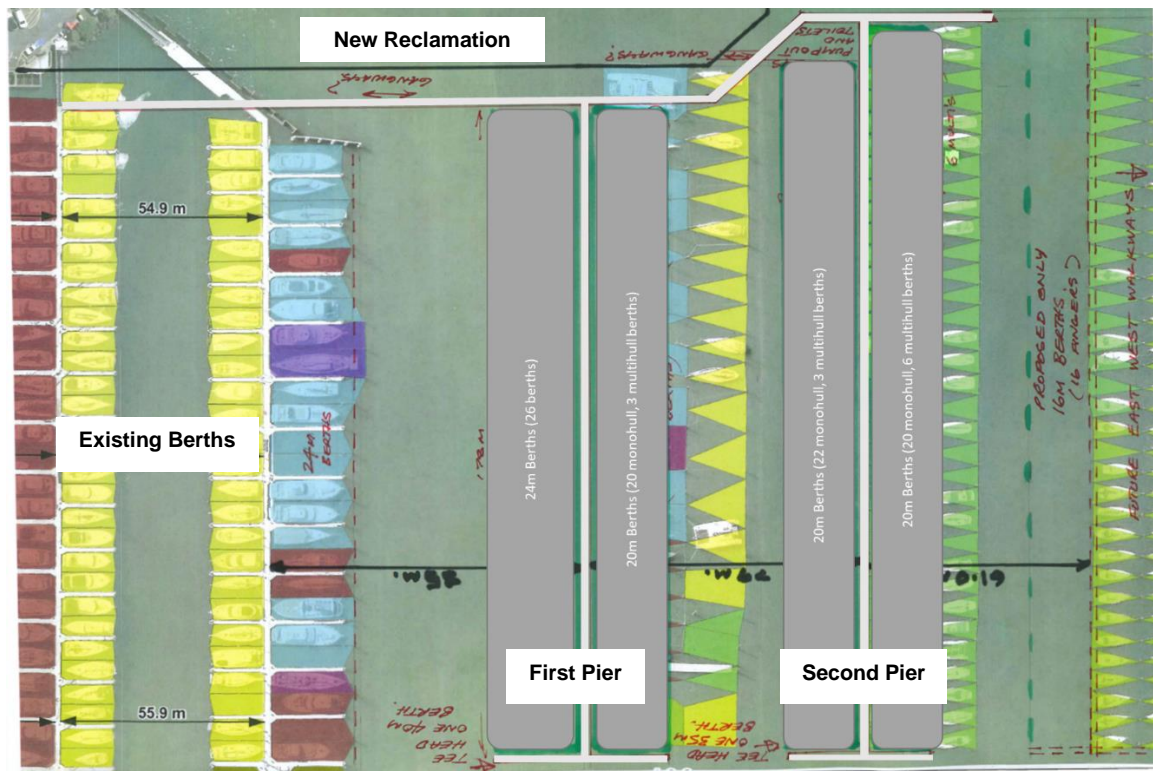


Figure 4 Proposed berth layout

Dependencies/constraints

The key dependencies and constraints for the project are:

- Construction of 110 carparks provided by this project are required to replace 99 carparks as part of the mitigation for the Marine Village project and Promenade Stage 2.
- Reclamation needs 12 months to settle before permanent civil and landscaping works can be undertaken.
- Completion of the reconfigured J-pier (already funded) is to be completed in advance to provide berths for boats which need to be temporarily relocated for the reclamation works.
- Phase 1 berths (First Pier) to be completed in advance of AC36 to take advantage of berth demand (opportunity).
- Current allocated budget *withheld from the public under S7(2)(h) of the LGOIMA* allocated for the next three financial years in the programme.
- Using dredging material from other sources (Half Moon Bay) for mudcreting – reduces cost but requires that we meet their timeframes for availability.

Cost Estimate

An external cost estimate based on the designs as presented in figures 2 – 4, has been prepared by Bond CM cost estimators, with additional input from the project team and marinas staff. The estimate is summarised in table 2 in the format of the previous cost estimate for comparison.

Withheld from the public under S7(2)(h) of the LGOIMA

The project costs include approximately *withheld from the public under S7(2)(h) of the LGOIMA* in costs to date associated with resource consent, design, and external project management.

A summary of the current cost estimate is presented in figure 5 separated into the main components.

Proposed Phasing

Due to the difference in estimated costs and allocated budget, the project team's proposed way forward with the development is to phase construction.

The physical scope of the proposed phasing is presented in figure 6. The reclamation and first pier would be delivered prior to AC36 and the construction of the second pier deferred until if/when additional funding is approved through the LTP funding process.

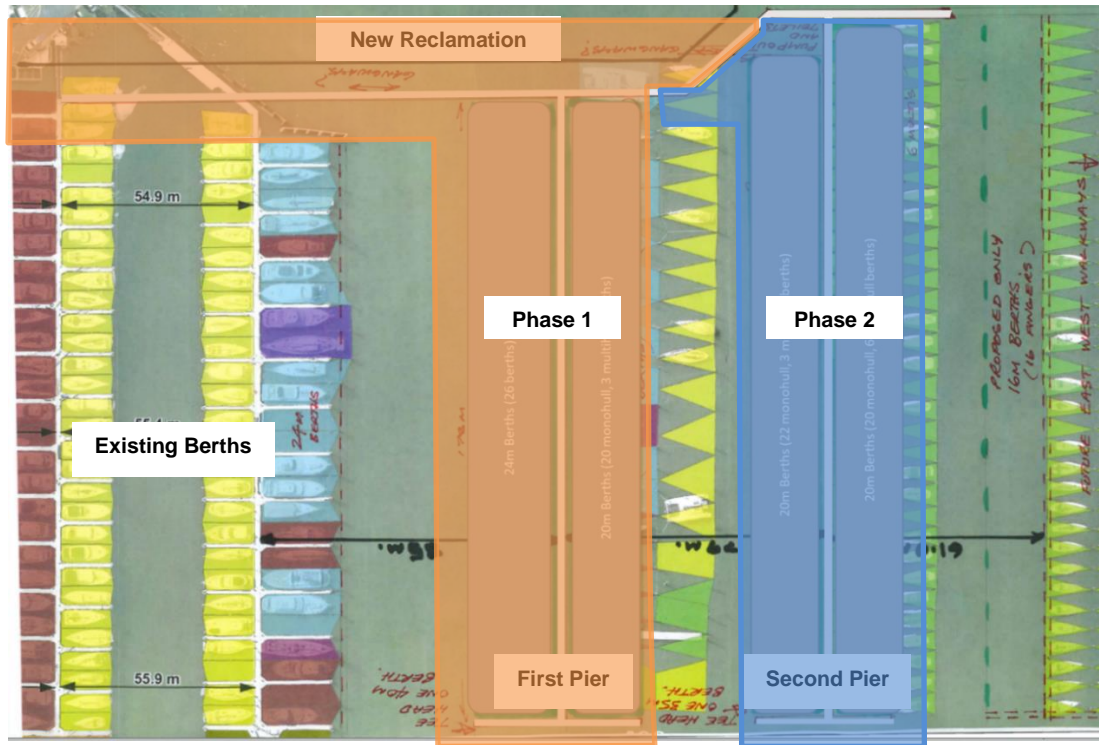


Figure 5 proposed phasing of construction

In addition to phasing the berth construction, the civil and landscape design for phase 1 would include all parking but reflect the minimum landscaping requirement to meet Resource Consent. This would include a reduction in tree pits, raingardens and the form and scale of pathways and architectural features (refer figure 7).

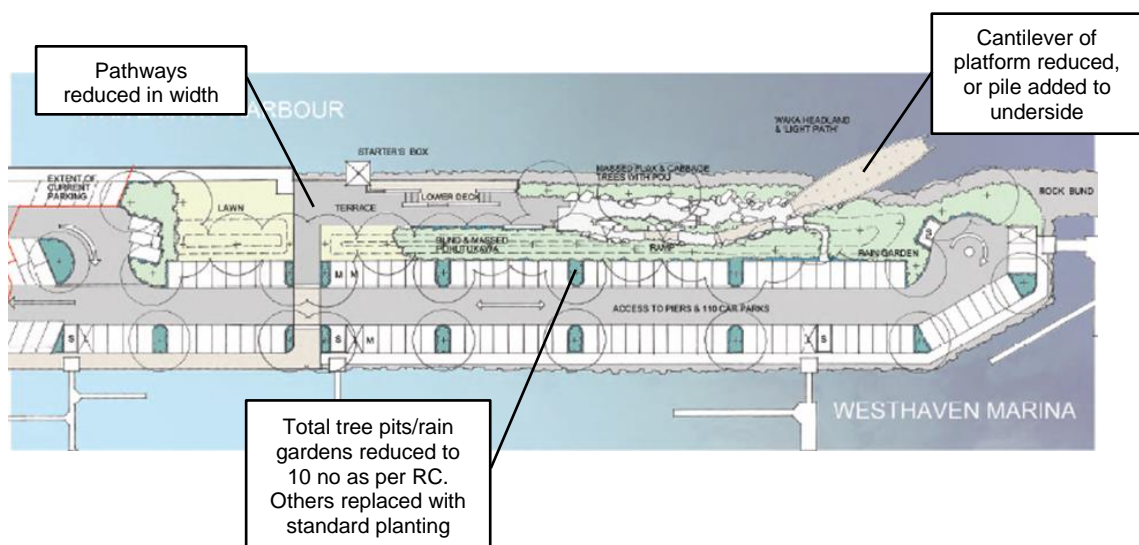


Figure 6 proposed options for minimising landscaping

Regardless of phasing, permanent landscaping works cannot be completed until the reclaimed land has settled, approximately 12 months post completion. This timing aligns with the LTP

funding process. Should additional funding be approved through the LTP, and subject to design approval, then the enhanced landscape design would be progressed instead of the minimised design.

The summary of costs for delivering phase 1 as outlined above is presented in figure 8.

Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA.

Financial Analysis

A summary of the financial analysis of the project is presented in table 3. The threshold for commercial Return on Investment (ROI) is 8 per cent with anything under this requiring board approval. *Withheld from the public under S7(2)(h) of the LGOIMA.*

The key assumptions for the model inputs are:

- Project based on a 35 year lifespan with revenue to match.
- No borrowing cost (Panuku is cashflow positive)
- Discount rate 9.50 per cent
- Escalation factor 6.25 per cent
- Reduction in OPEX vs existing OPEX for year 1 to 20 of 25 per cent

Withheld from the public under S7(2)(h) of the LGOIMA.

Procurement

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

Programme

A high-level summary of the programme based on the proposed phasing is presented in figure 9. Some key points of note:

- December construction start is critical to meeting the requirements of Half Moon Bay Marina and securing the reduced cost mudcreting material.
- Ideally phase 1 berth construction will be completed prior to AC36 to take advantage of additional demand associated with AC36 visitors.
- The new reclamation will require at least 12 months to settle prior to the permanent carparking and landscaping being undertaken.
- The settling period aligns civil and landscaping works with the LTP process. Should additional funding be secured for phase 2, we would implement the enhanced design.
- The programme is presented with some simple resource levelling, however there is float with elements such as the phase 1 berth construction and carpark and landscape design, which could be brought forward.

