

Board Report

P u b l i c

Date
Wednesday,
17 June 2020

Venue
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, 82 Wyndham Street

When: Wednesday, 17 June 2020 | 8.30 am – 3.30 pm

Board members: Adrienne Young-Cooper – Chair
 Victoria Carroll – Director
 John Coop – Director
 David Kennedy – Director
 Richard Leggat – Director
 Paul Majurey – Deputy Chair

Liaison councillor: Cr Efeso Collins

Local Government Official Information and Meetings Act 1987 (LGOIMA) statement

Information contained in sections of this agenda should be treated as confidential, as releasing it would prejudice the commercial position of Panuku or Auckland Council. Under Section 7 of the Local Government Official Information and Meetings Act 1987, Panuku is entitled to withhold information where making available the information:

- would be likely unreasonably to prejudice the commercial position of a third party s7(2)(b)(ii);
- to maintain the effective conduct of public affairs through the free and frank expression of opinions s7(2)(f)(i);
- would be likely to prejudice or disadvantage the commercial position of council s7(2)(h); and
- would be likely to prejudice or disadvantage negotiations s7(2)(i).

1.	Governance matters 1.1 Apologies 1.2 Director interests 1.3 Director meeting attendance 1.4 Minutes of 20 May 2020 board meeting
2.	Health and Safety report
3.	Chief Executive’s report

4. Strategic reports
4.1 Partnership approach to development
4.2 Panuku's Design Strategy and approach
4.3 City Rail Link Mt Eden and Karangahape Stations Development Programme
4.4 Panuku Climate Change Strategy
5. Priority Location reports
5.1 Transform Waterfront: Programme Business Case
5.2 Unlock Papatoetoe: Saint George's Lanes
5.3 Unlock Papatoetoe: 91 Cambridge Terrace
5.4 Unlock Takapuna: Gasometer car park
5.5 Unlock Hobsonville
6. Business reports
6.1 Panuku and Auckland Transport Park and Ride Integrated Development programme
6.2 Disposal of 200 Victoria Street West, Auckland Central
6.3 Audit & Risk Committee recommendations
6.4 Panuku People

Panuku Development Auckland (Panuku)

Panuku partners with the development sector, iwi and central government to facilitate redevelopment of selected areas across Auckland to promote quality-built environments and residential and commercial growth. Panuku will actively review the council group property portfolio for sites that are surplus to service requirements, require renewal or are underutilised and make land available for redevelopment. Panuku will continue to redevelop the city waterfront area and manage non-service properties on behalf of the Auckland Council Group. Panuku's subsidiary is Westhaven Marina Limited.

Our name

'Panuku' means 'to move forward' and that's exactly what we're helping Auckland to do.

Our vision

Shaping spaces for Aucklanders to love

Our mission

The mission of Panuku is to rejuvenate urban Auckland, from small projects that refresh a site or building, to major transformations of town centres or neighbourhoods. Panuku improves the uses of land and buildings that Auckland Council owns, attract private investment and together we unlock their potential to create spaces Aucklanders love.

Our purpose

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council's non-service property portfolio and provide strategic advice on council's other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes.

What we do

Panuku Development Auckland helps to redevelop parts of our city, we're working to improve the quality of urban living across Auckland.

To do this it's important to understand the communities in which we work. We manage around \$2 billion of land and buildings that Auckland Council owns, which we continuously review to find smart ways to generate income for the region, grow the portfolio or release land or properties that can be better used by others.

Directors' interests at 20 May 2020

Member	Interest	Company / Entity	Conflicts pre-identified?
Adrienne YOUNG-COOPER	Chair	Panuku Development Auckland Limited	
	Chair	Auckland Transport	
	Chair	Cornwall Park Trust Board Incorporated	
	Director	Queenstown Airport Corporation Limited	
	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	Kāinga Ora	Possible
	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	
	Managing Director and Principal	Warren and Mahoney	Possible
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	
	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	

Paul F. MAJUREY	Deputy Chair	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	

Director meeting attendance register – 2019 / 2020

	2019						2020					TOTAL
	24 Jul	30 Aug	24 Sep	29 Oct	29 Nov	18 Dec	19 Feb	18 Mar	22 Apr	20 May	17 Jun	
A.F. Young-Cooper	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
V. Carroll					✓	x	✓	✓	x	✓		
J. Coop					✓	✓	✓	✓	✓	x		
D.I. Kennedy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
R.I. Leggat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
P.F. Majurey	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
M.E. Pohio	✓	✓	✓	✓	✓	✓						6
S. Macken	x	✓	✓	✓								3
C.M. Udale	✓	✓	L	L	L							2

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **CONFIDENTIAL** SESSION VIA ZOOM ON WEDNESDAY 20 MAY2020 COMMENCING AT 8.30 AM.

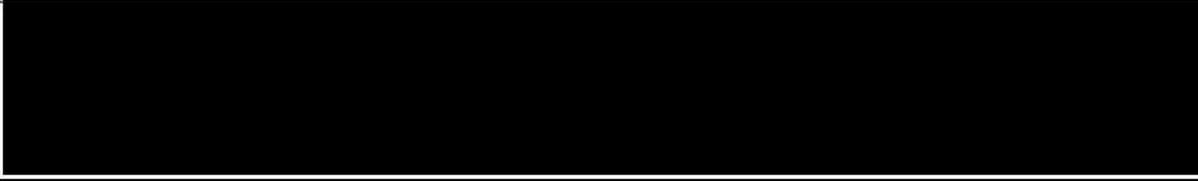
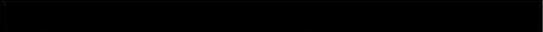
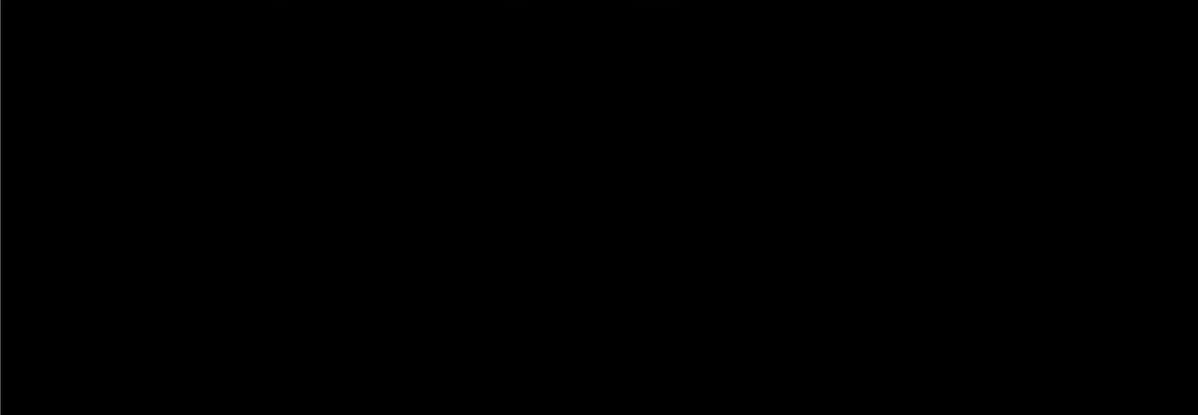
ATTENDING		<p>Board: Adrienne Young-Cooper (Chair), Victoria Carroll, David Kennedy, Richard Leggat, Paul Majurey.</p> <p>Observer: Mark Darrow</p> <p>Executive: David Rankin – Chief Executive, Monica Ayers – GM People & Culture, Gyles Bendall – GM Design & Place, Jenni Carden – Executive Officer/Company Secretary, Angelika Cutler – GM Corporate Affairs, Carl Gosbee – Chief Financial Officer, Brenna Waghorn – GM Strategy and Planning, Marian Webb – GM Assets & Delivery, Ian Wheeler – Chief Operating Officer, Allan Young – GM Development.</p>
PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	1 05/20	Pursuant to clause 12.3 of the Panuku Constitution, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.
OPENING REMARKS	2 05/20	The Chair welcomed board members and executive to the meeting.
1.1 APOLOGIES CONFIDENTIAL GOVERNANCE MATTER	3 05/20	Apologies were received from John Coop and Cr Efeso Collins.
1.2 DIRECTORS' INTERESTS CONFIDENTIAL GOVERNANCE MATTER	4 05/20	The Panuku Board reviewed and received the Register of Director's Interests.
1.3 DIRECTORS' MEETING ATTENDANCE CONFIDENTIAL GOVERNANCE MATTER	5 05/20	The Panuku Board noted the directors' meeting attendance.
1.4 MINUTES OF 22 APRIL 2020 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER	6 05/20	The Panuku Board reviewed and confirmed the Minutes of the Board Meeting of 22 April 2020, with confidential information included, as a true and accurate record of the meeting.

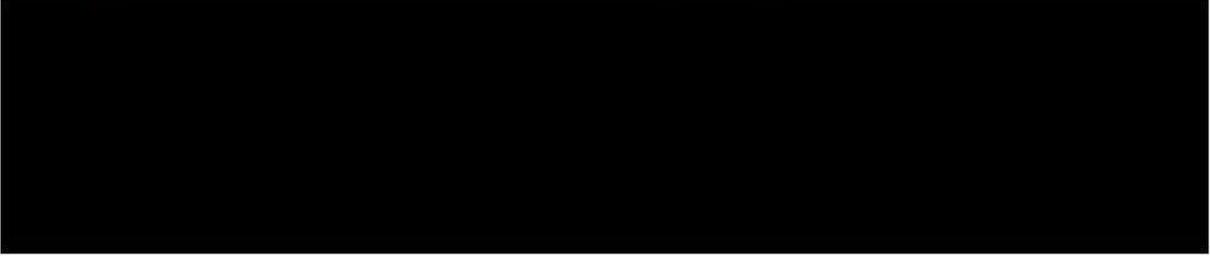
<p>1.5 BOARD ACTION LIST</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	<p>7 05/20</p>	<p>The Panuku Board noted the board action list.</p>
<p>1.6 BOARD FORWARD WORK PROGRAMME</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	<p>8 05/20</p>	<p>The Panuku Board noted the board forward work programme.</p>
<p>1.7 OUT-OF-CYCLE DECISION: FY2020/21 BUDGET REVISION</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	<p>9 05/20</p>	<p>The Panuku Board made an out-of-cycle decision in relation to the previously approved budget for FY21 (February 2020) between the April and May board meetings. The resolution is recorded here for completeness.</p> <p>[REDACTED]</p>
<p>1.8 OUT-OF-CYCLE DECISION: FY2020/21 BUDGET FURTHER REVISIONS</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	<p>10 05/20</p>	<p>The Panuku Board made an out-of-cycle decision in relation to the previously approved revised budget for FY21 (May 2020) between the April and May board meetings. The resolution is recorded here for completeness.</p> <p>[REDACTED]</p>
<p>2. HEALTH AND SAFETY REPORT</p>	<p>11 05/20</p>	<p>[REDACTED] Health and Safety Manager, joined the meeting and introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p>

		<p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board received the report.</p>
<p>3. CONFIDENTIAL CHIEF EXECUTIVE'S REPORT</p>	<p>12 05/20</p>	<p>David Rankin, Chief Executive (acting), introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board received the report.</p>
<p>4.1 ACCESSIBLE HOUSING FOR PANUKU SITES</p> <p>CONFIDENTIAL STRATEGIC REPORT</p>	<p>13 05/20</p>	<p>Brenna Waghorn, GM Strategy & Planning, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p>

		<p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <p>[REDACTED]</p>
<p>4.2 TRANSIT ORIENTED DEVELOPMENT</p> <p>CONFIDENTIAL STRATEGIC REPORT</p>	<p>14 05/20</p>	<p>Marian Webb, GM Assets & Delivery (acting), introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board received the report.</p>
<p>5.1 TRANSFORM ONEHUNGA: PROGRAMME BUSINESS CASE</p> <p>CONFIDENTIAL PRIORITY LOCATION REPORT</p>	<p>15 05/20</p>	<p>[REDACTED] Priority Location Director - Isthmus, joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p>

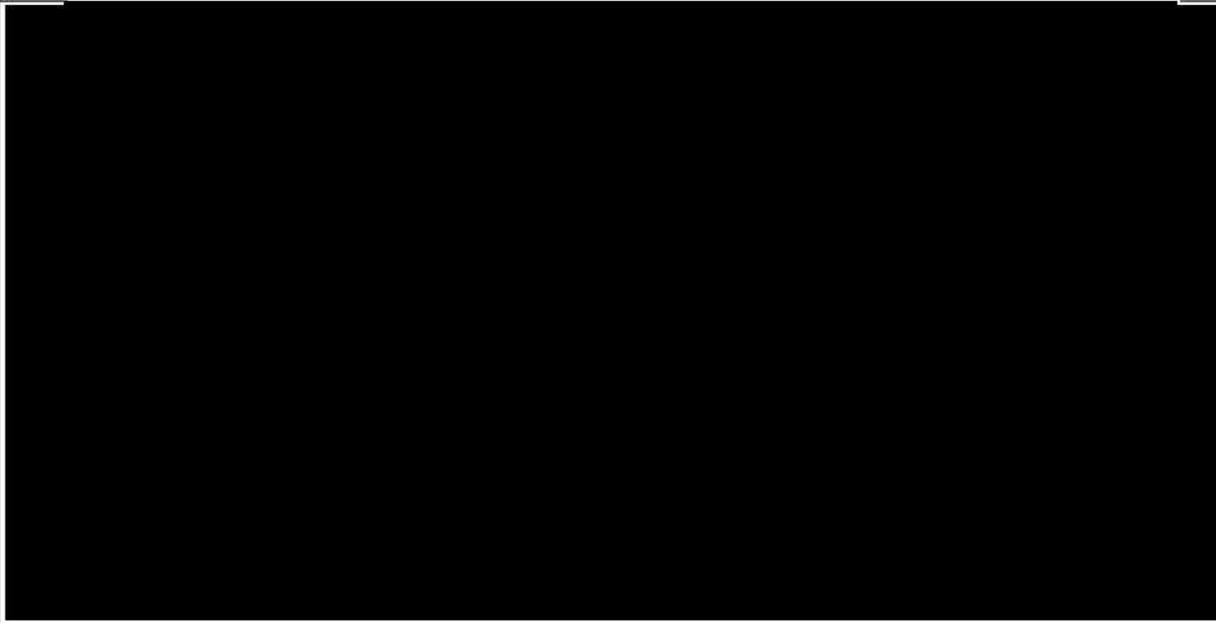
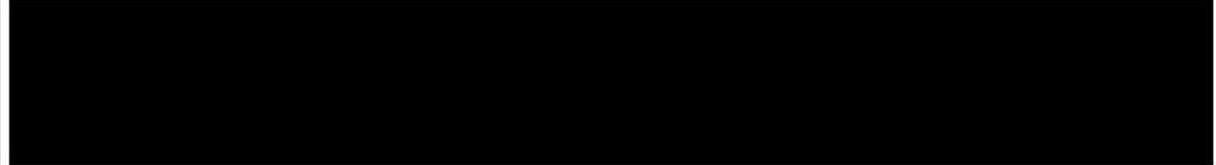
		<p>Following the conclusion of the discussions, the Panuku Board</p>