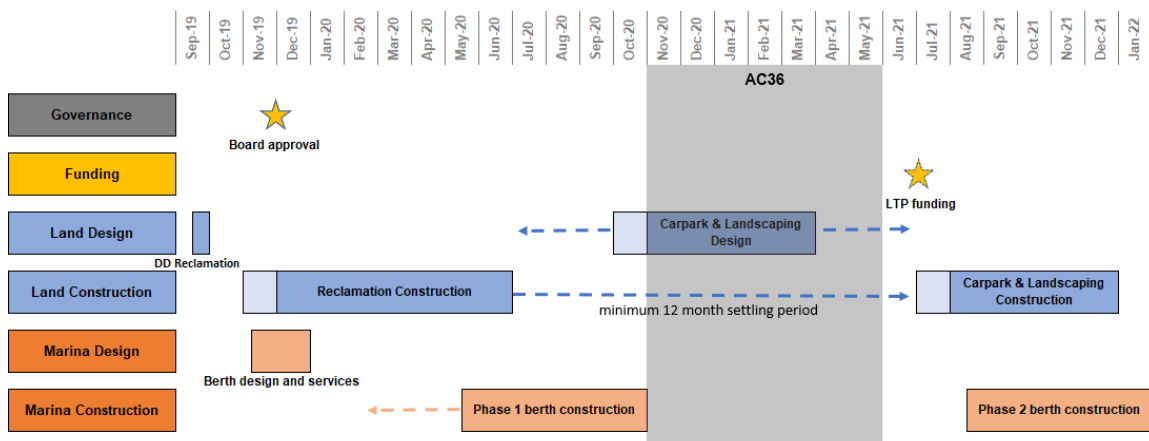


Figure 7 Summary programme

6. Financial implications

The Pile Berth development presents a good investment opportunity. The proposed phase 1 has a strong financial case independently, and the ROI is significantly improved with the addition of a second pier.

Withheld from the public under S7(2)(h) of the LGOIMA.

Not proceeding with the project now will prevent delivery of 99 car parks required to replace those lost through the marine village and promenade stage 2 projects. It will also have implications for the reclamation cost, as the estimate currently includes Panuku receiving dredging material for mudcreting *withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA.*

Not proceeding with the project at all will impact on the financial treatment of the capex costs incurred to date of approximately \$1.6M.

7. Implementation

Update Mana Whenua at the Kaitiaki Engagement Plan (KEP) forum to confirm project phasing approach.

Once approved, the construction contract for the reclamation works will be finalised by the end of the first week in December. Construction works are proposed to start immediately dependent on contractor scheduling.

Detailed design of the new berths will be completed by January 2020, with construction scheduled to start by May 2020 in order to meet AC36 availability.

Developed and detailed design of the landscaping and carpark would start late 2020, with construction commencing 12 months from the completion of the reclamation works in approximately July 2021.

Dependent on outcomes of the LTP process, pier 2 and the enhanced landscaping and car park would start construction in late 2021.

Document Sign-off

Role	Name	Sign-off Date	Signature
GM Development	Allan Young		
Chief Executive (acting)	David Rankin		

Decision Paper: Transform Waterfront: Precinct development site, Wynyard Quarter

Document Author(s)	James Woods – Assistant Development Manager
Reviewer(s)	Allan Young – GM Development
Date	15 November 2019

1. Purpose

The purpose of this paper is to:

1. Inform the Board of Precinct's LV1 offer.
2. Seek authority from the Board to negotiate a land value and a timber/steel design for the Flowers Building.

2. Executive Summary

Withheld from the public under S7(2)(h) of the LGOIMA Panuku has an 'open book' liability under the DA to remediate the site. Remediation of the site is expected to cost between \$10.25m and \$12.1m. Panuku and Precinct have jointly instructed a contamination survey to determine the full extent of remediation works required.

This paper addresses Panuku's response to Precinct's LV1 proposal. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

Another sustainability initiative proposed by Precinct is for Panuku to make a 50 per cent contribution towards carbon emission offsets to achieve carbon-neutral status for Precinct's development. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

Our recommended approach means that we can optimise the financial result for our stakeholder and also achieve our urban design and sustainability vision for Wynyard Quarter.

3. Recommendations

1. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

4. Context

Waterfront Auckland entered into a development agreement with Precinct Properties Wynyard Limited (**Precinct**) in May 2014 (**DA**). The DA provides for a four-stage commercial development in Wynyard Quarter, otherwise branded as the Innovation Precinct. 12 Madden Street (**Stage 1**) was completed in 2018. 10 Madden Street (**Stage 2**) is under construction with practical completion expected in October 2020.

Precinct triggered the LV1 negotiations for Stages 3 and 4 together and earlier than anticipated on 3 October 2019. The original intent was to commence each stage separately and post-completion of the previous stage.

LV1 is defined as the residual land value determined pursuant to the developer's feasibility model and becomes the amount payable as prepaid rent. In accordance with the DA, stages 3 and 4 are to be treated as one stage when triggered together (**Stage 3**). This report addresses Panuku's response to Precinct's LV1 proposal for Stage 3.

The Stage 3 site is referred to as Site 6A and 6B by Panuku. Its precise location is at 117 Pakenham Street West and 126 Halsey Street, Wynyard Quarter and is depicted in the plan below (**Site**).

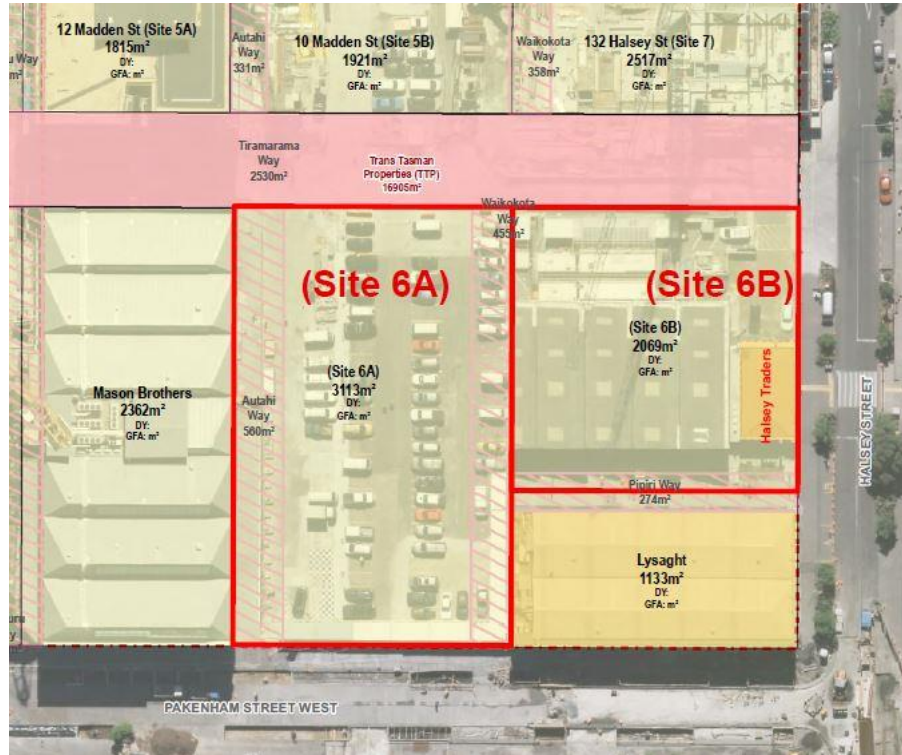


Figure 1: Location plan

The Site is being used for carparking in the interim. The Halsey Traders building at 124 Halsey Street is leased on a fixed term tenancy to *withheld from the public under S7(2)(b)(ii) of the LGOIMA* until the end of February and is included as part of the Site.

To provide context on the LV1 agreement for previous stages. The following stages were agreed at the values listed below:

Withheld from the public under S7(2)(h) of the LGOIMA.

CBRE's June 2019 valuation of the Site provides us with guidance on the market value and book value for the Site.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

Precinct is proposing a 5 GreenStar rating for all three buildings. The Halsey Building is to be on similar specifications to the Stage 2 base build. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA.*

Precinct's proposal initially included a carbon emission offset to the value of \$550k. The intent is to achieve carbon-neutral status for Precinct's development. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

4.1.1. Bridge Analysis

CBRE's Bridge Analysis will enable comparisons with market transactions. This is currently not possible because Precinct's feasibility model includes the costs associated with DA imposed requirements. These requirements are atypical of a market transaction.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

4.1.2. Design and specifications

A disaggregation exercise of the land value supported by the most recent feasibility model was completed in order to understand the allocation of LV1 between the three buildings. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

4.2. Options and impacts

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

4.3. Risks and mitigations

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

5. Next Steps

We are currently confirming the potential construction and design savings with Precinct and WT Partnership. CBRE is completing the Bridge Analysis on the basis of additional material provided by Precinct. Once this is done, CBRE will be able to advise on how Precinct's offer compares to market transactions.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

Document Sign-off

Role	Name	Sign-off Date	Signature
GM Development	Allan Young		
Chief Financial Officer	Carl Gosbee		
Chief Executive (acting)	David Rankin		

Appendices

Withheld from the public under S7(2)(h) of the LGOIMA

Decision Paper: Unlock Henderson: C40 site sale

Document Author(s)	Rachel Molloy – Project Manager Jason Cauvain – Development Manager
Approver	Allan Young – GM Development
Date	13 November 2019

1. Purpose

The purpose of this paper is to demonstrate that the gateway reviews of the C40 site sale have been satisfied and approve delegation for the CE (acting) to execute the Alderman car park Sale & Purchase and Development Agreement (Development Agreement) with *withheld from the public under S7(2)(b)(ii) of the LGOIMA*.

2. Executive summary

The Alderman car park was nominated along with the Falls car park by the Mayor as Auckland’s entry into the C40 Reinventing Cities competition, a global initiative inviting innovative low carbon design. The preferred submission by Te Kopua is for the Alderman site only, and the sale of the Falls car park has been deferred. Te Kopua is comprised of Tāmaki Makaurau’s leading sustainability experts, Mana Whenua and Province Developments. Their submission was highlighted by the C40 panel as a worldwide exemplar for their smart cities approach and use of technology for sustainable outcomes. The C40 project sits at the heart of the Oratia (Eco) precinct and is central to the ‘Urban Eco Centre’ vision for Henderson.

Figure 1: Alderman and Falls car park lot boundaries

Property Details	
Address:	4-10 Edmonton Road, Henderson
Land area:	Gross 7,214m2 proposed net is 4,029m2
Zoning:	Metro
Site use:	Car park, released for disposal from AT
<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>	



Panuku have an opportunity as Tāmaki Makaurau’s urban regeneration organisation to provide business leadership on zero carbon developments at this critical point in the timeline of our city. Mandated by both the Carbon Zero Bill that sets a target for net zero carbon emissions by 2050 and Auckland Councils draft Climate Action Framework. This medium density zero carbon C40 development will be the first of its kind in New Zealand and an exemplar project, sharing knowledge and inspiring a wider uptake of low carbon systems.

The Board reviewed the project in July and requested additional due diligence of Province Developments and detail on the costs of low carbon business leadership. Due diligence has been conducted into the developer's experience, funding strategy and project team, and the General Manager of Development is satisfied that Province Developments have the capacity and capability to deliver the project. Whilst several risks, constraints and dependencies remain, controls and active management will be in place over the period to support the developer in this flagship development.

Te Kopua is funding the project on a commercial basis and will be responsible for all construction, infrastructure and on-site amenity relating to the project. A mix of 1-2-3 bedroom units on a gateway site, with excellent walking links to the town centre and 5 minutes from the train station. This development is bringing housing choices to central Henderson beginning its transformation into a liveable centre and delivers on Key Move 2, to catalyse high quality living opportunities in the Henderson HLPP.

Figure 2: Overview of proposed Te Kopua development



Due to the complex nature of the proposal and the unique outcomes sought Panuku adopted a staged negotiation process. Gateway 1 was satisfied in July with Panuku approved to continue negotiations with Province Developments. This paper presents gateway 2 and 3 which are the results of those negotiations and further financial certainty in respect to the balance of strategic outcomes and commercial returns of the agreement.

This type of ground breaking project is not without its risks, particularly in respect to the ambitious design, sustainability and commercial outcomes. However, someone has to be first and the project team have mitigated risks through the balanced approach to negotiations with checks and balances in place to increase the potential for project success going forward.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

3. Recommendations

It is **recommended** that the Panuku Board

1. Approve

- a. The execution of an agreement for sale and purchase for the sale of 4-10 Edmonton Road, Henderson.
- b. The delegation to sign document to the Chief Executive Officer (acting).

4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
<i>Withheld from the public under S7(2)(i) of the LGOIMA</i>		
26/06/19	Henderson Programme Business Case	Includes a targeted business leadership model for Henderson of which the Alderman site is a flagship project.
28/05/19	Information Paper	Presented context for the RfDP and proposed direct negotiation process with the successful bid team. Set out the details of the C40 outcomes to be achieved.
22/03/19	Decision Paper	The board received report and discussed Panuku's leadership opportunity; the potential to discount land value and the measurement of benefits to offset any discount. The board, in principle, understands this site may need a discount to market value to realise the benefits that are being sought.
1/06/18	Decision Paper	Endorse the concept of selecting flagship sites for demonstrating business leadership as the preferred way forward; components of land value and amenity improvement and specific developer partnering outcome requirements.

5. Discussion

Panuku have an opportunity as Auckland's urban regeneration organisation to provide business leadership at this critical point in the timeline of our city. The zero carbon approach is mandated by the recently passed Carbon Zero Bill that sets a target of New Zealand achieving net zero carbon emissions by 2050 and also by the Auckland Councils draft Climate Action Framework (CAF). The medium density zero carbon C40 development will be the first of its kind in New Zealand and an exemplar project, sharing knowledge and breaking ground that will be critical to catalyse similar developments.

The C40 project sits at the heart of the Oratia (Eco) precinct and is central to the 'Urban Eco Centre' vision for Henderson. It is surrounded by a number of integrated projects currently in development that will combine to realise this vision including; the Oratia Link Cycleway, which runs adjacent to Alderman road and bisects the development linking to Trading Place via a new 4m walking and cycling bridge. The development is also supplemented by a much needed 'safe system' roundabout upgrade on the intersection of Alderman and Edmonton Rd. Both the C40 project and the surrounding public realm projects have been to Panuku's Independent Design Review process- Technical Advisory Group (TAG) with positive feedback. Future projects for medium density housing in Trading Place, stream enhancements and district energy generation will also be linked to and support the vision of this precinct.

Figure 3: Te Kopua development in the context of Oratia Precinct

Oratia Precinct - Green Quarter- Supports Key Moves 2, 3, 5 & 6

Key Projects:

CROWN PARTNERING TRADING PLACE

6 buildings with a mix of housing levels

C40 LOW CARBON DEVELOPMENT

International Design and Development Competition

ORATIA LINK

High quality walking and cycling facility connecting Henderson Creek & Oratia

TWO VISION ZERO INTERSECTIONS

In partnership with AT

PIONEER PARK ENHANCEMENT

to provide enhanced public amenity to complement density

GREENHOUSE ECONOMIC DEVELOPMENT



Key Stats:

SITE SALE
\$5.2m

LTP CAPEX
\$9.4m approx
(alongside: \$17m from HNZ,
\$0.65m from ATEED, \$3.3m
from AT)

Benefits:

NEW HOMES
Up to 500 homes

OPEN SPACE
4000 sqm upgrade

CONNECTIONS
700m of Cycle Paths

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Development
Auckland

37

This type of ground breaking project is not without its risks, particularly in respect to the ambitious design, sustainability and commercial outcomes. However, someone has to be first and the project team have mitigated risks through the balanced approach to negotiations with checks and balances in place to increase the potential for project success going forward.

Due to the complex nature of the proposal and the unique outcomes sought Panuku adopted a staged negotiation process. Gateway 1 was satisfied in July with Panuku endorsed to continue negotiations with the Te Kopua bid team to provide a result that provides a risk weighted balance between the potential strategic outcomes and commercial returns to be achieved at the site. In addition, the board requested further review into the capability of the developer. The gateways are summarised as follows;

- Gateway Review 1: Financial Review/Investigation with bidder – **completed and approved by the board.**
- Gateway Review 2: Design & Sustainability review/approvals with bidder – outcomes reported in this decision paper.
- Gateway Review 3: Updated financial review based on possible changes of scope deliverables from Gateway review 2. – outcomes reported in this decision paper.
- Conclusion and full recommendation to be presented to the Board – outcomes reported in this decision paper.

Gateway 3 - Updated Commercial Status

Panuku's Development Manager has progressed the exclusive negotiations with Te Kopua's Developer, Province Developments to finalise the details of the proposal and respond to the request by the board for additional reviews.

Developer Confidence

The GM of Development is satisfied with both the findings of the due diligence phase and that Province Developments have the capacity and capability to deliver the project. Whilst several risks, constraints and dependencies remain, controls and active management will be in place over the period to support the developer in this flagship development.

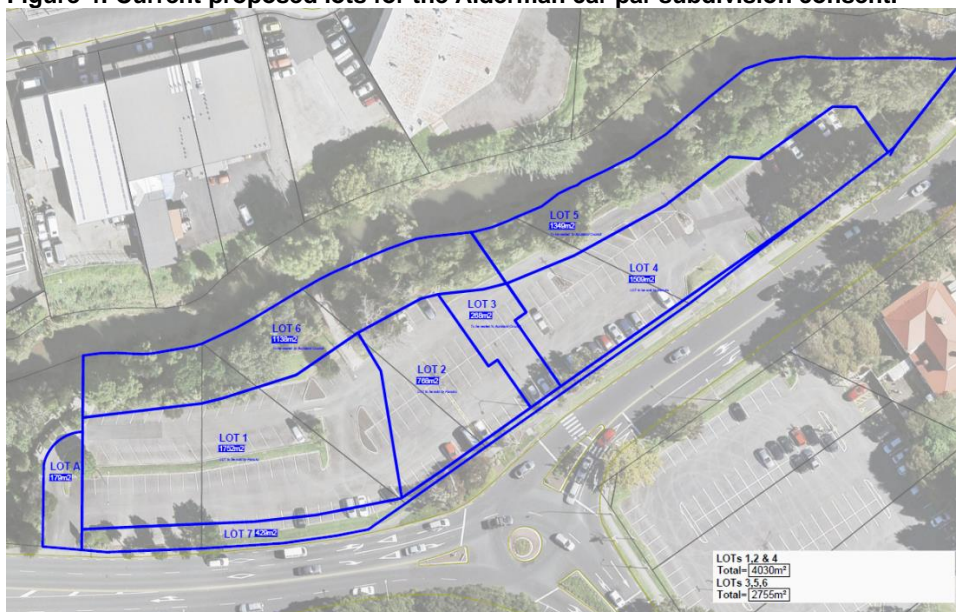
- Funding will be primarily provided through main bank funding and developer equity. Province Developments are exploring funding opportunities with institutional rent-to-buy products. Panuku have received supporting references from Bradley Associates (property finance specialists) supporting funding for this development.

- Province Developments are experienced residential developers with recent projects including Alpine Gateway and Elder Lane in Turangi.
- Province Developments have selected a good team of consultants and their experience in challenging projects has informed their approach to C40, which takes into account the risk profile and is conservative and considered.
- *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*
- Province Developments have provided Panuku a project team structure that is in line with industry standards with Greenstone Group identified as the lead consultant and project managers and designed by Sills van Bohemen Architects (Appendix 2).

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

Panuku has successfully sought an esplanade reduction from 20m to approximately 12m and final width will be confirmed as part of the subdivision consent process. Going forward there is an opportunity to confirm Lot A as the preferred access, however it is currently part of Newey's reserve and requires further statutory processes to enable this. A preliminary agreement with Auckland Council Parks has been reached to free this portion of land up for disposal. This process is currently underway and will take 12 months.

Figure 4: Current proposed lots for the Alderman car park subdivision consent.



Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

Draft DA parameters

In order to reduce risk of delivery it is proposed the transaction is split into 3 Lots to be developed in 3 stages over time. The purchase price will be pro-rated based on the number of residential units delivered within each lot. Given that the design is not yet finalised the pro-rata exercise is yet to be completed.

- Stage 1 will be Lot 2.
- Stage 2 will be Lot 1
- Stage 3 will be Lot 4
- The bridge, esplanade, AT cycleway and possible new accessway will be comprised of Lots 3, 4, 5, 6, 7 and A

Gateway 2 – Strategic Non- Commercial Outcomes

Sustainability Items

Te Kopua is funding the project on a commercial basis and will be responsible for all construction, infrastructure and on-site amenity relating to the project. *Withheld from the public under S7(2)(h) of the LGOIMA*

Key features of the design which contribute to the low carbon/low impact development outcomes that the developer has confirmed will be provided as their “business as usual” include:

- High density development
- Low ratio car parks to units
- Photovoltaic system to cater for 100% of on-site energy demand
- Use of cross-laminated timber and/or other low carbon materials to reduce embodied Green House Gas emissions of the development
- On-site stormwater management to meet Resource Consent requirements consistent with a SMAF2 area

In addition, the project is supported by Te Kawerau a Maki who believe that the development reflects their values and have noted that Mana Motuhake has been reflected in the development by involving them in the process from the beginning, asking them to present to the bidders about what they would like to see, and keeping them up to date throughout the process.

Withheld from the public under S7(2)(h) of the LGOIMA

Panuku and council (AT and Local Board) will further support the project through investment in public realm projects in the surrounding precinct including a cycleway, walkway, bridge and intersection

C40 Reinventing Cities Integration

Panuku continue to communicate updates to C40 Paris. Once a decision has been made C40 Paris will support Auckland with a media release of their own and add it to their website.

C40 is a network of the world’s cities committed to addressing climate change. The C40 Reinventing Cities competition sought entries for low carbon developments from major cities across the globe. Auckland is participating in the C40 Reinventing Cities competition under the sponsorship of the Mayor utilising two Panuku managed sites in Henderson, Auckland: The Falls and Alderman carparks.

Across 14 of the C40 cities, 31 underutilised spaces have been identified for redevelopment, including several empty plots of various sizes, abandoned buildings, historical mansions, underused markets, a former airport site, car parks, an abandoned incinerator, and a landfill site. Out of a total of 31 site entries, the Auckland entry into the competition is one of just 10 sites globally selected by the Confederation of Danish Industries for exhibition and showcase during the C40 Reinventing Cities Mayor’s Summit in Copenhagen (10 October).

Mayor Phil Goff was invited to attend and delegated his representation at the Summit to Councillor Penny Hulse. Auckland was represented at the exhibition of C40 Reinventing Cities winning projects which happened in parallel to the C40 Mayor’s Summit (8-15 October).