		
<p>5.2 TRANSFORM ONEHUNGA: WAIAPU PRECINCT</p> <p>CONFIDENTIAL PRIORITY LOCATION REPORT</p>	<p>16 05/20</p>	<p> Priority Location Director - Isthmus,  joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p> <p></p> <p>Following the conclusion of the discussions, the Panuku Board:</p> <p></p>

		
<p>5.3 TRANSFORM WATERFRONT: WYNYARD CROSSING</p> <p>CONFIDENTIAL PRIORITY LOCATION REPORT</p>	<p>17 05/20</p>	<p>, Priority Location Director - Waterfront, joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p>  <p>Following the conclusion of the discussions, the Panuku Board received the report.</p>
<p>5.4 TRANSFORM WATERFRONT: VOS BOAT SHED</p> <p>CONFIDENTIAL PRIORITY LOCATION REPORT</p>	<p>18 05/20</p>	<p>, Priority Location Director - Waterfront, joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p> 

		<p>[REDACTED]</p> <p>Following the conclusion of the discussions, the Panuku Board received the report.</p>
<p>5.5 UNLOCK TAKAPUNA: PROGRAMME BUSINESS CASE</p> <p>CONFIDENTIAL PRIORITY LOCATION REPORT</p>	<p>19 05/20</p>	<p>Kate Cumberpatch, Priority Location Director - North, joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of the discussions, the Panuku Board</p> <p>[REDACTED]</p>

5.6 UNLOCK TAKAPUNA: 40 ANZAC STREET AND 30-34 HURSTMERE ROAD	20 05/20	<p>Kate Cumberpatch, Priority Location Director - North, joined the meeting. Ian Wheeler, Chief Operating Officer, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of the discussions, the Panuku Board</p> <p>[REDACTED]</p>
CONFIDENTIAL PRIORITY LOCATION REPORT		

		
6.1 PRE-PAYMENT OF GROUND LEASE CONFIDENTIAL BUSINESS REPORT	21 05/20	<p>Marian Webb, GM Assets & Delivery, introduced the report. The board discussed the following matters:</p>  <p>Following the conclusion of the discussions, the Panuku Board</p> 

<p>6.2 PRE-PAYMENT OF GROUND LEASE</p> <p>CONFIDENTIAL BUSINESS REPORT</p>	22 05/20	<p>Marian Webb, GM Assets & Delivery, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of the discussions, the Panuku Board</p> <p>[REDACTED]</p>
<p>6.3 50 CENTREWAY ROAD, OREWA</p> <p>CONFIDENTIAL BUSINESS REPORT</p>	23 05/20	<p>Marian Webb, GM Assets & Delivery, introduced the report. The board discussed the following matters:</p> <p>[REDACTED]</p> <p>Following the conclusion of the discussions, the Panuku Board</p> <p>[REDACTED]</p>

		
7. GENERAL BUSINESS	24 05/20	There were no items of general business.
CLOSE OF BOARD MEETING	25 05/20	The meeting closed at 12.15 pm.

READ AND CONFIRMED

_____ **Chair**

_____ **Date**

Information paper: Health and Safety

Document author: [REDACTED] Health and Safety Manager

June 2020

Whakarāpopototanga matua | Executive summary

1. Our Covid-19 response continues, led by the GM Assets & Delivery, with the focus on returning to the office/accommodation planning and the Panuku safety plan during alert level 2.
2. Online training commenced for the new incident reporting system, Noggin.
3. The health and safety committee completed their May health and safety critical risks workshop and drafted a critical risk register, which will be reviewed by our executive in June.
4. Flu vaccines are scheduled for late June coinciding with an expected increase in staff returning to Panuku offices. Staff will have the choice of obtaining either an onsite or off-site (preferred medical provider) vaccine. This approach is aimed to ensure the maximum wellbeing of our staff during recognised periods of winter-related sickness.
5. Two near misses were reported during the month. One relating to two construction workers failing to provide adequate social distancing at alert level 2, and the second relating to the safe retrieval of a vessel's mooring lines. Both have been investigated and safety controls actioned.

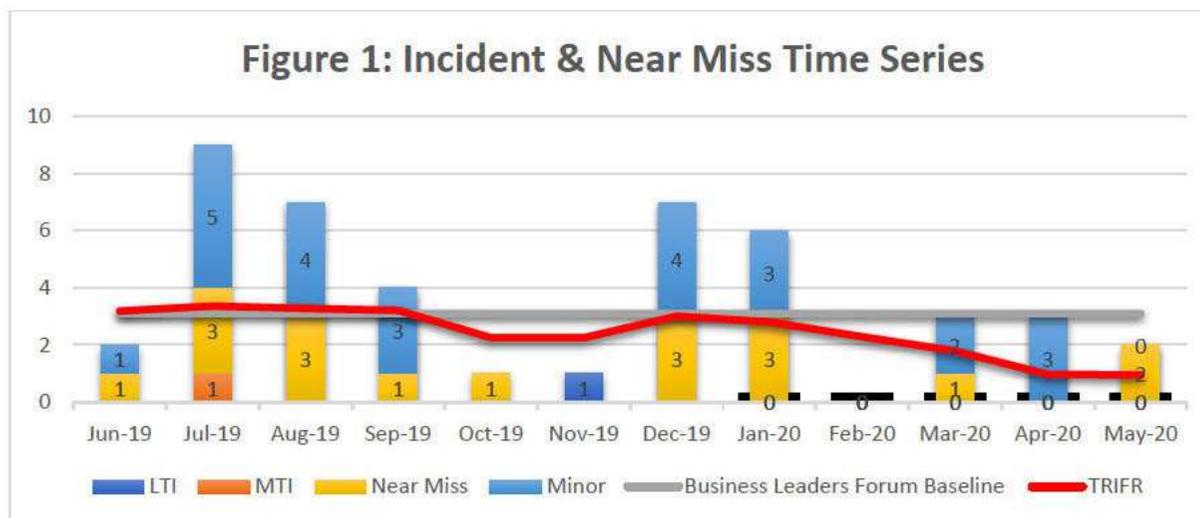
Matapaki | Discussion

Health and safety key performance indicators

6. Health and safety key performance indicators (KPIs) representing both lead and lag indicators are outlined below.

Incidents and near misses

7. There were two near misses reported in May. The first occurred on the Takapuna Gasometer construction site. Following the resumption of construction activities under alert level 3 and given that contract management safety protocols were to be enforced onsite, two workers were sighted as failing to follow onsite social distancing requirements. The main contractor retrained the two workers under the site specific Covid-19 safety protocols.
8. The second near miss occurred when Panuku staff were observing the berthing of a yacht within the Silo Marina during alert level 2. While berthing, a mooring line was thrown to staff falling short. As the yacht reversed the line became entangled in the prop of the vessel. Recognising the risk posed by entangled lines could potentially pull a person into the water, marina staff are reviewing the safe handling and retrieval of mooring lines, to reduce the risk to all.



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

9. Figure 1 above shows the Panuku Total Recordable Incident Frequency Rate (TRIFR). Our TRIFR (0.94) result for May shows Panuku remaining below the NZ Business Leaders Health and Safety Forum benchmark TRIFR of 3.

Project health and safety risks by phase

10. Project health and safety risk remained relatively unchanged in May. The exception to this was the delivery phase where construction sites began to operate in late April, in accordance with the construction Covid-19 safety protocols. These changes have been incorporated within the constructor's safety plans prior to work recommencing. Safety protocols were modified as the country transitioned from alert level 3 to alert level 2. All physical works safety plans have been reviewed and site works continue to be monitored to ensure safety compliance.
11. The Panuku construction forum for Westhaven Marina remained active remotely while each construction site retained their respective bubbles. This ensured that each PCBU continued to consult, cooperate and coordinate their respective overlapping safety duties under the Health and Safety at Work Act.

Competent and engaged people

12. Health and safety training for May included two health and safety inductions together with 43 online Noggin H & S reporting training sessions.
13. Noggin is the new incident reporting software solution. It is simple to use, includes a comprehensive reporting function and is set-up for both online and mobile use. The Noggin training began in May during our working from home period. The training emphasises the ease at which Panuku staff can raise a safety concern, incident, near miss, reportable event, major injury (or fatality). Classroom style training to support those having trained online, or for new starters, is likely to return during alert level 1.
14. Online training for Noggin will continue in June with a planned 'go-live' of the reporting system on 18 June.

Health and wellbeing

Coronavirus (Covid-19)

15. This section remains relatively unchanged as restrictions begin to ease around Covid-19 safety protocols and as we anticipate a move soon to alert level 1. Panuku remains consistent with the Auckland Council family, with our executive agreed the Panuku-wide safety plan for alert level 2 earlier in the month. Planning included preparations for the return of staff to our offices and the Panuku safety plan for alert level 2. These items are covered in more detail through our GM, Assets and Delivery.

Panuku Health and Safety Committee

16. The Health and Safety Committee completed a second online H & S critical risk workshop in May. This work will be finalised by the committee over the following weeks with the register to be reviewed by our executive in June.

17. Following the critical risk workshop, the committee discussed the timing of the flu vaccines, the rollout of the reporting system Noggin and impacts in H & S of Covid-19 to staff and contractor safety.

Influenza Vaccinations

18. We are scheduling and communicating three onsite flu vaccine dates. Two at 82 Wyndham Street and the third at the Westhaven Marina. These will take place in June. Further, staff will be given the option of redeeming a vaccine voucher through their preferred medical provider, as opposed to a worksite injection. This approach is aimed to ensure maximum staff uptake, and thus enhance health and wellbeing through the seasons where staff sickness is more prevalent.

Information paper: Chief Executive's report

Document author: David Rankin

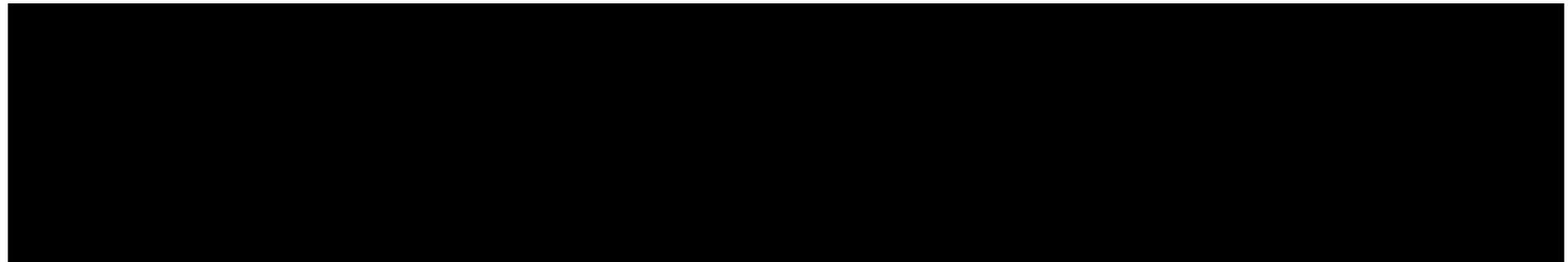
June 2020

Whakarāpopototanga matua | Executive summary

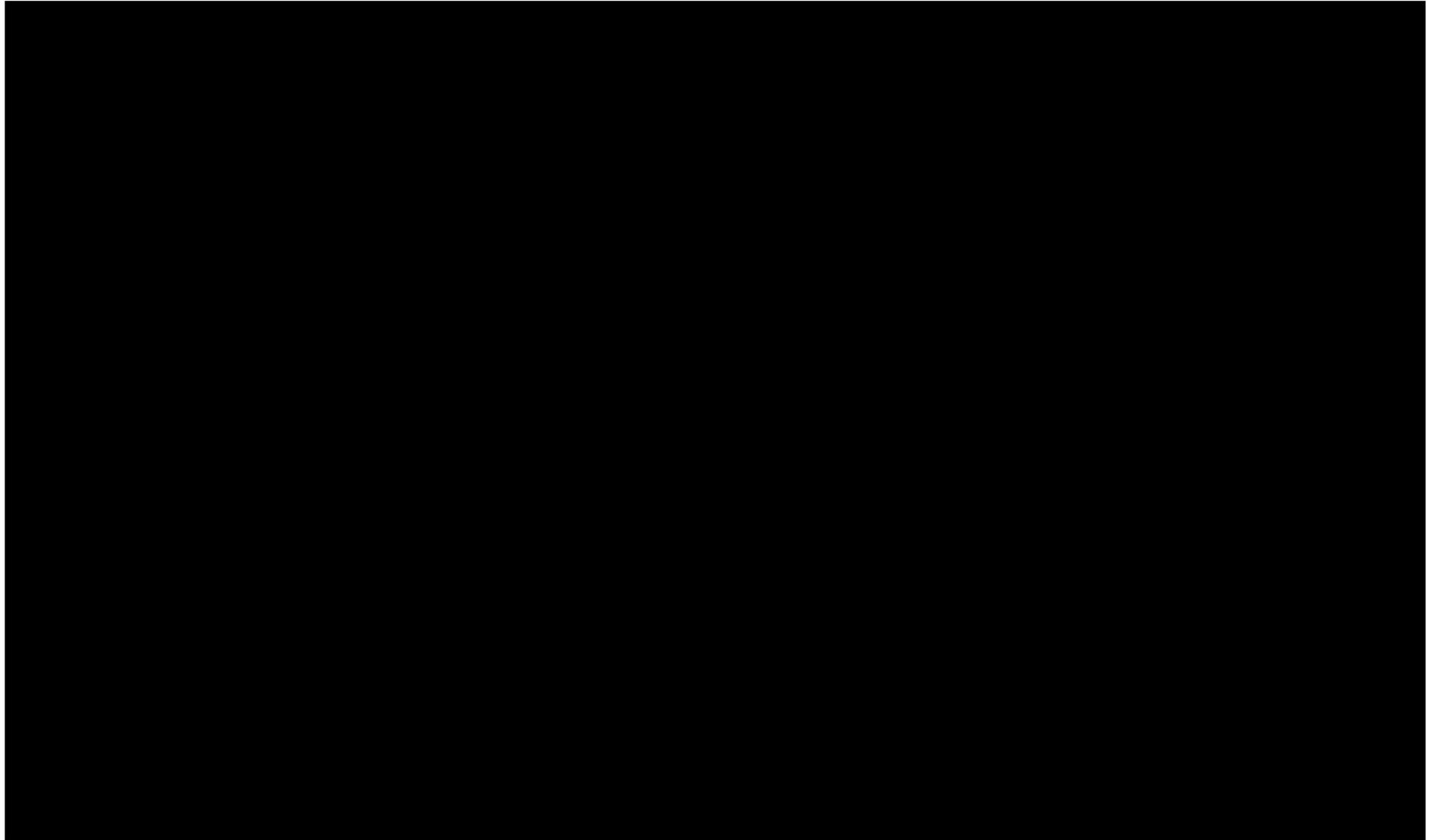
1. This report provides the board with a summarised overview of the activities, opportunities and issues facing the organisation.
2. This report is a public report, however confidential information is redacted. Information that has been redacted is indicated in [blue font](#). Where redacted information 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.

Matapaki | Discussion

Strategic matters



Urban regeneration in our priority locations





Operational reporting

Covid-19 Crisis Management Team (CMT) update

13. The CMT continues to lead the Panuku Business recovery planning process as we moved through alert level two to alert level one. Business recovery planning is well underway.
14. The change in alert levels means our office will be returning to normal. 82 Wyndham Street is now open to work in as we had before the pandemic began.
15. The CMT will be wound up soon with new business recovery lead and team to be appointed to finalise and commence implementation of business recovery planning and ensure coordination as we go forward.