6. Financial implications

Withheld from the public under S7(2)(h) of the LGOIMA

7. Next Steps

On the receipt of Board approval, the Alderman car park Development Agreement will be executed, entering into a conditional agreement for a period of 60 working days. The Planning and Consents and Strategic Asset Optimisation teams will progress the sub-division and statutory matters necessary to enable the proposed development. The project team will continue to monitor and approve all stages of design, funding and construction. The board will continue to be updated on progress.

Document Sign-off

Role	Name	Sign-off Date	Signature
GM Development	Allan Young		
Chief Executive (acting)	David Rankin		

Appendices

1. *Withheld from the public under S7(2)(h) of the LGOIMA*
2. Proposed Province Developments Team Structure

Information Paper: 2-4 and 6 Henderson Valley Road, Sale and Subdivision

Document Author(s)	Adam Sadgrove – Development Manager Richard Davison – Programme Manager and Strategic Planner, Project Director Unlock Henderson.
Approvers	Allan Young – GM Development Rod Marler – GM Design and Place
Date	19 November 2019

1. Purpose

To provide information to the board on the status of the site sale negotiations and progress on the regeneration of 2-4 and 6 Henderson Valley Road (“the site”).

2. Executive Summary

The 2-6 Henderson Valley Road site sits at the heart of the Opanuku Precinct of Unlock Henderson (figure 1) and is a critical contributor to enabling the ‘Urban Eco Centre’ vision through the new spatial connections and the urban redevelopment potential the site provides being sited next to the expanded train station and town centre.

This is a large and complex 3.3ha site consisting of three main buildings covering over 14,000sqm of office, including the architecturally significant Civic building, over 400 at-grade carparks, a Japanese friendship garden, public rail overbridge and internal access road. The site currently functions as the council’s western service centre and was built between 2004-2006 (figure 2). The site sale is part of the wider Corporate Property Office strategy, the council’s medium-term plan is to relocate council staff to a new hub located in Albany by 2023 (target).

Preparing the site for a sale has required numerous considerations and processes. *Withheld from the public under S7(2)(h) of the LGOIMA*

The commercial arrangement will see council sell part of the site consisting of approximately 12,000m² of office located on 2.37 hectares for *withheld from the public under S7(2)(h) of the LGOIMA*. The Civic building, Japanese garden, City Rail Link land and internal road are all excluded from the sale.

Master planning the site

The site has been through a master planning and reference design process including a TAG review, to agree Lot and subdivision arrangements. The site was formerly a tissue factory with rail sidings, which subsequently, through a relocation of Waitakere City Council, had three office buildings constructed on it, with large areas surrounding them left vacant. The intent of the master planning process was to effectively break up the parent site into a series of stage-able smaller scale lots with public access to, and through them, enhancing walkability and liveability in the area. The

subdivision arrangements (figure 4) are sized, shaped and sufficiently accessible for a range of potential future development scenarios, including high rise development in line with the Metropolitan Zoning expectations (figure 5).

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA. The part sale and partnership will unlock a number of urban changes that will impact positively on the wider Unlock Henderson programme (figure 5):

- *Withheld from the public under S7(2)(h) of the LGOIMA.*
- At least 50, Homestar 6 rated, sustainably built, mixed-density homes, designed primarily *withheld from the public under S7(2)(h) of the LGOIMA.*
- Retention of existing mature oak trees along Henderson Valley Road, ensuring the amenity of this corridor.
- *Withheld from the public under S7(2)(h) of the LGOIMA.*
- A Panuku-initiated new road, intersection, greenway and potential new cycling link. These together constitute an important green connection between the train station, the Opanuku Reserve and Wai o Panuku stream. This aims to “draw in the green” towards the town centre and also provides a new, quicker route to reconnect Henderson’s creative corridor (Corban’s Estate and the Film Studios) to the town centre and expanded station.
- The new cycling link between the station and Corban Estate includes a Māori artist led new bridge over the Wai o Panuku stream and a new playground. The bridge is in the form of a felled Kauri tree, based on the story of Rata, with branches forming the play elements.
- Two new pedestrian overbridges providing better connections to the new \$38m City Rail Link station (expansion works are proposed to begin in 2022)
- Celebration of our sister city relationship with the City of Kakogawa, Japan which will be reinforced through a community initiated and designed peace bell shelter.
- The Council’s Civic building will be retaining and refitted to a “spoke” facility as part of their wider headquarter, hubs and spokes model. This refit will commence as Corporate Property funds allow. The chamber itself will also gain better utilisation through a space sharing arrangement *withheld from the public under S7(2)(i) of the LGOIMA* and other uses such as local board functions and citizenship ceremonies.
- Additional planting and public amenity such as street furniture, lighting and artwork delivered by the subdivision works will facilitate a completely new micro-neighbourhood within Henderson *Withheld from the public under S7(2)(i) of the LGOIMA.*
- The history of the site as a previous tissue factory has meant that contamination was a significant consideration and will be addressed through the works. In addition, an endangered species of plant found on site was required to be relocated to another site as part of the project.
- New Zealand’s first Green Star Community rating for the “Opanuku Precinct” which includes this site, will lift the profile of the area and provide further opportunities for *withheld from the public under S7(2)(i) of the LGOIMA* to drive its own business leadership initiatives.

Commercial negotiations status

Panuku has been progressing an exclusive site sale negotiation since March 2018 on 2-6 Henderson Valley Road when the board agreed to progress an unsolicited offer to purchase *Withheld from the public under S7(2)(i) of the LGOIMA.*

The three existing buildings were originally designed and arranged as a single owner precinct, intended to remain in council ownership in perpetuity under Waitakere City Council control. Since amalgamation and arising from the Corporate Property Office strategy which triggered the sale

process, it proved challenging to separate site services, utilities, movement routes and parking provision to allow for discreet sale and use of each building.

The range of issues navigated to enable the creation of individually serviced buildings with titles, and enable the sale to take place, have been varied and complex, involving multi-party negotiations. This has resulted in extended timeframes and significant resource from both parties and other parts of council.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

This site sale will catalyse new investment that will stimulate growth in the location and is expected to bring about significant change that would not otherwise happen within desired timeframes.

Panuku and Corporate Property support and recommend the site be sold *withheld from the public under S7(2)(h) of the LGOIMA* and endorse the outcomes, benefits and relationship prognosis of partnering with this entity over an extended period. The development potential that this buyer has outlined and presented, strongly contributes to the regeneration of Central Henderson over time.

Achieving settlement through subdivision delivery

November 2019 – August 2020: Subdivision and construction works to achieve the commercial titles, new public realm connections and facilitate quality development, access and servicing outcomes on the Lots is to be delivered by Higgins contractors. The contract includes a social procurement requirement which will see up to 25 per cent of the contract works subcontracted to a Māori /Pasifika civils business.



3. Property Details, Background and Context

Location: 2-4 and 6 Henderson Valley Rd, Henderson

Site area and key information:

3.33 ha, 14,000sqm Gross Floor Area, 400 parking spaces, train station overbridge access.

Structures: Three buildings;

- The Admin Building, six level council office, 9,000sqm,
- The Civic Building, three level community and office, 2,500sqm
- Central One, three levels commercial and council, 2,400sqm

Unitary Plan zoning: Business – Metropolitan Centre

Asset owner: Corporate Property and Panuku under Auckland Council

Current use: Council service centre and corporate offices. Some commercial tenancies.

The site is a strategic brownfield site made up of two titles that have been identified for development and disposal as they are surplus to council requirements.

The site is the first in the Henderson property development programme sequence, which means that it is a significant site in setting the tone and direction of the programme. The project was initially triggered, in part, due to Auckland Transport vacating the Henderson site to new headquarters in the City.

The board previously agreed to the sale of 2-4 and 6 Henderson Valley Road for *withheld from the public under S7(2)(h) of the LGOIMA* or above, in March 2018. Panuku and Corporate Property

share control of this property across two separate titles. The Finance and Performance Committee had previously approved the disposal of 2-4 Henderson Valley Road, made up of 1.73ha of land and the Central One building on 23 May 2017 as part of the Unlock Henderson programme.

Separately the committee approved the disposal of 6 Henderson Valley Road, made up of the Administration and Civic buildings on 1.6ha of land on 15 May 2018 as part of the Corporate Property Office Strategy programme. It approved capital receipts for 6 Henderson Valley Road be ring-fenced to reinvest into the wider corporate property programme of works.

Given the two adjoining sites are being sold together and that proceeds of sale will be used for different purposes, Panuku and Corporate Property have agreed a split of the site sale at *withheld from the public under S7(2)(h) of the LGOIMA* and *withheld from the public under S7(2)(h) of the LGOIMA* respectively. This excludes a future transaction receipt which Corporate will receive for the sale of the 2,067sqm of land up to 6m high to City Rail Link limited. *Withheld from the public under S7(2)(h) of the LGOIMA.*

The board agreed to fund the public realm connections, amenity enhancements and subdivision works enabling the site sale in smaller lots for approximately \$2.4m. This workstream forms part of the wider Opanuku Link project to re-connect the town centre to Corban Estate, co-funded with the Henderson-Massey Local Board whom have contributed \$2.5m for the bridge and play space in Opanuku Reserve.

4. Māori Impact

The board noted in March 2018, an outstanding matter with Te Kawerau a maki (TKAM) iwi at Te Henga from a previous Waitakere City Council arrangement linked to 2-6 Henderson Valley Road. This issue has now been closed to the satisfaction of the iwi and council stakeholders by progressing the freehold transfer of the 240a Bethells Road site to the iwi.

Currently TKAM have a very positive working relationship with Panuku and Corporate Property. TKAM have supported the road design, planting selection, footpath artwork design and more recently they put forward a name for the new road to be constructed and vested as “Puheke Parade”. Corporate Property are working with TKAM to ensure the Māori commissioned artworks, part of 52 artworks on the site, are retained, protected and celebrated on the remaining council property. Going forward, Corporate Property will also be exploring opportunities to have TKAM trust as an office tenant within the Civic building refit. TKAM will also inform the refit design process when that takes place.

The Sale Agreement includes recognition of the cultural significance of the site and *withheld from the public under S7(2)(b)(ii) of the LGOIMA* are committed to a relationship with mana whenua on the site. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA* is planning a community marare within the development and share in their own co-governance with their internal runanga.

5. Commercial Sale Agreement

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

6. Master Planning

As part of the site sale the property went through a masterplanning and reference design and TAG review process to agree Lot and subdivision arrangements as well as essential and required outcomes. This process refined the spatial details of the areas Council is retaining in its ownership such as the Civic building, Japanese garden, City Rail Link lands and the internal road and associated public parking.

The result of that process confirmed that the Lot arrangements were sized, shaped and sufficiently accessible for a range of potential development scenarios, including high rise development in line with the zoning. The Lot arrangement also secured through-site links for the public.

Development by *withheld from the public under S7(2)(h) of the LGOIMA* on its land will take place over time and in stages beginning with internal refit of the Admin building. There is a requirement for *withheld from the public under S7(2)(h) of the LGOIMA* to provide a masterplan of the site to the approval of Panuku, that aligns with the diagram in figure 5, within two years of settlement. Panuku and *withheld from the public under S7(2)(h) of the LGOIMA* will use figure 5 as a baseline reference from which to assess their master plan proposal. Alignment can be by agreement, or where a major departure arises then this will be referred back to Panuku and Council decision makers to address.

Withheld from the public under S7(2)(h) of the LGOIMA. Nevertheless, any proposed development, in addition to Panuku approval will need to be in line with the Unitary Plan zoning. Future consents will be subject to council regulatory consenting and their urban design process as well.

The staged approach to development will allow for density to be tested before it is increased, potentially starting low in the north of the site and adding value and density as they stage southward. Air-rights above 6m have been released to *withheld from the public under S7(2)(h) of the LGOIMA* enabling a possible high rise development above the expanded train station.

Train users, Civic building users and Japanese garden visitors are all provided for in the final scheme via a new public access road, greenway, shared path, two new over-bridges and a cycleway connection between streets.

The City Rail Link train station expansion calls for two additional platforms on the council site. It forecasts increased train frequencies from 6 to 15 trains per hour at peak and new direct service options to south Auckland. Travel time to Auckland city will decrease by 17 minutes from 49 minutes currently to 32 minutes proposed. Through negotiations with Panuku, the project will result in two new pedestrian/cyclist over-bridges at Smythe Road and Hickory Avenue, with a proposed Panuku funded cyclist link between these two streets, which are both currently cul de sacs.

Two artists have contributed to the public realm designs. One informed the new roading footpath tukutuku pattern and the other, a community-initiated concept from a Kakogawa, Japan architect, living in Auckland for the sister city peace bell shelter. This was originally built as a temporary housing in 2006. The new steel structure is a double curved design, 4.5m high by 5m long. The proposed design is in the costings phase and is on track to award a construction contract with a local fabricator called SRS group who have undertaken work for Panuku before, including at the Waterfront.

7. Commercial Terms

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

8. Next steps

Panuku, in regular consultation with the Corporate Property team, will seek to conclude outstanding matters with *withheld from the public under S7(2)(h) of the LGOIMA* during the remainder of November 2019. *Withheld from the public under S7(2)(h) of the LGOIMA.*

9. Appendices: Maps and Visuals Figures 1- 7

Withheld from the public under S7(2)(h) of the LGOIMA

Figure 2: 2-4 and 6 Henderson Valley Road – current site



Figure 3: Oblique aerial view and reference design plan diagram of 2-4 and 6 Henderson Valley Road showing the various buildings and projects.



Figure 4: Subdivision Layout showing Lots for sale to *withheld from the public under S7(2)(h) of the LGOIMA* in pink. Blue Lots to be retained by Corporate Property. Peach Lot to be vested in Auckland Transport. Grey Lot to be transacted with City Rail Link and Green Lot to be vested in Community Facilities. White triangle Lot part of pink land for sale. Air-rights of the grey Lot above 6m are included in the sale.

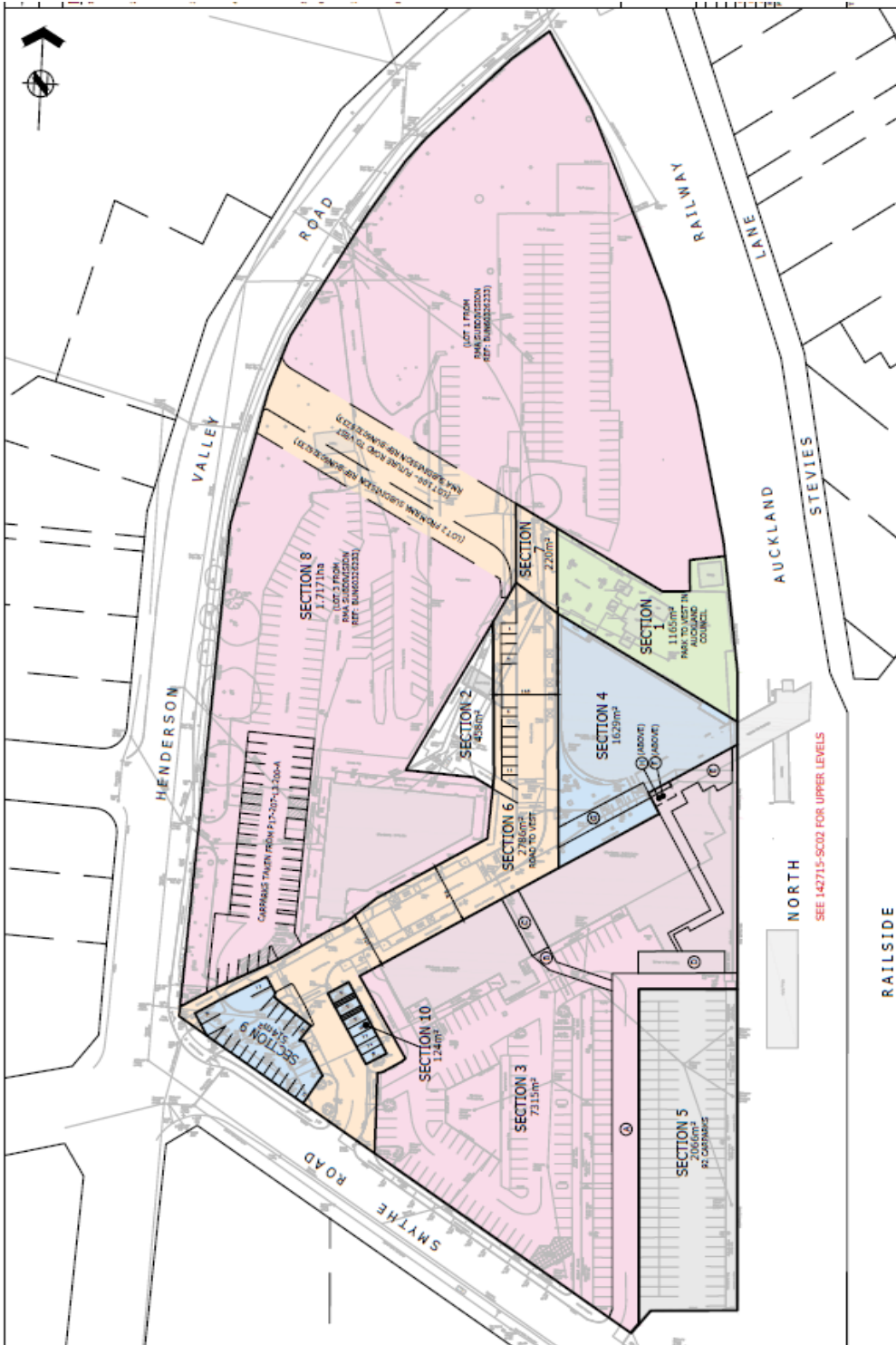
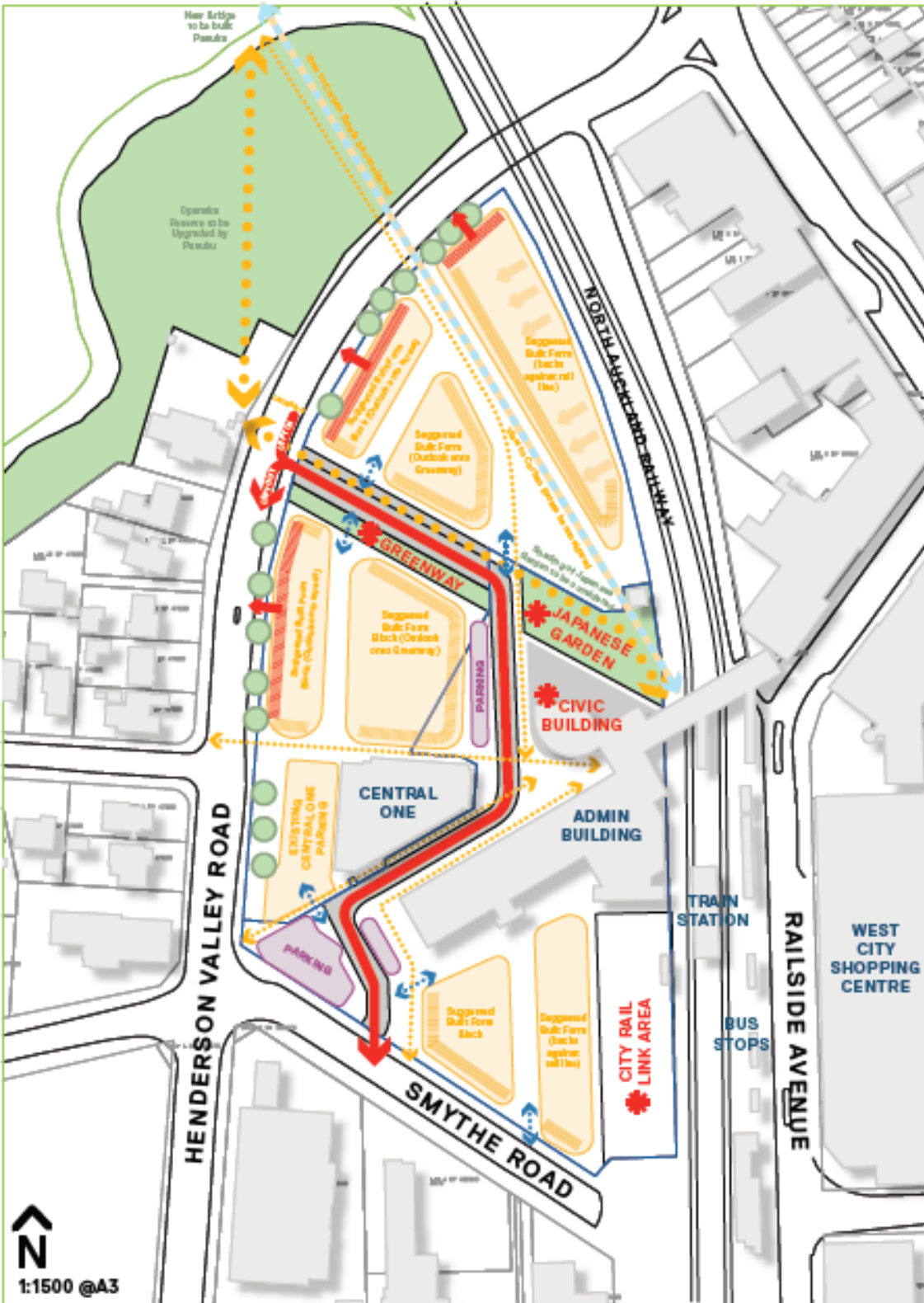








Figure 5: Panuku generated Essential Outcomes diagram followed by a descriptive key articulating the essential requirements.








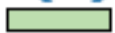


2-6 Henderson Valley Road Essential Outcomes Diagram

Essential Outcomes

The buyer is required to provide a high-level concept Master Plan for the future site redevelopment, with the following outcomes:

-  1a. Incorporate Council's land and buildings interests, such as the Civic building, Greenway, City Rail Link area and Japanese garden
 -  1b. Incorporate local movement network and access (both vehicle and pedestrian)
 -  1c. All land use development and buildings are to be a minimum of two storeys.
 -  1d. Development to actively address Henderson Valley Road frontage by providing outlook over road and reserve.
 -  1e. A minimum of 50 homes consented and constructed within 6 years of settlement.
 -  1f. Mature trees along Henderson Valley Road are retained. (refer to surveys/arborist report)
2. Concept Master Plan to be provided by Laidlaw within 2 years of settlement
3. The Goals and Principles of the Unlock Henderson High Level Project Plan to be considered include:
- Emphasis on design outcomes that attract and retain families to encourage family friendly living environments
 Reinforce the west Auckland and eco-city identity in the development
 Integrate green building and performance features in the development
 Achieve high quality medium density development
 Incorporate and maintain high quality walking and cycling design features
 Positively contribute to the transformation of Henderson Valley Road into a high quality mixed-use residential corridor through the development
 Embed Te Araanga design principles and reflect the cultural narrative in any physical development
 Enhance safety and legibility
 Include partnerships with the community and mana whenua*
4. A Homestar 6 rating or higher must be obtained for any homes constructed in the development.