Impact by Covid-19 on construction contracts

16. During alert level four (lockdown) all Panuku construction sites were shutdown. As a result, seven Panuku construction projects were halted. All project sites were up and running within a week of alert level 3 with most starting back on the first day of level 3. At alert level 3 most contractors were back to full productivity fairly quickly as they came to grips with new health and safety requirements. Level 2 has seen full productivity return with the restrictions and additional health and safety requirements having limited effects on site productivity.
17. To date variations have been received from the contractors for costs during the lockdown and also costs associated for demobilising and then remobilising. To evaluate these variations, we have received guidance from council procurement and legal teams, and this is being implemented on all projects. This gives a clear and consistent approach across the council group and certainty around evaluating claims. The total Covid-19 variations for Panuku contracts are estimated to be in the order of \$950,000, which includes contractors and consultants' costs. The variations are currently being reviewed and negotiated by project teams and will be finalised, in conjunction with the Engineer to

the Contracts, by the end of this financial year. The lockdown has seen project end dates push out by around approximately a month, with all project teams looking to claw back some of the time lost where possible.

Health and Safety: Balustrade – Viaduct Basin

18. The temporary solution to adjust the handrail in the Viaduct basin is now complete. VHHL has indicated that it is satisfied with the temporary solution.
19. Options to address the dangerous ledge in the area of the recent incident are currently being developed.
20. Engagement with VHHL has commenced with respect to a new lighting solution and work continues on the development of design solutions for a more permanent solution.

Crown Infrastructure ‘shovel ready’ projects

21. 61 of the 73 projects put forward by Auckland Council /AT/Panuku were put forward to Ministers for consideration by the Infrastructure Reference Group. While this does not indicate whether they are likely to achieve funding, it does reflect on the high quality of the applications the council group submitted.
22. Over 1900 projects were put forward with over half of them dismissed early on for not meeting the criteria. The fact that a high percentage of Auckland Council’s projects were put forward to Ministers indicates that the information we provided was of a high quality and addressed the criteria well.
23. Once the outcome of the Crown’s process is known, we will update the board.

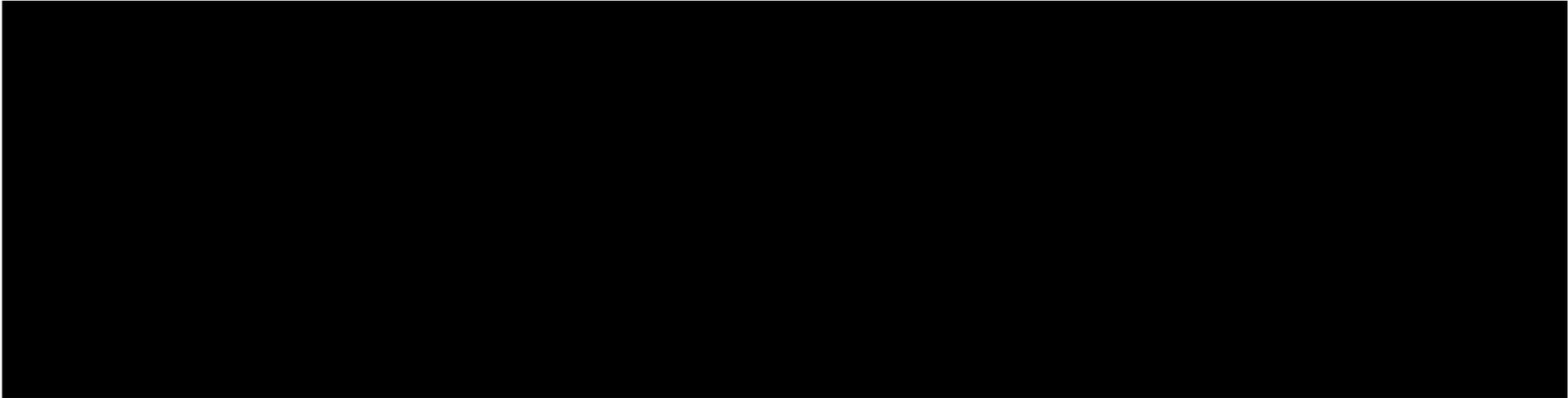
Waka Kotahi | NZTA Innovating Streets for People Pilot Fund

Mt Wellington racetrack – legal dispute

31. The board will recall the ongoing issue with the bucket racing club and the Mt Wellington site which was leased by Panuku on behalf of AT last year to achieve a commercial return from the site. The matter went to court early last month. The judge has declined the application by the bucket racers with costs. In summary on the key points the judge determined the site was not a “park”. The judge also determined that there had been sufficient consultation as part of the decision making. The Council, ITC and AT are considering their position on costs.

Monthly performance dashboard

32. The dashboard covering May is included as Attachment x. Some sections are withheld from the public under S7(2)(b)(ii) of the LGOIMA.



Risk management update

34. The risk management update is included as Attachment B which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

Acquisitions summary

35. The acquisitions summary is included as Attachment C which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

Disposals summary

36. The disposals summary is included as Attachment D which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

Media summary – May

37. The Panuku media focus remained on providing reactive responses to a number of queries from media relating to our Covid-19 response. Mostly, these queries have been put to the council group and we have ensured that our work aligns with the overall group position.

38. Our priority has been to actively prepare wide-ranging communications plans and messaging to support our internal and external activities around the announcement of the Auckland Council's Emergency Budget. We continue to provide communications advice and support for our commercial tenant relief activities and marina team.

39. We took a proactive media approach to the Takapuna town square concept designs and engagement plan, working closely with the local board on the announcement and organising follow up interviews with Priority Location Director Kate Cumberpatch.
40. As well as responding to ad hoc media requests, we have continued to support our Auckland Council colleagues with cross-council media enquiries regarding the Auckland Ratepayers Association's Town Hall Rich List, Panuku's project proposals for both the Governments Shovel Ready Projects initiative and the Waka Kotahi's Innovating Streets for People Fund, as well as the Auckland Council Emergency Budget activity.
41. Generally, the local media focus has shifted to the Auckland Council's Emergency Budget and the affect it will have across all council activity. We are seeing increasing interest in the effects the budget shortfall will have on activity in priority neighbourhoods.

Ngā tāpirihanga | Attachments

Attachment A – Monthly performance dashboard May

Attachment B – Risk management update

Attachment C – Acquisition summary

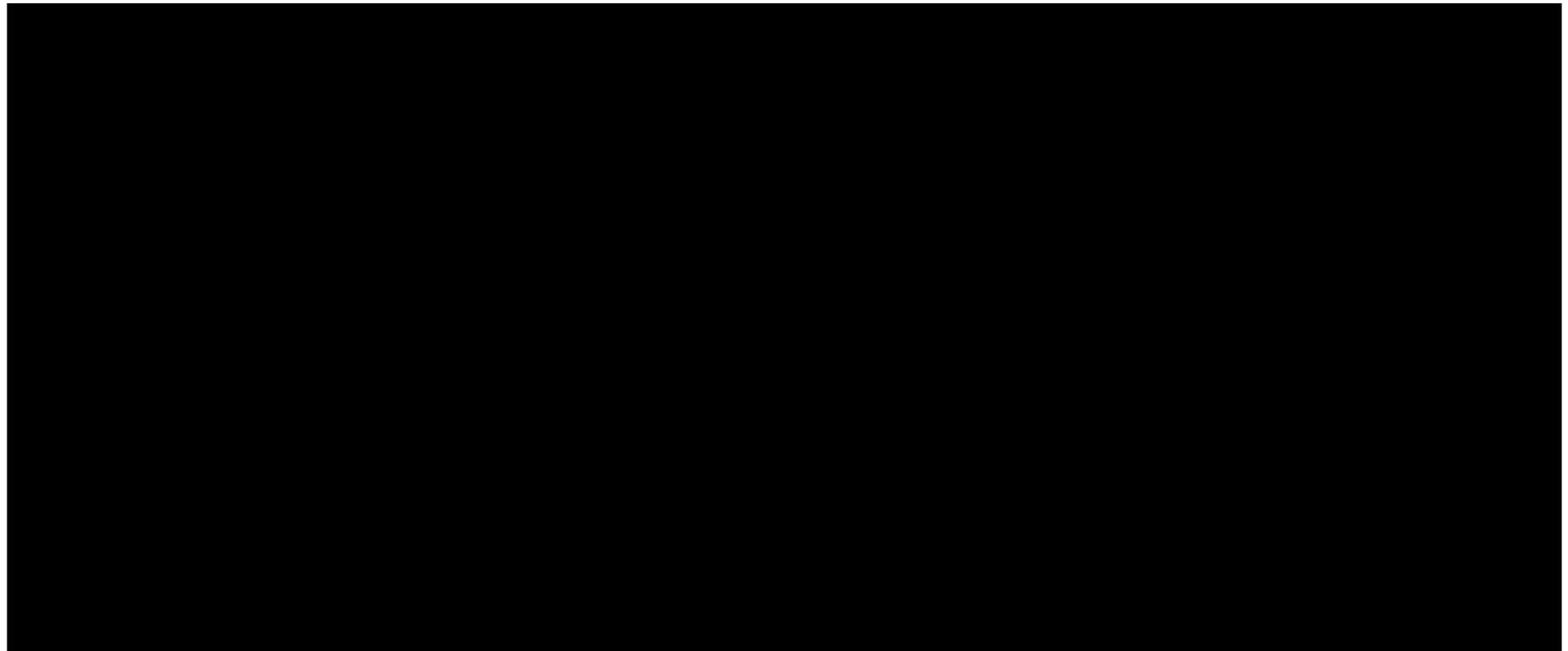
Attachment D – Disposals summary

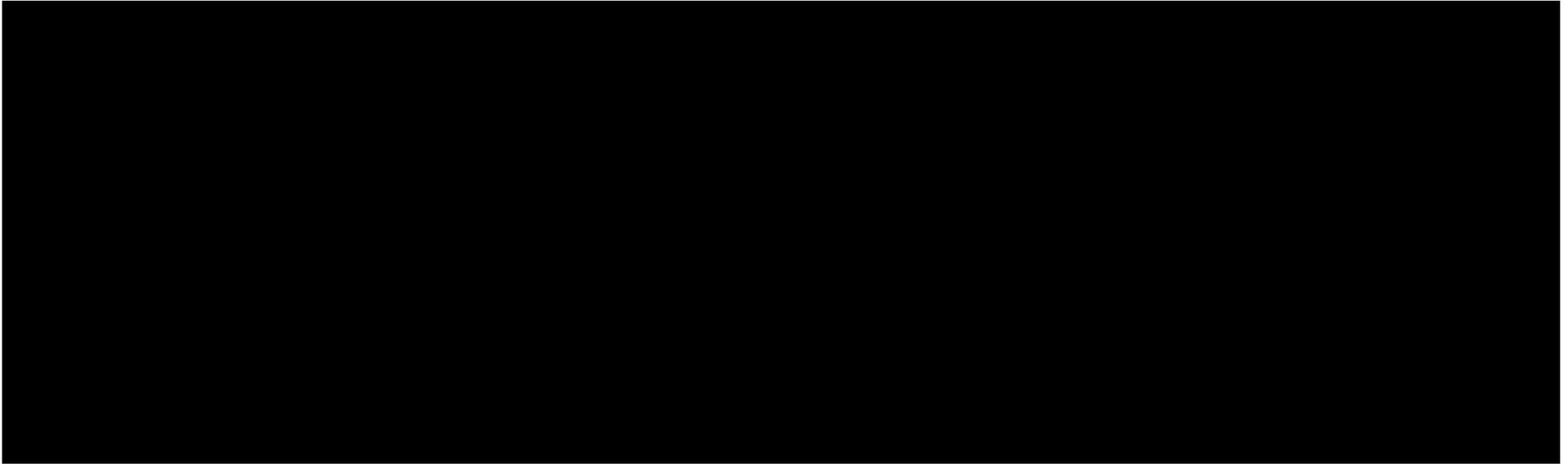
Information paper: Partnership approach to development

Document author: Allan Young GM Development

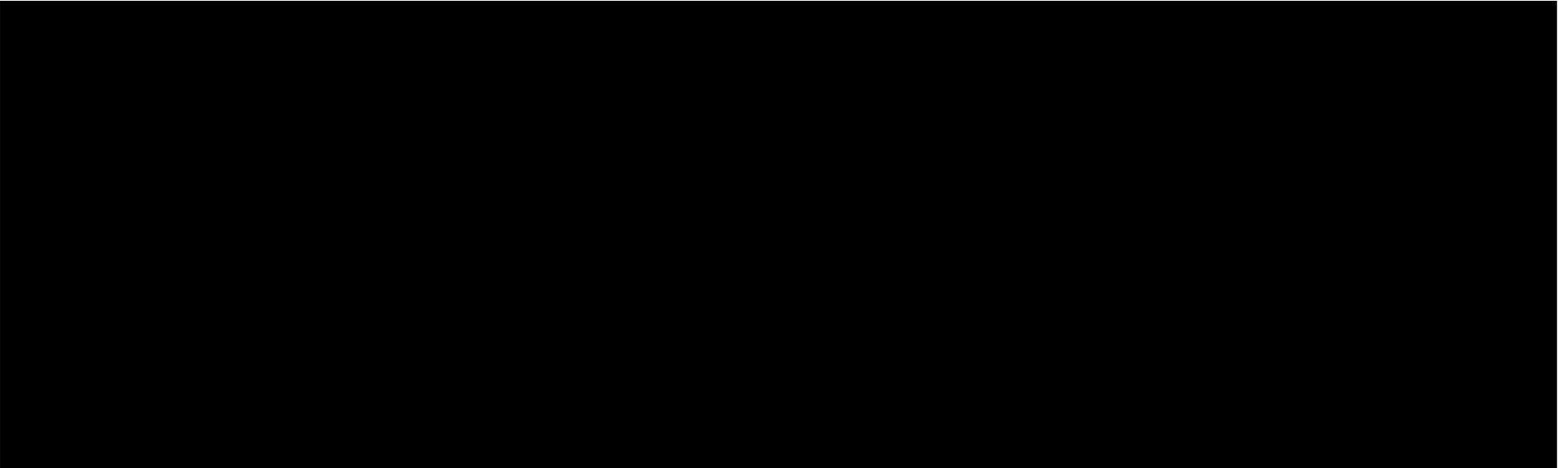
June 2020

Whakarāpopototanga matua | Executive summary

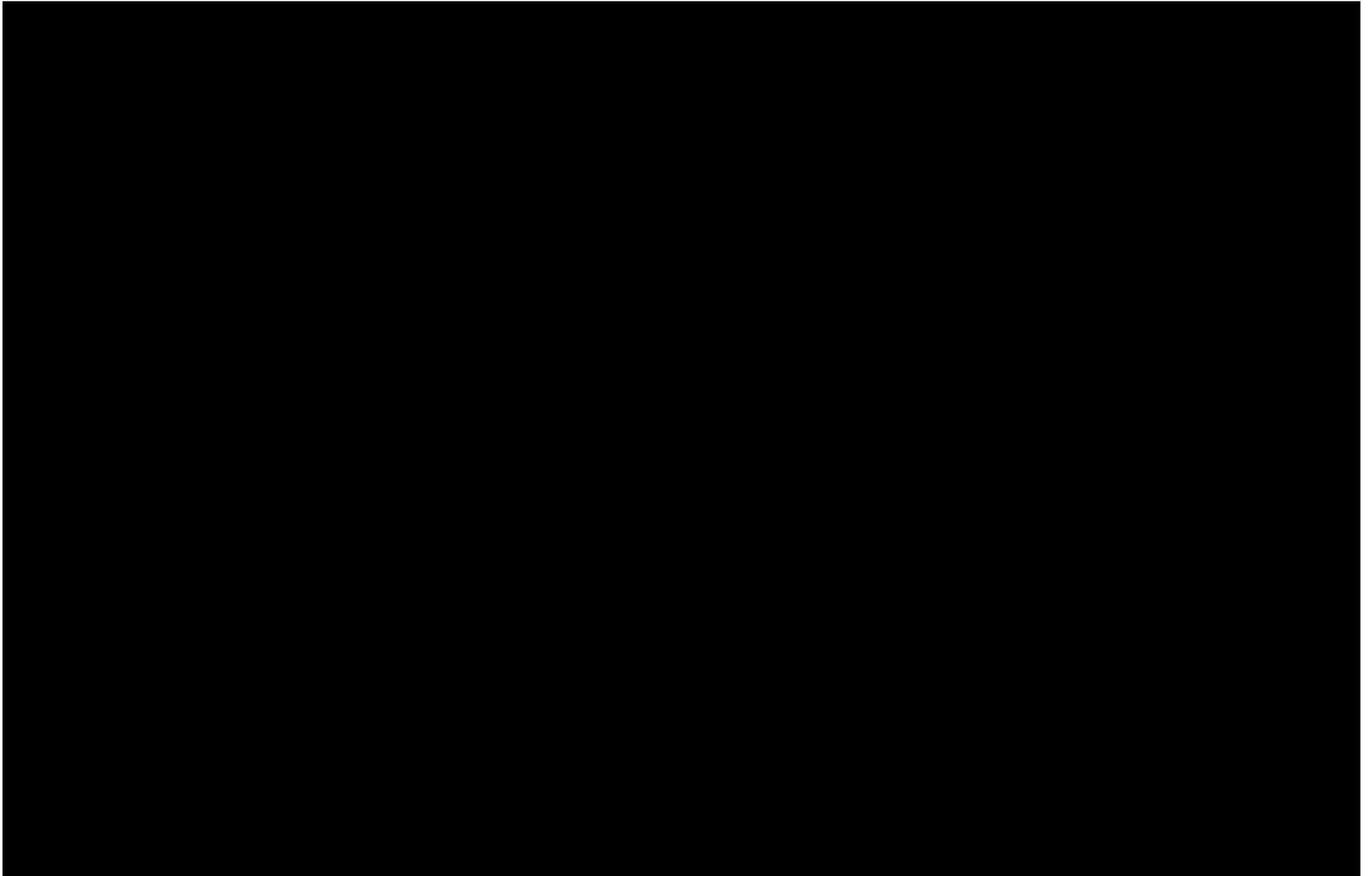


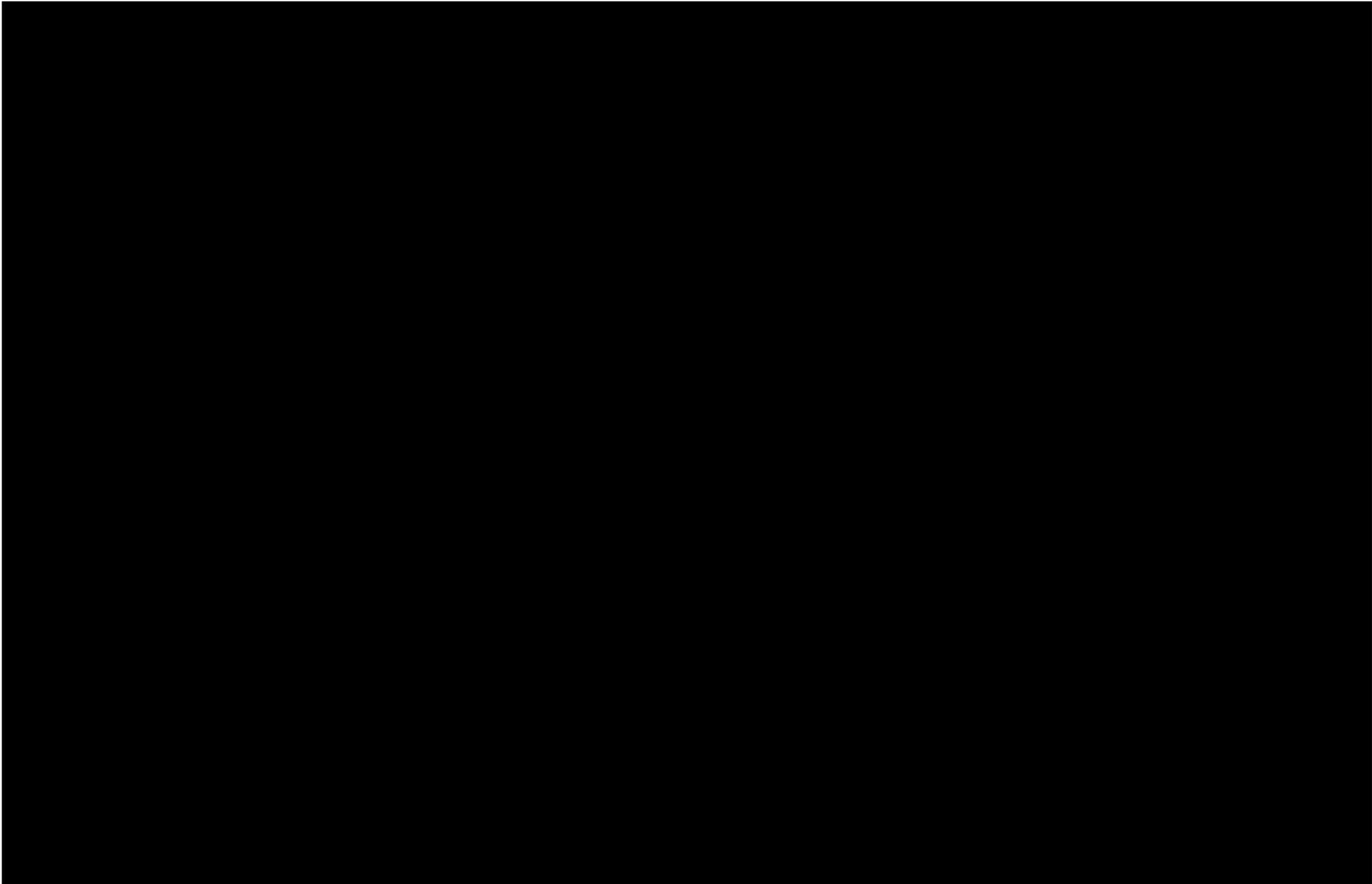


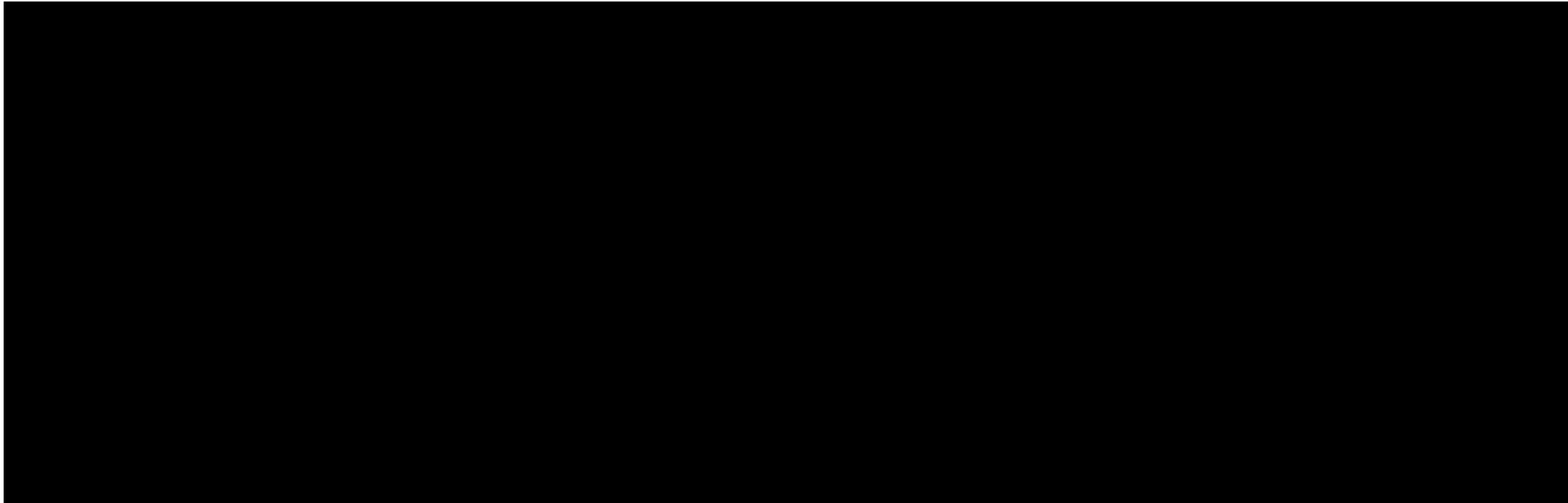
Matapaki | Discussion











Ngā tāpirihanga | Attachments



Information paper: Panuku's Design Strategy and overview

Document author: [REDACTED] Head of Planning and Consents; Gyles Bendall, GM Design and Place

June 2020

Whakarāpopototanga matua | Executive summary

1. The purpose of this report is to provide the board with Panuku's Design Strategy which includes an overview of Panuku's design team and an update on the Alliancing Framework refresh (the Framework) that is underway.
2. The Design Strategy is a high-level strategy that captures our approach to design at Panuku. It will be updated later this year once the outcome of the Framework refresh is known as this will likely impact our approach and processes. We will also fold in other improvement areas that are progressing such as our mana whenua outcomes framework and a tactical urbanism approach for Panuku.
3. The Framework agreement with Auckland Council was prepared in 2016. The scope of this agreement covers the statutory plan change and resource consent approval processes required by Panuku, and the council's urban design inputs into Panuku projects. It identifies the consenting pathways, and roles and responsibilities for Panuku and the council to jointly achieve a streamlined, fast-track applications process.
4. By and large the Framework works well, however it is time for a refresh particularly around the design review process. We believe efficiencies and better outcomes could be achieved through improved processes. The refresh will focus on how we get greater consistency of design review through our development agreements and through the consenting processes and includes reviewing the role of independent design review panels - Panuku's Technical Advisory Group (TAG) and the Auckland Urban Design Panel (AUDP).

Matapaki | Discussion

Design Strategy

5. The draft Design Strategy is appended to this report. This is a high-level strategy that captures our approach, our team, our tools and key focus areas of improvement. This strategy embeds our approach to design post Raranga. The key part of the strategy is to have design staff that are fully integrated into our programmes and projects and for the organisation to maintain a centre of excellence to provide thought leadership. This:
 - a. Ensures that Panuku has a strong reputation and we are trusted for our capabilities;
 - b. Embeds an agile place-led design approach;
 - c. Leads from the front with our aspirations and confident in our ability to deliver; and
 - d. Ensures transparent and robust process to achieve design quality.
6. The Design Strategy will be updated later this year once the outcome of the Framework refresh is known as this will likely impact our approach and processes. We will also fold in other improvement areas that cover feedback from our work progressing the mana whenua outcomes framework and a tactical urbanism approach for Panuku.
7. Over the past five years Panuku has grown a very capable design unit. Even during periods of high demand in the industry Panuku has been able to attract highly talented and passionate staff due to its unique offer as a regeneration agency. Panuku design staff have a complimentary mix of private and public sector experience, inclusive of experience from the UK, America, Australia and New Zealand. Expertise includes all design disciplines from architecture, landscape architecture, urban design, transport expertise and regenerative practice.
8. Within the team we have a number of senior staff that have been part of major master planning processes as the lead or a core member of multidisciplinary teams. In addition, our staff have experience in the effective delivery of the associated programmes from both public and private sector perspectives to ensure we can build compelling and deliverable place propositions. Combined with the wider expertise within Panuku we are well placed to meet expectations and fulfil our role as a regeneration agency.
9. Our staff are experienced in public realm projects and have led projects from concept through to construction management, on a range of project scales from tactical urbanism, progressive parking management, and walking and cycling projects, urban parks, civic projects, streetscape projects, and major infrastructure projects such as LRT. Our staff experience within architecture and urban design is also at a range of scales from large scale urban planning, major subdivision, mixed use developments and social housing developments. The team is supported by 3 graduates (which includes a Maori design graduate).
10. Impacts from the Covid financial situation has removed a number of vacancies from within the team. However, despite that there is still capacity to grow the team based on draft budgets if required. Once budget parameters have been confirmed for our programmes, we will

review resources requirements. At this stage it is anticipated that we will need an intermediate urban design to support the masterplanning work as well as additional team leadership.

11. The team has three broad areas of work. This includes Design Leadership, Design Management and Design Services. Design leadership covers thought leadership for the organisation and ensuring we have the right approach and processes to support quality outcomes. The largest area of work for the team is design management activities as part of integrated projects teams. Design management includes the provision technical advice; design coordination and collaboration; project integration over project lifecycles, input into business cases, preparation of consultant briefs, tender process and evaluations; and design review. The focus here is to ensure that the front end of projects have good foundations.
12. The majority of design work for Panuku is conducted by external consultants who we work collaboratively with. However, our model does cater for targeted design service capacity for Panuku. The main focus area for this is masterplanning work required to support our programmes. While this is often in collaboration with external consultants it is important that Panuku holds to pen to maintain IP in our places, allow integration into the business (e.g. Programme Business Cases) and allow for ongoing iterative processes to occur, and to manage costs. Our model does not cater for design activities from concept through to detailed design processes for built projects which is more efficient to target specific expertise externally for a given project type or may be led by our development partners.

Alliancing Framework Refresh

13. Panuku has in place an Alliancing Framework agreement with the council that was prepared in 2016. The scope of this agreement covers the statutory plan change and resource consent approval processes required by Panuku, and the council's urban design inputs into Panuku projects. It identifies the consenting pathways, and roles and responsibilities for Panuku and the council to jointly achieve a streamlined, fast-track applications process.
14. By and large the Framework works well. However, we believe efficiencies and better outcomes could be achieved through improved processes, particularly around design review. In that regard there are two key principles we are approaching the refresh with:
 - a. Firstly, to remove any duplication such as design reviews by staff from Auckland Council and staff at Panuku, how we get greater consistency of design review through both development agreements and consenting processes, and review of the role of independent design review panels of TAG and the AUDP and associated costs between council and Panuku; and
 - b. Secondly, how to the maximise quality design outcomes for Panuku projects - including how we can use our ability to negotiate outcomes beyond the limitations of the Resource Management Act, use of development agreements, and other tools to encourage, negotiate and enforce agreed outcomes as necessary.