Urban Design Guidance to consider (these are suggestions only and can be reshaped during concept Master Plan)

-  Primary pedestrian movements
-  Secondary movement desire lines
-  Visual Connection - consider view between Rail Overbridge and Openuku Reserve/Corban Estate
-  Suggested built form should be designed to consider the high public utility between the sites. This means designing buildings with good outlook over streets and spaces to avoid CPTED issues of blank edges/visible backs of buildings.
-  Suggested positive frontage outlook expected on these edges.
-  Indicative Vehicle access to LOTS
-  Primary public spaces
-  Council parking areas as indicated through subdivision (to be delivered by Panuku/Auckland Council)

NB: this diagram is for guidance purposes only and should be read alongside "PLAN SHOWING LEGALISATION PARCELS"

Figure 6: Subdivision works underway – Hoardings are up, showcasing the new local identity branding approach.



Decision Paper: Haumaru: 21-27 Henderson Valley Road

Document Author(s)	Carwyn Walker – Development Manager
Approver	Jessica Laing – Haumaru Housing Programme Director Allan Young – GM Development
Date	12 November 2019

1. Purpose

The purpose of this paper is to seek approval from the board to delegate authority to the Chief Executive (acting) to enter into an unconditional Development Agreement for the sale of 21 Henderson Valley Road, Henderson at a sale price of *withheld from the public under S7(2)(b)(ii) of the LGOIMA*.

2. Executive summary

The subject site is a vacant 1.3ha site that was approved for sale by the board in March 2017. The property was marketed for sale by public tender seeking a residential development partner in October - November 2017 and again in September - October 2018 however on both occasions it did not sell.

In September 2019 Panuku received the current offer from by private treaty via CBRE real estate agents on 26 September 2019 and has been assessed against a current market valuation for the property. The valuation was undertaken by Colliers International in June 2019 and the property was valued

Panuku has entered into a conditional Development Agreement with and upon approval by the board, and subject to being satisfied with its due diligence, will progress to an unconditional agreement.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA. The due diligence period expires on 14 January 2020.

Withheld from the public under S7(2)(h) of the LGOIMA.

The sale will deliver a residential development comprising 87 new homes which will achieve a Homestar 6 build rating, includes a mix of 2, 3 and 4-bedroom homes and will meet Panuku's required outcomes for the site. The proceeds from the sale will also be reinvested into the Haumaru redevelopment programme.

The developer has provided a Concept Plan (attached as **Appendix A**) which will be developed and refined into a more detailed Master Plan. Under the terms and conditions of the Development Agreement Panuku must review and approve the Master Plan before the development can proceed.

Panuku must also review and approve the Consent applications before they are lodged. This gives Panuku the contractual capacity to ensure the objectives and required outcomes are achieved within the development.

The developer intends to market the development for sale on the open market and to retain a portion of the units for rental purposes.

3. Recommendations

It is **recommended** that the Panuku board:

1. *Withheld from the public under S7(2)(h) of the LGOIMA.*

4. Prior board and council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
22 March 2017 Panuku Board	21-33 Henderson Valley Road Business Case	<p>Endorsed the Business Case for 21-33 Henderson Valley Road;</p> <p>Agreed to subdivide the site into two lots;</p> <p>Approved the development of 40 Housing for Older People Units on Lot 1, 33 Henderson Valley Road (0.3ha) of the site; and</p> <p>Agreed to sell Lot 2, 21 Henderson Valley Road being the balance of the site (1.3ha) for residential development.</p>
28 February 2018 Panuku Board	21-33 Henderson Valley Road Development	<p>Approved the proceeds from the sale of 21 Henderson Valley Road, Lot 2 are reinvested to the development of 33 Henderson Valley Road, Lot 1; and</p> <p>Approved the \$20m LTP development funding credit facility is used to fund the development of 33 Henderson Valley Road to the extent necessary to cover the shortfall in funding the development and also any potential mismatch in cashflow timing between expenditure and the Lot 2 land sale receipt e.g. a deferred settlement or having to go back to market in the event the Clarke Group contract does not go unconditional.</p>
19 October 2018	21 Henderson Valley Road Sale & Development Agreement	Approved the sale of Lot 2, 21 Henderson Valley Road (1.3ha) for residential development to Rethinking Space 3 Trustees Limited for a sale price of \$8.25m (plus GST) .

5. Discussion

Proposition

Panuku has received an offer *withheld from the public under S7(2)(b)(ii) of the LGOIMA* to purchase the site and deliver a residential development comprising 87 new homes which will achieve a Homestar 6 build rating. The development includes a mix of 2, 3 and 4-bedroom homes as follows:

Withheld from the public under S7(2)(h) of the LGOIMA

The initial Concept Plan (attached in **Appendix A**) provided by the developer meets the required outcomes that are applicable at this preliminary stage of design. These include, being a residential development, the inclusion of an open / green common space, including an internal road with no driveways accessing directly off Henderson Valley Road, all homes are a minimum of 2 storeys and there is a minimum set back of 5m from the new 40 unit development owned by Haumaruru that adjoins the site.

The Concept Plan will be developed into a Master Plan which under the Development Agreement must be reviewed and approved by Panuku before proceeding.

The Master Plan will include the following details:

- Proposed site plan and the outline designs and specifications for the household units
- Design, plans and specifications for the road, open space, landscaping, driveways, paths, outdoor facilities, signage and any other exterior features or amenities
- The programme, key milestones and key milestone dates for the development
- The Master Plan must also be in conformity with and give effect to the Required Outcomes

Under the Development Agreement the Consent drawings must also be reviewed and approved by Panuku before they are lodged with Council. This gives Panuku the ability to ensure the objectives and Required Outcomes are achieved within the development.

Purchaser / Developer

.

Homestar 6

All homes are to have a minimum Homestar 6 build rating. Panuku has specified this to reflect the approach to sustainability in our Transform and Unlock locations. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA* has confirmed it can satisfy this requirement to achieve Homestar 6.

Development Agreement - Required Outcomes

There are minor changes to the minimum development outcomes that were previously approved by the board. The current board approved required outcomes are:

1. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

The proposed changes are:

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.

All other Required Outcomes remain the same.

Background

Over the past two years Panuku has received a number of offers for this site. Panuku has twice previously entered into a conditional sale and purchase agreement with a developer. However, in both instances the agreements did not proceed beyond the due diligence period and the property is yet to sell.

In the past there has been a focus on density with previous schemes proposing apartment developments comprising 200+ units in buildings up to 5 and 6 levels. These schemes have suffered due to uncertainty around construction costs and escalation and a general slow-down in the market for apartments. The ground conditions on the site are also unfavourable for multi-storey construction with costs for piling being prohibitive.

In the two previous conditional sale and purchase agreements the developers advised that securing a KiwiBuild underwrite was necessary to proceed. Unfortunately, in both cases this was not achieved and the risk and uncertainty around such large-scale development meant the developers could not proceed.

It is important to Haumaru that any development on the site enhances the community and is considerate to the 40 Housing for Older People (HFOP) units recently completed on the adjoining site at 33 Henderson Valley Road. Another important factor for Haumaru is that the proceeds from the sale of 21 Henderson Valley Road will be reinvested back into the Haumaru redevelopment programme. Seed capital generated by this sale will help kick start the next Haumaru redevelopment project.

The development proposed by is less intensive, 2 and 3 storey, more conventional duplex's and terraced housing with less risk around construction cost escalation and more appealing to the market in this location. This reduces the risk that the development won't be financially viable and increases the likelihood that the developer will be able to go unconditional and proceed with the development.

The proposed design is also more complimentary to the 40 HFOP units at 33 Henderson Valley Road. 21 Henderson Valley Road adjoins and wraps around the north and western boundary of the HFOP units. The proposed 2 and 3 storey terraced development will be less imposing and the inclusion of 2, 3 and 4-bedroom family homes is also well suited to the location with Henderson High School neighbouring the site.

6. Financial implications

Site remediation works were undertaken in 2018 to make good the site and remove contamination at a total cost of \$230k (plus GST).

The net proceeds of the sale of 21 Henderson Valley Road are to be reinvested to contribute towards the cost of the 40 HFOP units recently completed for Haumaru at 33 Henderson Valley Road.

7. Implementation

Upon approval by the board, and subject to *withheld from the public under S7(2)(b)(ii) of the LGOIMA* being satisfied with their due diligence, Panuku will progress to an unconditional agreement. *Withheld from the public under S7(2)(h) of the LGOIMA.*

A Project Execution Plan outlining the management plan for the activities and tasks required to deliver the project will be presented to the Executive Programme Steering Group (PSG) in January 2020 once the Conditional Agreement goes unconditional. It will outline the approved terms, benefits, deliverables, scope, resources and financials for the execution of the project.

Next steps and indicative timeframe for implementation are:

Purchasers Due Diligence Period	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
Agreement Goes Unconditional	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
Settlement (3 months after Unconditional Date)	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

Document Sign-off

Role	Name	Sign-off Date	Signature
GM Development	Allan Young		
Chief Executive (acting)	David Rankin		

Attachments

Appendix A – Concept plan

Decision Paper: Unlock Avondale – 18 Elm Street

Document Author(s)	Hamish McCulloch – Development Manager
Approver	John Carter – Programme Manager, Avondale Brenna Waghorn – GM Strategy and Planning
Date	15 November 2019

1. Purpose

To seek a decision from the Panuku Board to:

1. Delegate authority to the Chief Executive (acting) to sign contracts or agreements to give effect to the two transactions detailed in this paper, being:
 - pursue direct negotiation with *withheld from the public under S7(2)(i) of the LGOIMA* in relation to the 18 Elm Street site in accordance with the Panuku policy for the selection of development partners; and
 - the sale of 18 Elm Street to *withheld from the public under S7(2)(h) of the LGOIMA* at valuation; and
 - *Withheld from the public under S7(2)(h) of the LGOIMA.*

2. Executive Summary

The establishment of quality residential neighbourhoods is a key move in the Avondale High Level Project Plan and is fundamental to the Panuku programme for the regeneration of Avondale town centre. Council and central government (Kāinga Ora) own 4.4 hectares of potential development land within the town centre. By working with key partners we can unlock the significant potential of Avondale, delivering houses and attracting investment to the area.

Panuku owns 18 Elm Street and the Avondale Central site *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

The benefits of undertaking this transaction have been considered as part of the Avondale Programme Business Case and the draft Avondale Masterplan. It is seen as being very positive for the regeneration of Avondale and will help to unlock the ability to develop an estimated 400 new dwellings over the these sites.

The transactions will be at valuation. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

3. Recommendation

It is recommended that the Panuku Board:

1. delegate authority to the Chief Executive (acting) to sign contracts or agreements to give effect to the two transactions detailed in this paper, being:

- pursue direct negotiation with *withheld from the public under S7(2)(i) of the LGOIMA* in relation to the 18 Elm Street site in accordance with the Panuku policy for the selection of development partners; and
- the sale of 18 Elm Street to *withheld from the public under S7(2)(h) of the LGOIMA* at valuation; and
- *Withheld from the public under S7(2)(h) of the LGOIMA.*

4. Background

Together Kāinga Ora and Panuku's wider Avondale land holdings comprise 4.4 hectares of development land. Within this there are three key central development sites. These are briefly detailed below.