15. In addition, the refresh will seek to simplify the Framework to fit the scale of works that Panuku creates in any given year as the current approach was established for a far greater quantum of work. The statutory plan change and resource consent approval processes with the Framework are generally working well so limited changes are expected for these aspects.
16. The operative version of the Unitary Plan does not have specific urban design criteria or a requirement for applicants to prepare urban design statements. Through its development agreements Panuku has significant ability to leverage quality design outcomes from developers.
17. However, currently the process is overly complex and there is duplication of staff and processes at key project stages for development projects. The current process means that there are multiple reviews that are occurring at different stages, by different staff, and through different processes. Via the board, Panuku staff establish the vision and sets the direction that balances financial return and the outcomes sort for each project and how it integrates into the wider regeneration programme, then Panuku negotiates and reviews early proposals by development partners before they apply for a consent. At which point it then goes through a new design review process by council staff to gain a consent. At times this review can be undertaken with a first principles approach. For some development agreements it would then come back to Panuku to administer any specific design requirements.
18. The current process means that we generally restrict the required outcomes within development agreements as the design review process during consenting may:
 - a. provide an alternate view that could conflict with development agreements;
 - b. add duplication of process; and
 - c. create confusion for development partners on which advice to follow.
19. To date, to mitigate these issues Panuku has been pulling back on requirements within development agreements. However, confusion and uncertainty for our development partners on which advice to follow remains. In a number of cases this has led to additional redesign and time costs working through multiple review processes but without the demonstrable increase to the outcome. Under this approach Panuku undermines our potential by limiting its use of using a wider range of tools in achieving broader outcomes such as those deployed within Wynyard Quarter – which is Auckland’s best example of a fully integrated regeneration approach.
20. The solution that we are seeking is to remove the duplication of processes and staff between council and Panuku. The intention being that Panuku design staff fully manage the design negotiation and review process through the life of a project. This would enable Panuku to fully utilise a range of tools to increase the quality of our regeneration projects, which has the potential to greatly exceed council's ability through purely RMA and Unitary Plan provisions and processes. Options will be tested over the coming month with council to assess which gains the best design outcomes whilst meeting statutory requirements.

21. A key component of the Framework is ensuring a clear delineation of roles and responsibilities between Panuku's Technical Advisory Group (TAG) and the council's Auckland Urban Design Panel (AUDP). Under the Framework, both provide independent, expert urban design advice into Panuku's projects.
22. Currently TAG is retained by Panuku for all strategic design advice feeding into masterplans and projects across our locations. For statutory consenting processes, the process changes depending on the location. In recognition of the contractual obligations inherited from Waterfront Auckland, TAG is used for as the independent design panel assessing all consent proposals on Panuku managed land In Wynyard Quarter. Elsewhere, this function is performed by the AUDP, albeit Panuku ensures the membership of the Panel includes two TAG members to provide consistency.
23. The Framework refresh will seek to address the sometimes-blurred delineation between TAG and the AUDP. For Panuku an approach that is similar to what occurs in Wynyard Quarter is preferable as this will allow longer and consistent interaction with an independent review panel over a life of a project, enables better integration of development agreements and consenting processes, and has clearly been successful in Wynyard Quarter.
24. Removing duplication of council and Panuku staff and independent design panels will enable Panuku to establish a simplified and unified approach to design reviews, reduce cost, remove uncertainty for development partners, and enable greater outcomes for our communities.

Working with others

25. Panuku works with a range of partners across our activities such as Auckland Council (Auckland Design Office, Parks and Healthy Waters), Auckland Transport, and Kāinga Ora. We work to complement council and partner activities and work collaboratively with them. We generally offer deeper place knowledge and design enterprise related to delivery, master planning and town centre regeneration that others have either less capacity and/or less capability in.
26. Panuku participates and has hosted the Tamaki Design Assemblage which brings together design professionals across central and local government agencies in Auckland. It is a quarterly forum is to share ideas, build shared knowledge and enables networking.
27. The Alliance Framework refresh will redefine, clarify and improve efficiencies for the way we work with the Auckland Design Office (ADO). It is noted that the ADO is currently in a change process. Due to Covid-19 lock down this process has been paused but is expected to restart soon. The current proposal would see the ADO disestablished and its role integrated into the consenting and planning departments of council. It is not known what impact Covid and associated budget constraints for council will have on the change proposal.

June 2020

Ngā tāpirihanga | Attachments



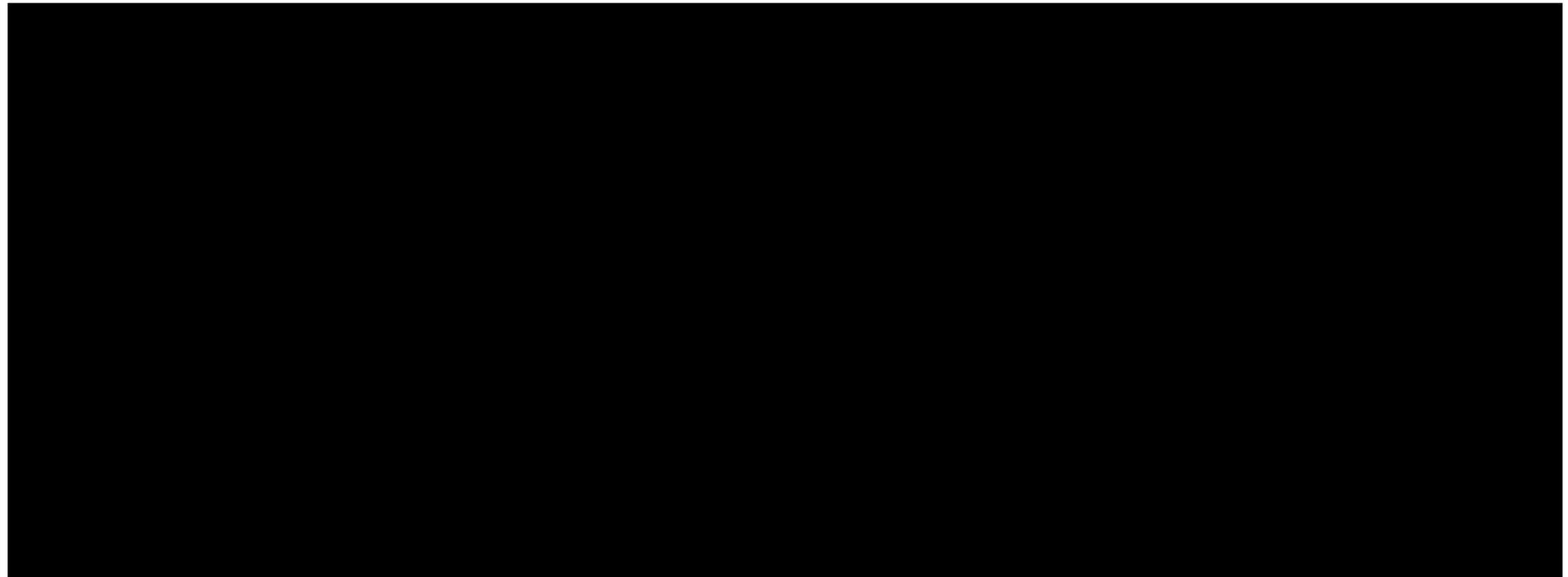
Decision paper: City Rail Link Mt Eden and Karangahape Stations Development Programme

Author: Jessica Laing - Head of Strategic Planning and Projects

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board:



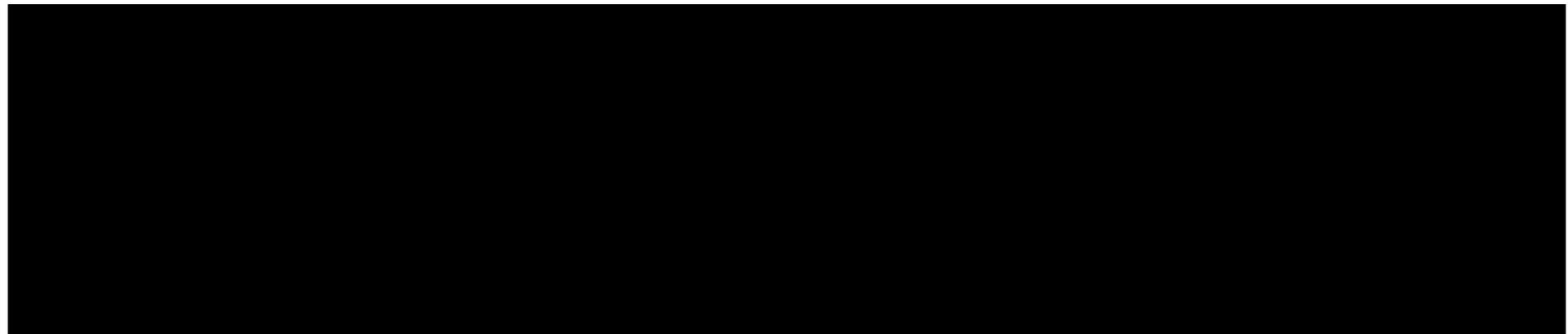
Whakarāpopototanga matua | Executive summary

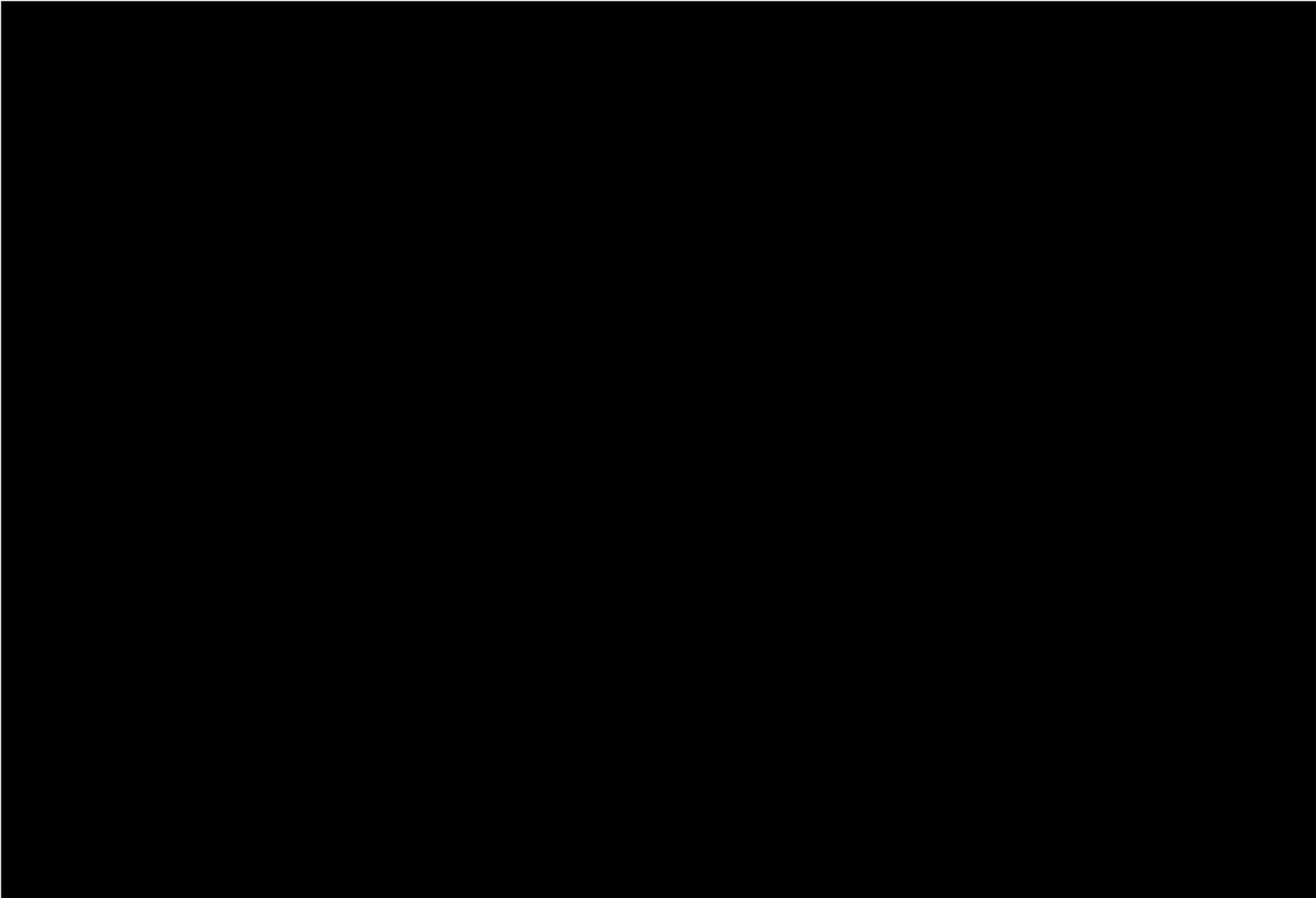


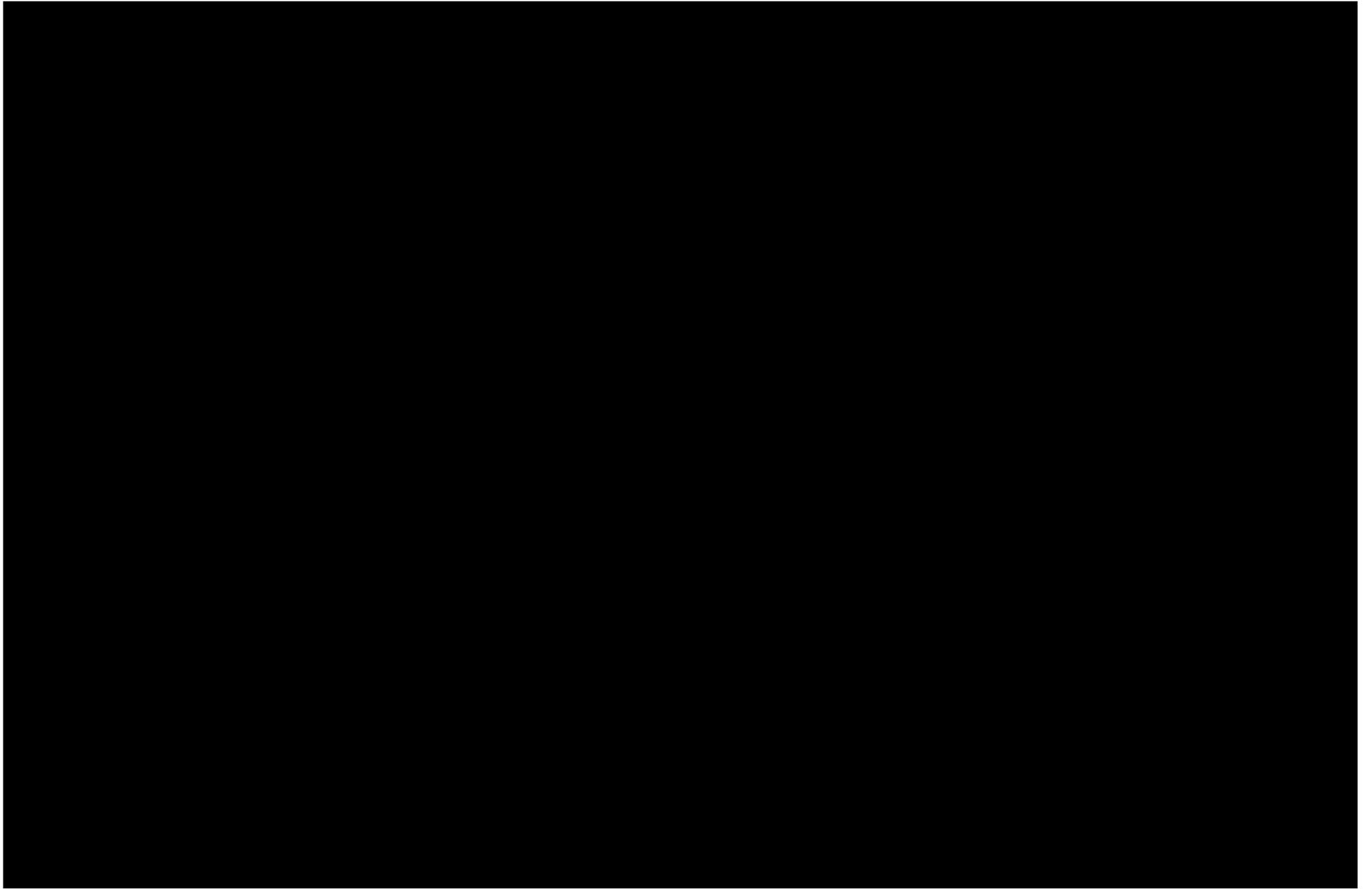
Horopaki | Context

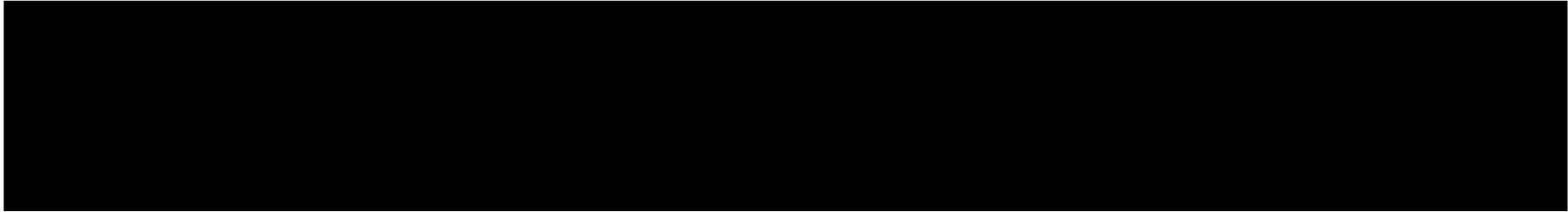


Matapaki | Discussion





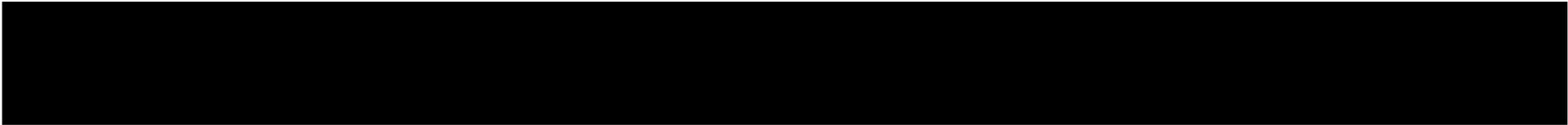




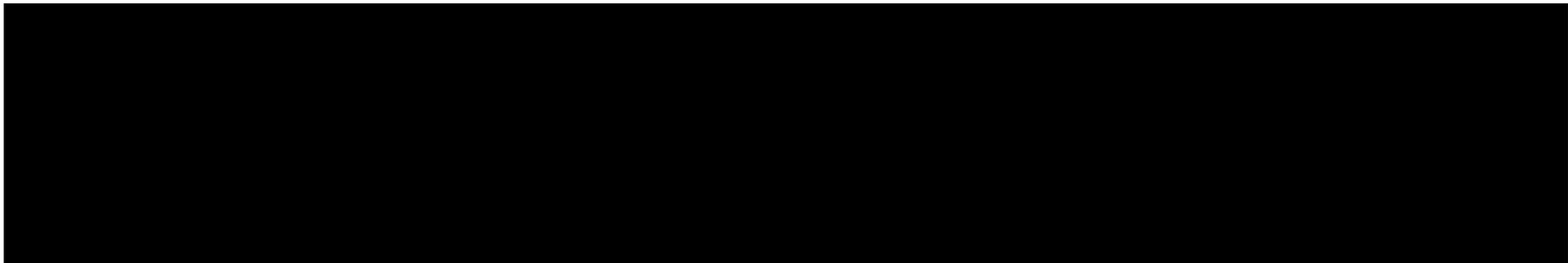
Hīraunga | Implications

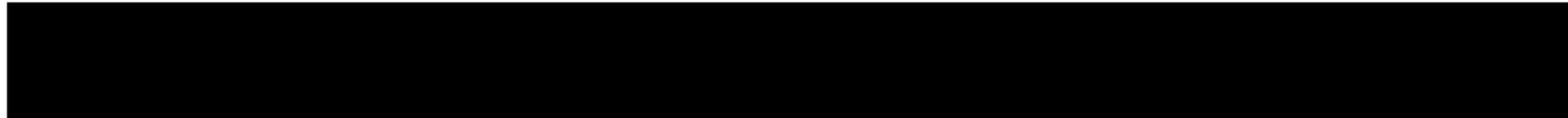


Ngā ritenga ā-pūtea | Financial implications

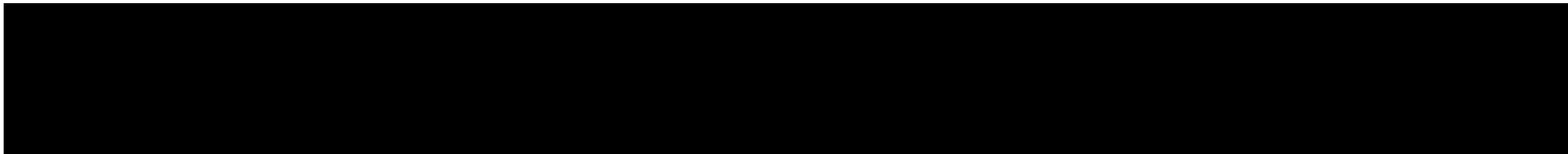


Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

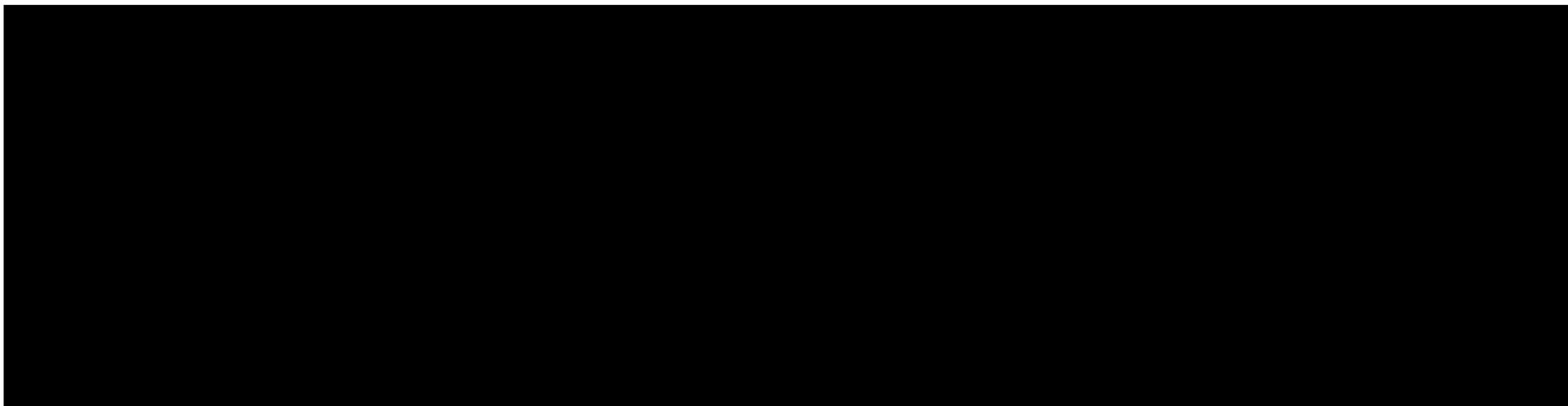




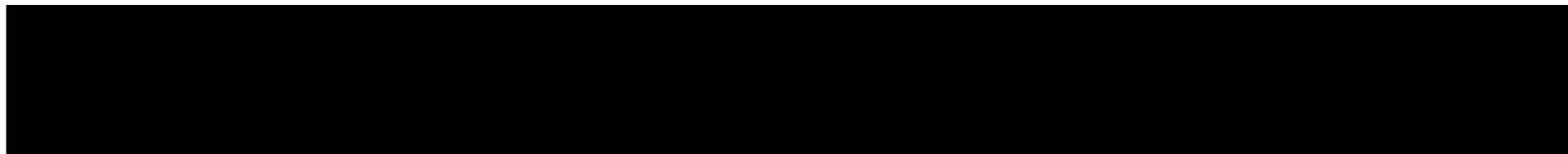
Tauākī whakaaweawe Māori | Māori impact



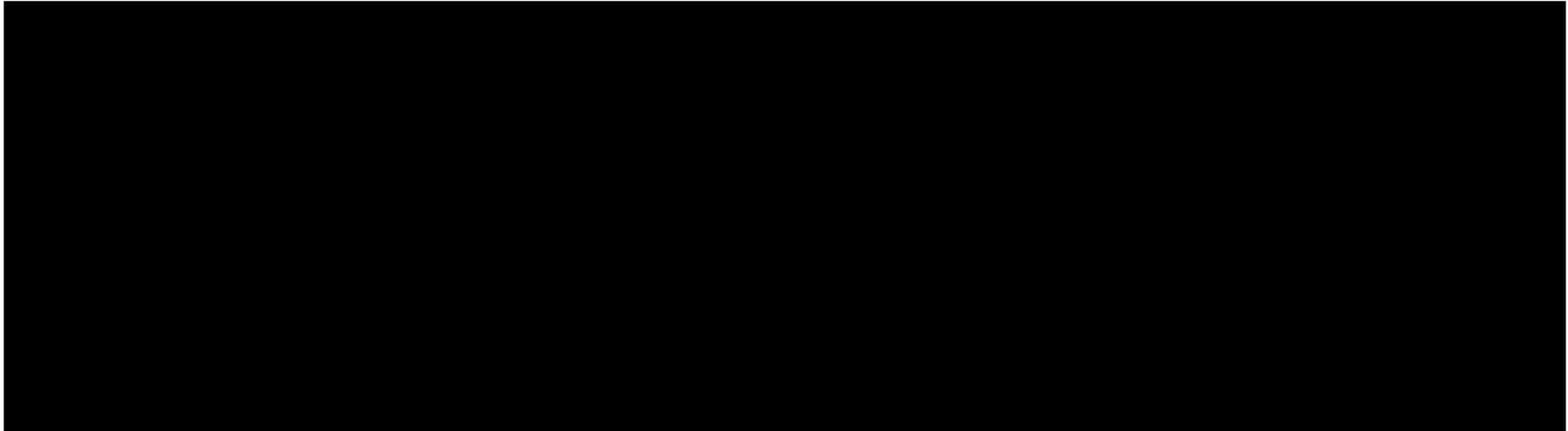
Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts



Tauākī whakaaweawe āhuarangi | Climate change impacts



Ngā koringa ā-muri | Next steps



Ngā tāpirihanga | Attachments



Ngā kaihaina | Signatories

Brenna Waghorn - GM Strategy & Planning

David Rankin - Chief Executive (acting)

Decision paper: Panuku Climate Change Strategy

Author: [REDACTED] Head of Corporate Responsibility

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board endorses the draft Panuku Climate Change Strategy, for further engagement, and notes that the final strategy will be brought to the Board for approval.

Whakarāpopototanga matua | Executive summary

2. Auckland Council declared a Climate Emergency in 2019. As a Council Controlled Organisation, Panuku is committed to responding to the Climate Emergency and taking prompt, meaningful action to address climate change. A Climate Change Strategy has been developed, led by the Corporate Responsibility team but with input from across the business and in line with Auckland Council's Draft Auckland Climate Action Plan.
3. The Strategy is intended to be a public document for our communities and stakeholders. It sets out the context to Panuku's activities and our approach to deliver co-ordinated actions across the three functional areas of our business – urban regeneration, portfolio management, and corporate operations. It also aims to articulate what climate action means to Panuku, through a series of case studies and sets out our vision, objectives, principles, and priorities.
4. A key goal of the Strategy and its wider implementation plan is to identify, extend and accelerate work programmes that are already underway; raise awareness of relevant climate change drivers and impacts; guide climate mitigation and adaptation activities across Panuku and lay the foundations for more detailed work plans across our whole organisation.
5. Panuku has a role to play in delivering on Auckland Council's emission reduction targets through its urban regeneration activities. Our core business is to deliver urban regeneration in town centre locations. Panuku has an estimated pipeline of around 11,000 dwellings over 10

years in existing, transport-oriented urban centres. The delivery of these dwellings will play a significant role in reducing transport emissions which make up the largest proportion of emissions in the Auckland region.

6. Priority actions identified within the Climate Change Strategy are set out on page 3 of the Strategy and include the following:
 - Piloting the use of Life Cycle Analysis to measure and understand the carbon impact of Panuku developments and to drive improved outcomes.
 - Undertaking an assessment of future climate impacts, risks and vulnerabilities for all priority locations.
 - Working with Auckland Transport to explore mixed use development options on underutilised transport sites.
 - Rolling out low carbon standards for commercial developments.
 - Development of standards for our public realm projects.
 - Accelerating sustainable procurement activity.
 - Developing a work programme to address climate impact across our asset management function.
 - Developing a process to undertake climate compatibility assessments at the business case stage for all new developments and infrastructure to identify to what degree a proposal supports or conflicts with our climate goals over its lifecycle.
 - Continuing to build sustainability awareness and action into Panuku culture and increase staff engagement and sustainability literacy
7. Delivery of the strategy will be via a more detailed action plan that has been developed in parallel but is an internal document and is not intended to be published. The action plan identifies ongoing, planned and potential actions across the different areas of Panuku's operations.
8. The draft strategy is being presented to the board now in order to meet a 2019/20 target of the Statement of Intent, being to set out a process to ensure climate change adaptation is embedded in our planning. This process is set out on page 22 of the strategy. For each of our neighbourhoods we are compiling a summary of anticipated impacts, risks, vulnerabilities and responses to inform our masterplanning and high-level strategies for sites. In doing this we draw on technical research undertaken by NIWA on climate impacts for Auckland as well as the various technical reports developed by Auckland Council looking at climate change risks and vulnerabilities across various topics including flooding and vulnerability to heat. This work is already underway.

9. Following endorsement of the draft strategy we will undertake further engagement with Mana Whenua. Once Auckland Council has approved the Council's Climate Action Plan (ACAP), in the next few months, the final Panuku strategy will be brought back to the Panuku Board for approval. This will give us the time to ensure full alignment and we have been able to incorporate feedback from Mana Whenua and the board.