- **Avondale Central (1909-1947 Great North Road)** – 7,447 sqm vacant site, purchased by Panuku for \$9.75m in 2017 using the Strategic Development Fund as part of the Avondale programme. This site is not included in the transactions but forms a key part of the rationale as *Withheld from the public under S7(2)(h) of the LGOIMA.*
- **18 Elm Street** – 9,647 sqm site purchased by Panuku for *withheld from the public under S7(2)(h) of the LGOIMA* in 2017 as part of the Avondale programme. Formerly the Peninsular Motor Hotel, the site was developed in the 1980's with 52 accommodation rooms and a managers suite. It is currently leased as student accommodation for *Withheld from the public under S7(2)(h) of the LGOIMA* per annum through to June 2020.

Significant public realm investment is proposed in Avondale. This includes a new \$21 million multi-purpose community facility and \$7 million for a public realm upgrade directly adjoining Avondale centre and 10 Racecourse Parade.

5. Prior Board reporting

This site has been considered by the Panuku Board on a number of occasions.

- 23 March 2017 – Decision Paper for the Acquisition of 18 Elm Street.
- 18 June 2018 – Decision Report Programme Business Case (*Withheld from the public under S7(2)(h) of the LGOIMA*).
- 11 July 2019 – Avondale Enhanced Programme Business Case (*Withheld from the public under S7(2)(h) of the LGOIMA*).
- 11 August 2019 – Decision Paper Enhanced Programme Business Case approvals – Transform Manukau and Unlock Avondale (*Withheld from the public under S7(2)(h) of the LGOIMA*).

6. Proposed Transaction

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA.

The right for public access to a cycle path and walkway through 18 Elm Street when the site is developed will be by way of a 5m wide public right of way. The through site link is an outcome identified in the High Level Project Plan required to improve connections within the town centre and break up a very large block. The design of the through site link will be incorporated in the wider development design process and will be required to adhere to Crime Prevention through Environmental Design (CPTED) principles.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

Due Diligence

Panuku has obtained desk top geotech and contamination reports for *withheld from the public under S7(2)(h) of the LGOIMA*, in addition we have detailed reports for the properties either side of the site. From this we can conclude that ground conditions will in all likelihood require deep piles for medium to high density development and there is likely to be limited contamination (a known area was dealt with when the 1990's development was carried out by Housing New Zealand). This is typical of what we would expect to find in this location and is comparable to the conditions experienced by Ockham at its adjacent development.

Valuation

The valuations and pricing above is based on valuation advice obtained by Panuku in September 2018. Given the time elapsed since the original valuation advice, prior to final agreement we will be seeking confirmation from the valuer that the market has not moved and that these values remain current.

7. Transaction Rationale

The proposed set of transactions are rationalised by a number of benefits that contribute to enabling the Panuku Avondale programme and improve the variety and quality of outcomes available. These are summarised below:

1. Comprehensive approach to the development of Avondale Central and Racecourse Parade.

The inclusion of *withheld from the public under S7(2)(h) of the LGOIMA* Avondale Central gives more degrees of freedom in planning the Avondale Central development:

- Less constrained approach to subdivision/'super-lotting'
- Provides certainty that the current poor quality development on *withheld from the public under S7(2)(h) of the LGOIMA* will be redeveloped.
- Greater opportunities to include different typology and tenure on the site
- Improved layout and connection options
- Greater flexibility to address and complement the new town square, library and community facility development neighbouring the Avondale Central site.

2. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA.*

3. Panuku has long signalled the desire to use its land ownership to improve connectivity in and around the town centre and securing a link through the large Elm Street block contributes significantly to this.

8. Housing outcomes

The Panuku Board has approved the guidance on housing mix for precincts and Panuku sites. This guidance identifies the factors to be taken into account when considering the housing mix.

Panuku proposes a 30:30:40 social/affordable/market housing split for the wider Avondale High Level Project Plan area. The level of social housing provision is particularly important for this area given the size and location of Kāinga Ora land ownership in the centre. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA* Panuku will use its land holdings to exercise significant influence over housing mix in the area.

9. Delegations

Board approval is required to sell 18 Elm Street as it was purchased using the Strategic Development Fund. The Panuku Board has the authority to dispose of properties purchased using the Strategic Development Fund, subject to appropriate consultation being undertaken with Mana Whenua where any Māori cultural interests may be affected. Significant consultation with Mana Whenua was undertaken as part of the preparation of the HLPP which includes a residential development programme.

The Panuku Board has delegated the Chief Executive authority to sign contracts and agreements up to \$ *Withheld from the public under S7(2)(h) of the LGOIMA*. The value of both the 18 Elm Street and *withheld from the public under S7(2)(h) of the LGOIMA* sites are outside of the Chief Executive's delegations. As a consequence, a decision is sought for the delegation of the signing of any subsequent contracts or agreements to the Chief Executive. Additionally, a decision is sought to allow *Withheld from the public under S7(2)(i) of the LGOIMA*.

Subject to the board's approval of the recommendations set out in this report, a project business case will be presented to the Panuku Programme Steering Group (PSG) for project governance approval. The PSG will review and approve the final contract terms prior to contract execution by the Chief Executive.

10. Funding considerations

Properties will transact at independent valuation. A key point here is that the valuations are a mechanism for exchange or quantifying the difference in value between the two assets which are being exchanged.

Funds received from the sale of 18 Elm Street will be applied to repayment of the SDF in FY20.

The acquisition of *Withheld from the public under S7(2)(h) of the LGOIMA* will be funded by a drawdown from the SDF in FY22

The through site link will be funded from programme CAPEX.

Document Sign-off

Role	Name	Sign-off Date	Signature
GM Development	Allan Young		
Chief Executive (acting)	David Rankin		

Information Paper: Projected housing supply

Document Author(s)	Marian Webb, Head of Strategic Asset Optimisation
Approver	David Rankin, Chief Executive (acting)
Date	19 November 2019

1. Purpose

The purpose of this information paper is to update the Board at a programme level on the reported net new dwellings being delivered within Panuku work programmes.

2. Executive summary

Panuku facilitates development through the controlled sale of land, or by removing constraints and barriers that the private sector might otherwise struggle to overcome. It does this through leveraging off council owned land and working with external development partners. Additionally, Panuku releases under-utilised land from council's balance sheet directly to the market through the asset sales and optimisation programmes on which housing outcomes are achieved.

A project dataset has been compiled to capture the housing supply forecast over a ten year period across a continuum e.g. completed, underway or forecast future dwellings being delivered within Panuku work programmes. The Panuku executive has previously outlined to the Board, the process and criteria it uses for reporting these residential outcomes. It has agreed that the project list and total supply number is reviewed, updated and reported to the Board on a quarterly basis.

In August 2019, the executive reported the projected housing supply as being 11,480 units over a ten-year period. We now anticipate that this figure is circa 11,000 units for the same period. The decrease reflects a general trend for less density in a number of suburbs across the region such as Ormiston/Flatbush and Henderson. Exploration of an employment precinct in Hobsonville has impacted previous projected housing supply figures in that location. An overview of the net new dwelling projections is outlined in Attachment 1.

In a number of priority development locations such as Northcote, Henderson and Manukau, Panuku's strategic relationship with Crown agencies is of critical importance to the delivery of housing in these areas, particularly where Kianga Ora is an adjacent landowner. Crown agency housing delivery is not being counted in our numbers reported above.

3. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
22 Feb 2017	Reporting Panuku Development Auckland's projected housing and gross floor area supply	Noted by the board

26 July 2017	Projected Housing Supply	Noted by the board
25 Oct 2017	Projected Housing Supply	Noted by the board
28 Feb 2018	Projected Housing Supply – CE report	Noted by the board
30 May 2018	Projected Housing Supply	Approved by the board
29 August 2018	Projected Housing Supply	Noted by the board
29 November 2018	Projected Housing Supply	Noted by the board
2 Feb 2019	Projected Housing Supply	Noted by the board
8 August 2019	Projected Housing Supply– CE report	Noted by the board

4. Strategic context

Panuku actively considers how it contributes to housing, commercial gross floor area (GFA) and non- commercial outcomes as it progresses in more detail across each development site. The development objectives align with Panuku’s Statement of Intent and include the following:

- strategically creating value from assets
- catalysing urban redevelopment
- the provision of housing
- demonstrating business leadership

As Panuku progresses its programme through the development/ disposal pipeline stages performance and proposed key outcomes are measured against the following goals and objectives detailed in Panuku’s Business Strategy 2017-2020:

Goals	Objectives
Catalyse urban redevelopment – through projects to “transform, unlock and support”	<ul style="list-style-type: none"> • To facilitate the high quality urban redevelopment of strategic brownfield locations including the waterfront and selected metropolitan and town centres and transport nodes. • To facilitate investment in these locations through collaboration with the private sector, third sector, Iwi and government as partners in the urban redevelopment • To facilitate an increase in housing supply, and residential choices, including housing in the affordable spectrum and Housing for Older People, working with partners, in order to accommodate growth • To continue the urban redevelopment of the waterfront, in particular the Wynyard Quarter, including commercial, residential and marine development and new and enhanced public spaces, in accordance with the Waterfront Plan and in a way that balances commercial and public good objectives

Key initiatives	Goal
Strategically create value from assets – to drive strategic and commercial value from existing and planned assets	<ul style="list-style-type: none"> To drive, in partnership with Council, improved commercial and strategic value from assets (both service and non-service), through strategic portfolio review To optimise returns from development and disposals in a commercially robust manner
Building lead agency role and alignment	Catalyse urban development
Project and programme management to enhance project delivery	Drive business performance
Securing pipeline	<p>Strategically create value from assets</p> <p>Catalyse urban development</p>

5. Discussion

Current dataset – overview

All reported dwelling figures are “net” i.e. total new dwellings less existing dwellings, irrespective of whether they are demolished. The total number of net new dwellings is approximately 11,00 units. This figure highlights a decrease to the previously reported projected figures across the Unlock and Transform locations.

It is anticipated that Panuku will contribute circa 6,350 dwellings to the Auckland housing supply across its Unlock locations as the projects are rolled out. In Hobsonville, the exploration of an employment precinct on the remaining mega lot is underway. Progressing employment and commercial GFA instead of the previously planned mixed use development opportunity which incorporated a residential component will consequently result in 300 less net new dwellings being delivered in Hobsonville.

In the current market in suburbs such as Ormiston/ Flatbush, there is a general trend for less density. For example, at developments like 66 Flatbush School Road, projected housing currently anticipated to be delivered is approximately 90 units, a decrease of 20 units on site from previously reported figures. Examples like this across Ormiston/Flatbush will result in nearly 200 less units being delivered over the ten-year period. Other examples across the Unlock programme include 21 Henderson Valley Road where a more market tolerable townhouse development will be delivered in place of the high-density apartment complex previously anticipated resulting in circa 125 less units on site.

The projected net new dwellings forecast across the Transform locations has increased this quarter particularly in Manukau with approximately 300 additional units anticipated on the Ronwood, Osterley and Davies developments.

The remainder is anticipated to be delivered through the controlled sale of land in our Support locations, or through the release of under-utilised land from council's balance sheet directly to the market through the asset sales and optimisation programmes.

To date, there have been circa 905 dwellings completed across the programme with an additional 625 underway. The Strategic Asset Optimisation team will continue to track the provision of housing across our work programmes as we progress through the implementation stages of our projects.