Horopaki | Context

10. Locally and internationally awareness is growing of the need for urgent climate action. In 2019 the Auckland Council declared a Climate Emergency, the government passed the Climate Change Act and we saw thousands of people across the world attending climate strikes.
11. As a member of the C40 network of cities, Auckland has a commitment to plan for zero emissions by 2050, and to set emission targets consistent with a 1.5° global temperature rise. To achieve these targets the Auckland Council has developed Te Tāruke-ā-Tāwhiri: The Auckland Climate Action Plan (ACAP) which addresses both mitigation (reducing CO2e emissions) and adaptation (planning for resilience in response to climate change impacts).
12. Panuku has been involved in the development of ACAP at both working and steering group levels. Panuku is seen as a key delivery partner for Council's emission reduction targets due to our role in urban regeneration and the associated transport emission reductions that a compact urban form and Transit-Oriented Development can deliver.
13. Along with Auckland Council, Watercare and Auckland Transport, Panuku joined the Climate Leader's Coalition in 2018. This involves a commitment for Panuku to take climate change seriously in its business and to: measure greenhouse gas emissions and publicly report on them; set a public emissions reduction target consistent with keeping within 2° of warming; and work with suppliers to reduce their greenhouse gas emissions.
14. Sustainability has been an ongoing focus for Panuku since its inception. The Corporate Responsibility Framework (2016) sets out that integrating sustainability is core to the way we operate as an organisation. Additionally, in the Panuku strategic framework, climate change is identified as a cross cutting theme in recognition of its importance across the Panuku work programme.
15. Development of a Climate Change Strategy to consolidate and extend Panuku's existing sustainability and climate change work programme was considered and supported by the Board in December 2019.

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
18 December 2019	Presentation given at Board Strategy Day	Continue to progress work programme and bring Strategy to board in 2020.

Matapaki | Discussion

16. Delivery of the strategy will be via a more detailed action plan that has been developed in parallel. The intention is for the action plan to be an internal document. Actions are grouped by objective and theme and classified as either ongoing, planned or potential. The majority are ongoing, and these have been included as it is considered important to capture what we are already doing as an organisation, but our work programme also looks to extend, accelerate or scale up existing actions where possible or considered necessary.
17. Actions have been collated from a number of sources including: Panuku CEMARS management plan (developed in 2019 with assistance from Toitu Envirocare and covers actions to reduce our carbon emissions from corporate operations), Panuku Climate Change Working Group input, SMEs across different parts of the organisation, Panuku Maori Outcomes Framework, the Auckland Climate Action Plan.
18. Themes included in the action plan are:

<ul style="list-style-type: none"> • Ensuring climate risk and resilience is addressed in planning and design • Continuing application of Green star – Communities • Fostering community resilience in priority locations • Leading regenerative thinking in identified Panuku locations and supporting a wider network of regenerative practice across Tamaki • Prioritising and facilitating the use of sustainable transport modes in all priority locations • Ensuring future-proofed housing development 	<ul style="list-style-type: none"> • Promoting and facilitating low carbon lifestyles • Ensuring sustainable, low carbon operations at Wyndham St • Embedding sustainability in contracts and procurement • Reducing fuel use across business operations and staff commuting • Managing operational impacts across portfolio • Reducing electricity consumption in Marinas and Wynyard Quarter public space
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<ul style="list-style-type: none"> • Ensuring low carbon and climate resilient public realm projects • Promoting, encouraging and developing blue-green networks in urban regeneration. • Facilitating accelerated delivery of low carbon buildings. 	<ul style="list-style-type: none"> • Addressing climate-related operational risk • Considering climate impacts in governance and decision-making • Delivering best practice waste management within marinas and public space
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19. One of the principles of the Panuku Climate Change Strategy and associated work programme is that action on climate change is the responsibility of the whole organisation and is embedded. Actions will be delivered across various directorates with support and leadership provided by the Corporate Responsibility team and Strategy and Planning directorate.

20. The Development and Design and Place team will be instrumental in facilitating the delivery of low carbon developments. Piloting the use of Life Cycle Assessment on Panuku projects with a future aim to have carbon reduction targets for all developments is one of our key workstreams. Another significant leadership opportunity is to further develop our processes around sustainable procurement and the Corporate Affairs and Portfolio Management Office will be key contributors to this work. Significant opportunities also exist in our work with Auckland Transport regarding redevelopment of underutilised transport sites as well ensuring that our neighbourhoods promote and facilitate use of sustainable transport modes through urban design and provision of infrastructure.

21. There are several milestones and targets that we will be working towards achieving in the first and second years of Strategy implementation.

Objective	Theme		Milestone/target
New communities in Panuku priority locations are designed and developed to be low carbon and climate resilient.	Exemplars and pilots	Life Cycle Assessment	1. Pilot Life Cycle Assessment on Panuku projects
	Exemplars and pilots	Life Cycle Assessment	2. Target established for GHG reduction in mixed use and multi-unit residential development
	Standards	Commercial buildings	Roll out sustainability standards for Panuku commercial developments
	Standards	Public realm	Public realm standards developed and adopted

	Climate adaptation	Masterplanning	All masterplans completed contain a section that considers future climate impacts, risks, vulnerabilities and responses.
Panuku leads by example through reducing climate impact across its own operations and asset management function	Corporate emissions	Office waste	Continue to reduce volume of waste to landfill.
	Corporate emissions	Wyndham St energy use	Maintain 5-star NABERSNZ rating
	Corporate emissions	Staff travel	Increase percentage of staff that commute by sustainable transport modes.

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

22. There are no significant financial implications that will arise from adopting the Climate Change Strategy.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

23. Adopting the Climate Change Strategy for Panuku is not considered to present any significant risks to the organisation. However, not having a strategy in place that both articulates what Panuku is currently and intending to do presents reputational risk and would not align with the approach taken by Auckland Council and the commitment to climate action expected of Council Controlled Organisations. Further, the approval and implementation of the Panuku process to consider climate adaptation in our priority location planning will help to mitigate future physical, legal and reputational risks associated with climate change.

Tauākī whakaaweawe Māori | Māori impact

24. In developing the Climate Change Strategy and Panuku's associated work programme, relevant actions in the Panuku Maori Outcomes Framework have been incorporated. Our wider climate change work programme has been presented to the mana whenua governance forum and feedback provided as to some identified priorities for forum members. Feedback from mana whenua forum members included a request for Panuku to continue to raise its standards in relation to sustainability (e.g. building standards) and for Panuku to do more work in relation to reducing construction and demolition waste. Engagement with mana whenua on the draft strategy is proposed.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

25. The strategy is fully consistent with the Council's soon-to-be released Auckland Climate Action Plan (ACAP). Panuku staff have been involved with the development of ACAP and have worked closely with Auckland Council and Council Controlled Organisation staff as part of both ACAP working and steering groups.
26. Adoption of the Strategy will not have any significant impacts on other stakeholders. The continued implementation of our climate change work plan will have impacts on our development partners as there will continue to be requirements for minimum standards within our developments. It is also anticipated that there will be positive impacts on the communities within Panuku neighbourhoods through the delivery of the Climate Change Strategy.

Ngā whakaaweawe rauemi | Resourcing impacts

27. There are no significant resourcing impacts that would result from approval of the Climate Change Strategy. Approval of the Strategy represents a continuation of existing work programmes.

Tauākī whakaaweawe āhuarangi | Climate change impacts

28. Implementation of the strategy actions will ensure that Panuku contributes to delivery of Auckland Council and central government targets and that mitigation and adaptation of climate change are considered and addressed in delivering Panuku's functions.

Ngā koringa ā-muri | Next steps

29. Following endorsement by the Board of the draft Climate Change Strategy, the document will be shared with key stakeholders including the Panuku mana whenua governance forum. The final strategy will be brought back to the Board for approval. It will then be published online and a limited run produced in hard copy.

Ngā tāpirihanga | Attachments

Draft Climate Change Strategy, June 2020

June 2020

Ngā kaihaina | Signatories

Brenna Waghorn - GM Strategy & Planning

David Rankin - Chief Executive (acting)

Decision paper: Transform Waterfront Programme Business Case

Author: [REDACTED] Priority Location Director - Waterfront and City (Acting)

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board:

a) Approve:

- i. The Programme Business Case for the Transform Waterfront priority location programme
- ii. In principle, ongoing investment in the programme, noting that this is subject to Auckland Council Long Term Plan.

b) Note the continuation of the following committed projects and initiatives over the next twelve months:

• Wynyard Quarter:

- i. Consultation for and refresh of the Wynyard Quarter Masterplan and lodgement of the Wynyard Quarter Plan Change.
- ii. Implementation of our development agreements and responsibilities (Willis Bond, Precinct, Fu Wah, Orams Marine) including the completion of Tiramarama Way Stage 2 and N.Cole Plaza
- iii. The restoration of the Vos Shed and secure a provider for the management of the shed for events and public use after April 2021
- iv. Reinstatement of the Tram and associated operations for the America's Cup event.

- Westhaven:
 - v. Westhaven Marine Village
 - vi. Westhaven Promenade (Stage 2)
 - vii. Pier J and S redevelopment
 - viii. Pile Berth Redevelopment
 - ix. Northern Pathway enabling works
 - Viaduct and Central Wharves:
 - x. Improvements to the Eastern Viaduct Entrance
 - xi. Formal closure of the Wynyard Crossing Consent and Queens Wharf Dolphin Consent
 - xii. Continued liaison and integration with the City Centre Development Programme of works and Council Whanau plans
 - America's Cup:
 - xiii. Tenant negotiations for relocation in advance of the Event
 - xiv. Superyacht infrastructure and Silo Park extension delivery with the Wynyard Edge Alliance
 - Place-based activation, engagement and partnering in the Waterfront Precincts, including:
 - xv. The Rangitahi programme to support them as future kaitiaki of Tamaki Makaurau
 - xvi. Place programme activity in Wynyard Quarter that responds to the Covid-19 challenges
 - xvii. Planning for post event activity to ensure the waterfront offer remains relevant for residents and visitors - through tactical urbanism approaches and activation which is scalable and flexible for the legacy spaces.
- c) Approve the start of the following projects and initiatives over the next twelve months:

- i. Creation of a development strategy for North Wharf and Site 19 (Jellicoe Street Carpark) and undertake market testing
 - ii. Initiate a refresh of the 2015 Westhaven Plan.
 - iii. Initiation the demobilisation of the event infrastructure.
- d) Note that the investment requirements to support the projects and initiatives of \$48.2m capex and \$4.4m opex and the baseline programme milestones for FY21 will be approved as part of the June 2020 Portfolio Investment decision paper.
- e) Note that the Transform Waterfront Programme is subject to the following:
- i. Confirmation of annual programme funding and the programme milestones in June 2020, as part of Portfolio investment decision paper
 - ii. Panuku Board and Planning Committee endorsement of the Wynyard Quarter Draft Masterplan discussion document (August-September 2020), Final Masterplan (March-April 2021) and Plan Change lodgement (May-June 2021)
 - iii. Panuku Board review of the programme in 12 months
 - iv. Auckland Council Long Term Plan funding decisions for the FY22-24 period
 - v. Panuku Board decisions on proposed transactional terms for individual property transactions, as per delegations
 - vi. Ongoing review of implications of Covid-19 on this location as these are better understood.

Whakarāpopototanga matua | Executive summary

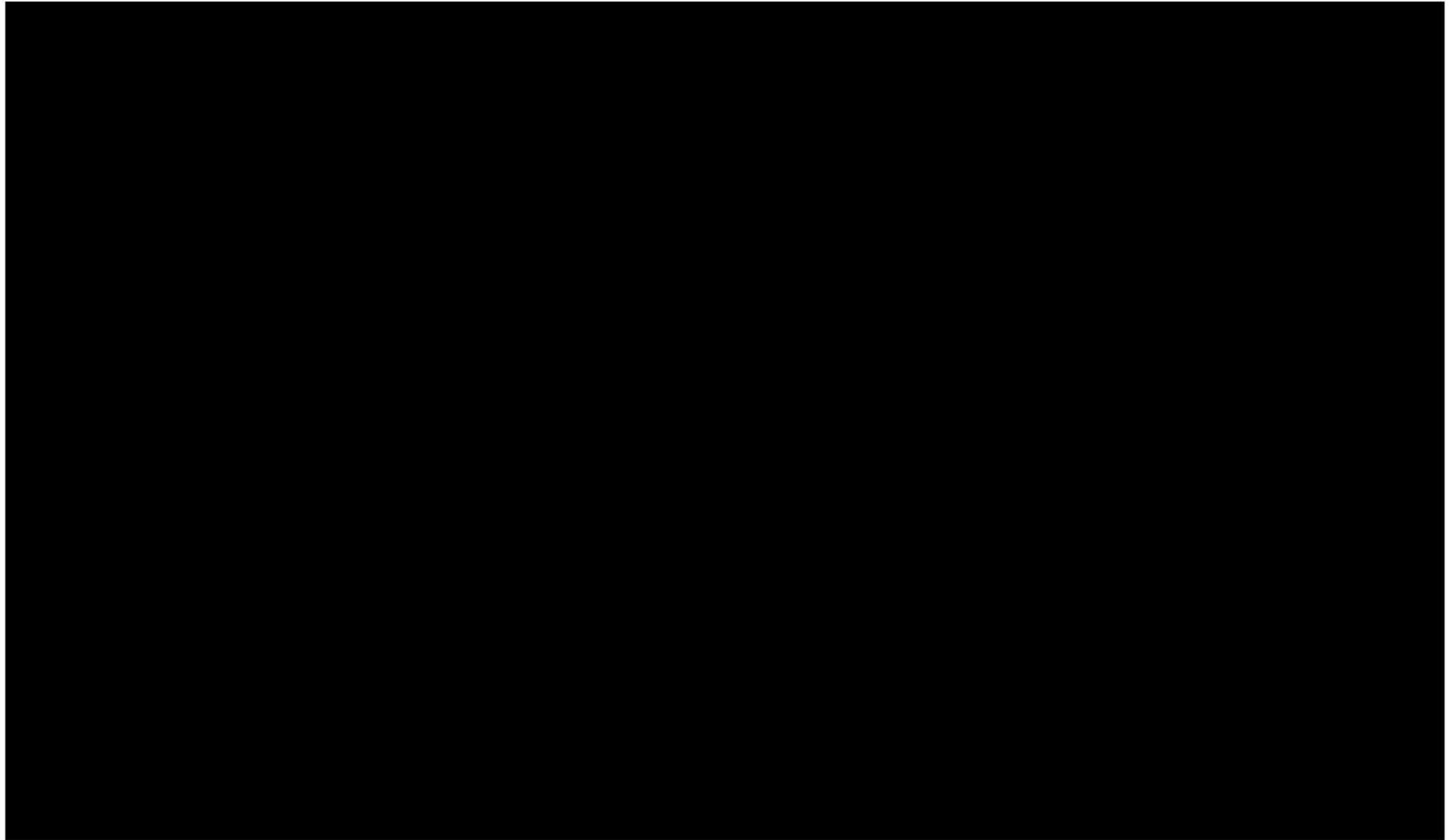
2. This paper seeks formal approval of the revised Programme Business Case (PBC) for the Transform Waterfront priority location programme. The full PBC (Attachment 1, available in the resource centre) sets out the annual five case business case. Capital works in flight and committed on the waterfront are to the value of \$48.2m. The programme has requested \$4.4m opex meet programme activity and milestones for FY21.
3. The planning for, and the transformation of, the waterfront has occurred over the last 15 years. In 2012, the Waterfront Plan consolidated the vision and goals for the waterfront, which has guided the planning and delivery of public and private projects. In 2017, Auckland Council

and the Government committed funding to support the 36th America's Cup and create legacy infrastructure that could be used over the next 10 years to support major marine related events. This investment triggered a major injection of capital funding into the City Centre Waterfront. The majority of the transformational works are being managed by Panuku and are scheduled for completion in the next financial year. The Waterfront PBC outlines importance continuing to progress these projects through to completion, particularly in the Wynyard Quarter, Viaduct Basin and Westhaven.