Attachment 1: Overview of the total net new dwellings

PROJECT TYPE, BY STATUS	Complete	Underway	Planned	TOTAL		
TRANSFORM	164	204	3,400	3,768	34.2%	
UNLOCK	453	378	5,506	6,337	57.6%	
SUPPORT	207	29	454	690	6.3%	
DISPOSALS, OPTIMISATION	79	13	116	208	1.9%	
NET NEW DWELLINGS	903	624	9,476	11,003	100.0%	
GROUP %	8.2%	5.7%	86.1%	100.0%		
CUMULATIVE %	8.2%	13.9%	100.0%			
PROJECT TYPE, BY DATE	Complete	YR 1-3	YR 4-5	YR 6-10	> YR 10	Total
TRANSFORM	164	349	1,419	936	900	3,768
UNLOCK	453	505	1,916	1,910	1,553	6,337
SUPPORT	207	33	260	190		690
DISPOSE, OPTIMISE	79	43	31	55		208
NET NEW DWELLINGS	903	930	3,626	3,091	2,453	11,003
GROUP %	8.2%	8.5%	33.0%	28.1%	22.3%	100.0%
TRANSFORM PROJECTS	Complete	YEAR 1-3	YEAR 4-5	YEAR 6-10	> YR 10	Total
Wynyard Quarter	164	154	375		900	1,593
Onehunga		145	346	509		1,000
Manukau		50	698	427		1,175
NET NEW DWELLINGS	164	349	1,419	936	900	3,768
GROUP %	4.4%	9.3%	37.7%	24.8%	23.9%	100.0%
UNLOCK PROJECTS	Complete	YR 1-3	YR 4-5	YR 6-10	> YR 10	Total
Haumaru AKLD	40		151	32	1,242	1,465
Panmure		39	212	749		1,000
Ormiston/Flatbush	73	102	315	312		802
Hobsonville	100	43	54	392		589
Northcote			215	254	311	780
Avondale	232		430	121		783
Henderson			200			200
City Centre		250				250
Takapuna			250			250
Papatoetoe	8	71	39			118
Pukekohe			50	50		100
NET NEW DWELLINGS	453	505	1,916	1,910	1,553	6,337
GROUP %	7.1%	8.0%	30.2%	30.1%	24.5%	100.0%

Information Paper: Update on Environment Court appeals

Document Author(s)	Matthew Twose – Head of Planning & Consents
Reviewer(s)	Rod Marler – GM Design and Place
Date	20 November 2019

1. Purpose

This paper gives an update on the two appeals lodged with the Environment Court by Ngāti Whātua Ōrākei Whai Maia Limited (NWO) regarding the Queens Wharf Dolphin and Westhaven Pile Mooring consents, outlines the implications for Panuku of the Environment Court's recent interim decision on these appeals, and notes any general implications with regard to our Mana Whenua engagement and consenting processes.

2. Key points

Background

- The NWO appeals do not challenge the overall Queens Wharf Dolphin and Pile Mooring consents. Each appeal is focussed on the consent conditions pertaining to mana whenua engagement. There is also an appeal lodged by Urban Auckland on the Queens Wharf Dolphin consent, which is proceeding separately through the Court's processes.
- Eight other Mana Whenua groups have joined the NWO appeals as S274 parties. They are represented by McCaw Lewis.
- All parties agreed to have the appeals heard in two stages. The first stage is addressing a question regarding the Court's jurisdiction to determine whether any tribe holds primary mana whenua status over an area. If answered in the affirmative, the second stage would be a substantive hearing on the primacy question.
- The Court has now released its decision on the first stage. The decision slightly reframes the original question but confirms the Court has jurisdiction to determine the relative strengths of hapu/iwi relationships, where relevant to the cultural effects of the application and the wording of the consent conditions.

Implications of the decision on the Queens Wharf Dolphin and Pile Mooring Consents

- The recent Court decision on jurisdiction and the second appeal hearing stage will not impede the implementation of the Pile Mooring consent as all Mana Whenua parties have agreed to allow the consent to commence. Likewise, the NWO appeal on the Queens Wharf Dolphin consent is limited to the consent conditions regarding mana whenua engagement processes. Although of significant interest to the Mana Whenua groups involved in proceedings, regardless of the outcome of these appeals, Panuku will be able to implement the consents and undertake the consented developments (noting resolution of the Urban Auckland appeal to the Queens Wharf Dolphin consent is a separate process).

General implications

- The Mana Whenua parties have already expended significant legal costs with regard to the first stage. Via McCaw Lewis, a number of the parties have requested financial support from Panuku.
- The second stage is likely to generate even greater costs for the Mana Whenua groups involved on account of the number of witnesses required and further Court time required.
- Panuku's costs have been kept to a minimum through the shared use of resources within the Council Group. For example, Council's legal team appeared for Panuku at the Court hearing on the first stage and we similarly expect to have limited involvement in the second hearing stage.
- As noted above, the process is likely to place considerable resourcing and financial stress on a number of Mana Whenua groups and hence it is inevitable this will pressure test our relationship with those Mana Whenua as we are the consent holder and therefore deemed to be the generator of this issue.
- As one measure to address Mana Whenua concerns regarding its relationship with Panuku, staff are well advanced with a Mana Whenua engagement framework document for the plan changes and resource consents undertaken by Panuku under the RMA. Feedback on a first draft is currently being sought from the Mana Whenua Governance Forum and the key parts of the framework document are summarised below.

3. Discussion

Appeals lodged by Ngāti Whātua Ōrākei Whaia Maia Limited

Ngāti Whātua Ōrākei lodged appeals against the decision by the Council to grant consent to the Queens Wharf Dolphin infrastructure and Westhaven Pile Mooring projects. The NWO appeals are focused on the conditions of consent relevant to Mana Whenua engagement. The consent conditions are broadly similar for both consents and require Panuku to establish a Kaitiaki Engagement Plan to guide the implementation of the projects. As relief, NWO has requested the Court either deletes the Mana Whenua-related conditions and substitute with new conditions proffered by NWO, or amends the consent conditions in a manner that recognises the primacy of NWO's position, thereby conferring an obligation for Panuku to engage with NWO in the first instance over cultural markers and pou whenua for the projects.

The appeals were joined by eight iwi -Te Ākitai Waiohū, Ngāti Tamaoho, Te Ara Rangatu o Te iwi o Ngāti Te Ata, Ngāti Maru, Ngāi Tai ki Tamaki, Te Patukirikiri, Ngāti Tamatera and Ngaati Whanaunga as s274 parties. The group is represented by McCaw Lewis.

With the agreement of all parties the Environment Court resolved to consolidate the two appeals into one process and to hear the appeals in two stages. The first stage entailed the Court's response to the following question:

Does the Environment Court have jurisdiction to determine whether any tribe holds primary mana whenua over an area the subject of a resource consent application:

(a) generally; or

(b) where relevant to claimed cultural effects of the application and the wording of resource consent conditions?

A Court hearing was convened on 3 September 2019. On behalf of the Council Group, the Council's legal counsel appeared for Panuku at this hearing.

Environment Court decision on jurisdiction

The Environment Court reviewed the Mana Whenua consent conditions and the relevant sections of the RMA pertaining to Mana Whenua. The Court outlined relevant case law, including a recent decision of the Court regarding the Rena ship grounding near Tauranga

Harbour. In the Rena case the Environment Court held the effects on the environment that may be taken into consideration are not confined to physical effects and can include the cultural concerns of people and communities who claim to be adversely affected.

In the present case, the Court did not see any clear directive or encouragement in the RMA to identify primacy in the sense of a general pre-eminence or dominance as argued by NWO and concluded that there is jurisdiction to hear and determine competing claims as to relative status between Maori groups. In responding to the jurisdictional question posed above, the Court noted its enquiry should not be into primacy outright, but rather to explore what could be many layers of differing interests (some strong, some weak, some in-between) as this reflected the complex and overlapping interests of Mana Whenua.

In answering the jurisdictional question, the Court declined to answer point (a) deeming it too broad and abstract. The Court then reframed point (b) as follows:

When addressing the s6(e) RMA requirement to recognise and provide for the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu and other taonga, does a consent authority including the Environment Court have jurisdiction to determine the relative strength of the hapu/iwi relationships in an area affected by a proposal, where relevant to claimed cultural effects of the application and the wording of resource consent conditions.

As reframed, the Court answered the question with “yes”.

In terms of next steps, a hearing date for the second stage is yet to be set. As the consent holder Panuku is automatically a party to these proceedings. However, we anticipate minimal involvement in the hearing being required, with the possible exception of in-house planning and corporate evidence being provided to assist the Court with understanding our Mana Whenua engagement processes.

General Implications

1. Draft Mana Whenua Engagement Framework document

Mana Whenua place considerable importance on the RMA processes undertaken by Panuku and by way of example have been actively involved as submitters in the AC36 and Wynyard Crossing consent applications. This strong level of interest has led to Panuku and Mana Whenua agreeing to examine best practice in terms of effective engagement and to record this in a single practice document. This also reflects our corporate obligations under the Sol as recorded in Outcome 3.1.31 Natural Environment Pou of Panuku's Mana Whenua Outcomes Framework and Implementation Plan.

To implement this, staff prepared a draft Mana Whenua Engagement Framework Document (the draft Engagement Framework). The draft Engagement Framework has a particular focus on how Panuku will deliver projects involving plan changes or resource consent applications in a way that is responsive to mana whenua by way of a meaningful engagement process.

In particular, the draft Engagement Framework emphasises the need for engagement to occur at the initial stages of a plan change or resource consent application and to ensure Mana Whenua are resourced to be actively involved in the project. Resourcing support consists of both administrative support and technical support. The latter involves the appointment of external advisors and is determined on a project by project basis.

The draft Engagement Document contains guidance material for Panuku's project managers involved with Mana Whenua engagement on plan changes and resource consent applications. This material details the key steps from project inception through to project delivery and the processes required. A significant component of this is the requirement for a project charter to be established at the commencement of the project. The project charter is intended to record a list of agreed outcomes for Mana Whenua and Panuku that relate to the project including:

¹ Outcome 3.1.3: Develop a mana whenua resource management engagement framework for ratification/consultation at the Panuku Mana whenua Governance Forum.

- Project scope;
- Roles and responsibilities;
- Overall project timeline and key decision points;
- Design opportunities;
- Cultural Values Assessments; and
- Project resolution processes should disagreements arise.

The draft Engagement Framework is presently with the Mana Whenua Governance Forum for their final feedback and endorsement. In our view, this is a significant document which will address the process issues previously raised by Mana Whenua regarding our plan change and resource consent application processes.

2. Other considerations/implications for Panuku

As the respondent, Panuku is automatically a party to these appeals. However, the scope of the appeals is focussed on the issue of primacy within the Mana Whenua groups, and consistent with our existing engagement policies is not a matter we should be taking a position on. Our role in the second stage of proceedings is likely to be limited to assisting the Court with information on our existing Mana Whenua engagement processes. This would involve in-house planning and corporate evidence, and we will continue to work alongside the Council's team to ensure legal costs are minimised.

It is not recommended that we take a more active role in these proceedings, or (overtly or otherwise) in terms of perception are seen to 'take sides'. This is very much a situation where we can abide the decision the Court and implement the consent conditions relating to Mana Whenua engagement as finally determined. Furthermore, if there are broader directions and recommendations from the Court as to our engagement processes on plan changes and resource consent applications, then these can be accommodated through future revisions to the Engagement Framework document and associated processes.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.