4. Our development partners Willis Bond, Precinct, Fu Wah and Orams Marine have contributed significantly to the changing face of the Wynyard Quarter and contribution to the waterfront vision and goals. Over the next financial year, we will see the practical completion of several sites which provide sustainable homes and offices, more workers, hotel beds and new marine infrastructure - all supported by a quality public realm.
5. We have been working since June 2017 to prepare for the 36th America's Cup event. The Wynyard Hobson Consent was granted in September 2018 and Panuku has been actively involved in the implementation of the consent, negotiating and arrangement for the relocation of tenants, working closely with the Wynyard Edge Alliance on design and construction of infrastructure, and working with the Hosts (Auckland Council Auckland Tourism, Events, Economic Development and Ministry of Business Innovation, Innovation and Employment) and the Event Providers on getting event ready. As directed by the Governing Body we have also been working to get the Tram operational for the event.¹
6. This PBC comes at a point where Transform Waterfront is transitioning from completing major capital works to planning for the future. In March 2020, the Planning Committee adopted a refresh of the City Centre Masterplan (CCMP). The CCMP integrated the vision and goals of the 2012 Waterfront Plan and confirmed through Transformational Move 8 "Harbour Edge Stitch" the need for continued investment across the Waterfront. Panuku needs to take account of the many changes since the original Urban Design Framework and Plan Change, the recent consultation on the CCMP and the recent decisions made on the Americas Cup infrastructure.
7. The focus over FY21 will be on the refresh of the 2011 Wynyard Quarter Masterplan. The masterplan will provide direction and context for future sites, activation options and infrastructure investment and development pipeline. Whilst recognising that we are not starting from scratch, this refresh provides a real opportunity to have others participate in a challenge process - to explore innovative design outcomes, climate change and people centred responses in a Covid affected economy. We will be able to apply our learnings from our recent commercial development agreements, particularly about the costs of contamination.

¹ [Note that an information paper on this item and the future of the Tram will be provided at the August board meeting]

8. The early work provided to the board, has informed our LTP bid work to date. Underpinning the thinking is a staged approach to the next round of transformation in the Wynyard Quarter – starting with wharf repairs and upgrades, the development of the Headland Park and future development parcels. We need to test a preferred development approach widely with our stakeholders, key experts, mana whenua, the public and council. With the introduction of America's Cup 36, and the legacy infrastructure, we also need to start thinking about spaces as being “permanently temporary” where we can test different uses and approaches that contribute to a people-centred neighbourhood and to create economic activity. We can take learnings and apply this to the greatest opportunity yet to be realised on Wynyard Point.
9. The refreshed masterplan will form the policy basis of a Plan Change for Wynyard Point and Hobson Wharf Extension, which will be lodged with council in June 2021. Our approach is outlined in the figure overleaf. As we are at the start of this refresh process, we will be regularly reporting back to the board. We are in the process of developing a draft masterplan which will be the foundation document for our stakeholder consultation and engagement. We will present the draft masterplan to the board and Planning Committee for endorsement as our first step.



10. In Wynyard Quarter, the short to medium term development opportunities are on North Wharf and Site 19 (Jellicoe Street Carpark). The North Wharf site will be available for redevelopment from 2023. A development strategy is being prepared for both sites, and market testing will occur over this calendar year. This will need to consider the current offer in Wynyard Quarter and the adjoining city centre areas such as

Commercial Bay, given its scale of commercial floorspace, retail and hospitality offering. In recognition of the strategic nature of the waterfront assets, Panuku/council will undertake public consultation in accordance with the Local Government Act and obtain Governing Body approval for long term leases on waterfront sites. Approval of major transactions of this nature and from council as landowner is required under the CCO Governance Manual 2019. These processes will enable Panuku to secure the delegations required to transact on behalf of council.

11. Westhaven Marina is a major asset for the waterfront, and over the last three years in particular has seen a transformation and lift in popularity through Panuku public projects. In mid-2021, the Westhaven Plan will be refreshed. This will inform the next major stages of development and response to the yacht clubs who are a key stakeholder in this space.

12. In recognition of the momentum already underway and the next stages of planning required, the approach is proposed in this PBC is to:

- Continue to deliver our capital programme for the projects that are committed and underway on the waterfront
- Continue to work with our developers – Precinct, Willis Bond and Orams, to realise the vision and value from their development agreements. We will look to development partners and mana whenua to advance the North Wharf development site as a key activity in FY21
- Continue with the preparation for and delivery of the America's Cup event, on behalf of Auckland Council and the Government
- Continue with our place, engagement, communication and commercial operations programme conscious of, and responsive to, what the community in the post- pandemic Auckland recovery
- Focus on progressing our Long-Term Plan funding bids through council, which will inform our staging approach to infrastructure upgrades and development for Wynyard Quarter, the Viaduct and Queens Wharf
- Refresh our plans for Wynyard Quarter and test our thinking with key stakeholders, the public and politicians. We will deliver a revised masterplan for the Wynyard Quarter Precinct for endorsement in March 2021 and the Planning Committee in April 2021. The masterplan will inform a plan change which will be lodged in June 2021. We will also start the refresh the Westhaven Plan in June 2021
- Be prepared to be agile and consider interim uses and ways to ensure that the waterfront continues to be a major destination and place for people to live, work and play and considered optimal financial returns for council.

13. The nature and pace of the next phase of development will be affected by Covid-19. At the time of writing this business case, the full effects are not clear, however we can expect that it will have impacts the staging of future investment, the way the America's Cup is provided and our placemaking activities. Panuku will have a clear role in modelling leadership in what we do and need to be agile and flexible to change as required. The council and Government are committed to the America's Cup event occurring; therefore, our focus will need to be on delivering on our contracted responsibilities. Council and Government see the America's Cup event as an important stimulus to the Auckland economy, which means heading into FY21 we need to finish what has been started.

Horopaki | Context

14. In 2005 the Auckland City and Auckland Regional Council released the first collective waterfront vision. The key threads of which are still relevant today - with an aspiration for a liveable, connected and working waterfront. In 2011, through the delivery agent Sea+City, Wynyard Quarter landed in the consciousness of Aucklanders and visitors as new destination. The promise of the future development was consolidated in the Waterfront Plan in 2012. The vision for Auckland's waterfront is well established as: "A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea". To support this vision, there are five goals that continue to guide the regeneration of the waterfront.

15. From Westhaven to Queens Wharf Aucklanders and visitors have now come to expect to world class offering of commercial development, public space and an interesting, engaging and inclusive programme of activities to access. In June 2017, Auckland shifted gears again with the announcement that the Americas Cup would be held in Auckland in 2021. Since then a significant level of investment from Auckland council and the Crown has been put into the further transformation of the waterfront. This investment has accelerated many projects including works on the downtown area and across the Panuku portfolio. The majority of these works are scheduled for completion in FY21.

16. The geographic area of the Waterfront covers a number of precincts:

- Westhaven Marina - which provides a key part of the waterfront's marine focus
- Wynyard Quarter - which provides a mix of residential, retail and commercial development to enable the growth of a strong, diverse, resilient and vibrant residential and business community whilst retaining the existing successful marine and fishing industries
- Viaduct - the gateway for pedestrian and cycling connections between Wynyard Quarter to the west and Britomart to the east and the location of the Viaduct and Silo Marina which caters to commercial vessels, pleasure craft and superyachts

- Central Wharves - location of Queens Wharf purchased for and has a specific vision of being “the people’s wharf – for public open space, events, ferry transport and cruise, at the foot of Queen Street, the new Commercial Bay, and adjacent to the city’s port.

17. Cutting across the precincts is the programme of work and activity associated with the Americas Cup Infrastructure works and the 36th America’s Cup Event. The footprint of the America’s Cup Race Village will stretch from Silo Park, up to the newly developed spaces on Wynyard Point, across North Wharf and Eastern Viaduct and to the new Hobson Wharf extension.

Progress to date

18. Our progress has been significant, as represented by the changing face Westhaven and Wynyard Quarter over the last three years. Key highlights against the Waterfront Plan goals are provided below:

19. Ki Tātahi - A blue-green waterfront

- Sustainability standards were set for Wynyard Central to deliver on the Sustainable Development Framework 2013 vision and objectives. Key elements related to buildings and included requirements for a minimum 7 Homestar rating for all residential developments and minimum 5-star Green star rating for the commercial developments. These requirements have been successful and have been exceeded in several projects. Many of the Willis Bond apartments have achieved 8-star Homestar ratings and the Mason Bros building has received a 6-star Green Star rating
- We continue to deliver on well-designed and resilient places and infrastructure, through setting standards for our public realm projects to including green infrastructure, increased native tree cover and water sensitive design principles to promote ecological and biodiversity values
- Transport remains an important focus area for the waterfront. Panuku works with Auckland Transport (AT), stakeholders and the Wynyard Quarter Transport Management Association (TMA) to plan and implement initiatives to address the modal split in the Wynyard Quarter. Sustainable transport modes are growing in popularity, with cycling particularly on the rise and we need to continue to ensure that there is adequate provision across the waterfront for infrastructure that supports active modes as well as advocating and working with AT to plan and deliver safe and connected routes into, out of and within the waterfront
- Westhaven has been recognised for its efforts in best practice marina management and environmental considerations are key to marina operations. Westhaven is accredited as a blue flag marina and has made a commitment to eliminate single use plastics within the marina. Several waste management initiatives have been implemented to help reduce landfill waste and increase recycling rates across the marina. Innovative approaches to reduce carbon emissions such as trialling of electric motors on fleet boats are also being undertaken which builds on earlier projects to improve the efficiency of energy supply through plinth replacements.

20. Tūāhōanga ahu mahi - A smart working waterfront

- Panuku has partnered with Precinct Properties to develop 48,000m² of commercial space in the centre of Wynyard Quarter to create the Innovation Precinct in Wynyard Quarter. Progress is well underway after the successful opening 12 Madden and Mason brothers' offices in 2017. 10 Madden Street will be completed in December 2020. Expansion of the innovation precinct will continue with the construction of three commercial buildings at 117 Pakenham & 126 Halsey due for completion in March 2023. Together, this represents \$400m of private sector development
- Fu Wah are in their final stages of completion of the Park Hyatt. The 195-room hotel will not only be an attractor, but also a major employer. The surrounding public promenade and Uranga Plaza is due to be opened in July this year
- The development at Orams Marine represents a major step forward in our contribution to the marine industry. Stage 1 (marine) will be ready by October this year, ready for the Americas Cup and is geared to service and refit major vessels. Stage 1a (buildings and offices) will be completed by May 2021. Stage 2 (residential) is expected to be completed over 2020-22. Together this represents a total of \$220m of private investment
- In Westhaven, the Marine Village is near completion - which will ensure that commercial marine businesses always have a home close to the marina and that marina customers can conveniently access the businesses and services they need. Through the Pile Berth redevelopment project, we are introducing new berthage capacity at Westhaven, this not only increases access to the Marina for Aucklanders, but also Westhaven's position as a competitive international facility
- In Wynyard Quarter, stage one of the Vos Shed redevelopment is due for completion in October this year and we are looking into the best way to use and showcase the shed during the AC36 event. We will work towards securing a provider for the management of the shed for events and public use after April 2021 with the board's approval
- We have successfully relocated SeaLink who provide essential services to Great Barrier Island and are welcomed addition to the Wynyard Point marine precinct.

21. Kia tau te mauri mō te ira tangata ki te ao tūroa - A liveable waterfront

- Panuku has partnered with property developer Willis Bond & Co to build up to 500 new homes in the central area of Wynyard Quarter. In 2018, we welcomed our first residents into the WQ. In May 2019, an additional 51 apartments were completed. The Daldy building will be completed in October 2020. Negotiations have recently been completed at 30 Madden Street and Willis Bond has indicated that construction of the Beaumont Building will be completed by 2021. Together this represents a total of \$445m of private investment

22. Tauranga tāngata - A public waterfront

- In Westhaven we are near completion of Stage two of the Westhaven Promenade which will build on the success of Stage 1
- In Wynyard Quarter, we have been working with the Wynyard Edge Alliance to create a new public space an extension to Silo Park, with repurposed tanks, and a shade structure a significant cultural marker that will be the newest place to hang out when opened in October this year
- Works at Wynyard Common are due for completion this year which will add to the network of open space already provided in the Wynyard Quarter
- In 2019, the Wynyard Quarter received 1.9 million visitors and our placemaking programme continues to attract large number of visitors to a diverse range of activities and events with ongoing use of our public spaces - including the basketball court, water spaces, children's play spaces and workshops on the Wharf.

23. Hononga tāngata - A connected waterfront

- Panuku will complete stage 2 of Tiramarama Way which will form a new connecting laneway in time for Willis Bond's development to open in October this year
- We have been working with others who are operating in our space. Auckland Transport have been completing the street network in Wynyard Quarter south and have recently finished Daldy Street South. We have been working with NZTA to accommodate the Northern Pathway into Westhaven and connecting to our existing promenade
- Although we have decided to withdraw the consent for Wynyard Crossing, we have a credible design to work from when we are clear on our LTP funding.

Matapaki | Discussion

Portfolio context

24. Panuku has been mandated by Auckland Council to deliver on its commitment to prioritise urban redevelopment. Panuku will achieve this through investment in the priority locations programmes of work that will facilitate urban redevelopment and public good activities.

25. Panuku investment in a location is for a variety of purposes, which will vary depending on the location and its requirements. The table below details the investment profile over the planned life of the programme.

Investment type	Description	
		✓✓✓
Unlock	Investment that has to happen to unlock development opportunities on Panuku sites. This includes: infrastructure essential to make a site more marketable infrastructure to service future growth in the area	✓✓
Catalyse	Investment that is important to stimulate/advance change in a location by others and is expected to bring about significant change that would not happen within desired timeframes without this project	✓✓✓
Support	Creates additional non-financial (social, environmental, cultural, economic) value by creating new or significantly improved community assets to support a growing population	✓✓✓
Lead	Demonstrates leadership in relation to strategic outcomes and innovation. We expect some value trade-off. The project seeks to influence practice and outcomes in the wider market and has some element of replicability. This investment is often a property value write-down	✓✓
Critical	Urgently required to address risks such as maintaining level of service delivery, harm to people due to H&S issues, negative environmental impact or other or required due to legislative, regulatory, contractual and other requirements- including renewals and contamination requirements.	✓✓
Growth	Facilitates business growth by providing new, expanded facilities	✓
Reputation	Significant public and political interest and support for the project, with significant reputation impact if the project is not carried out	✓✓✓

Hīraunga | Implications

26. This section outlines all relevant implications for Panuku.

Ngā ritenga ā-pūtea | Financial implications

27. The programme makes the following financial assumptions:

- That capital projects that are committed will continue to be funded into FY21
- That America's Cup event will be held, and funding continues for Panuku to deliver on its obligations and revenue generated through the superyacht programme. Note. that there may be some reduction in superyacht activity due to border controls, however, to date there have only been five cancellations from the 75 bookings
- That there is sufficient operational expenditure (Opex) in FY21 available to deliver a masterplan and plan change for Wynyard Quarter, a go to market strategy for North Wharf and Site 19, place programming activities on the waterfront and continued partnering to support other council and government projects and initiatives on the waterfront
- For future waterfront projects, long term plan funding is provided in the next two rounds.

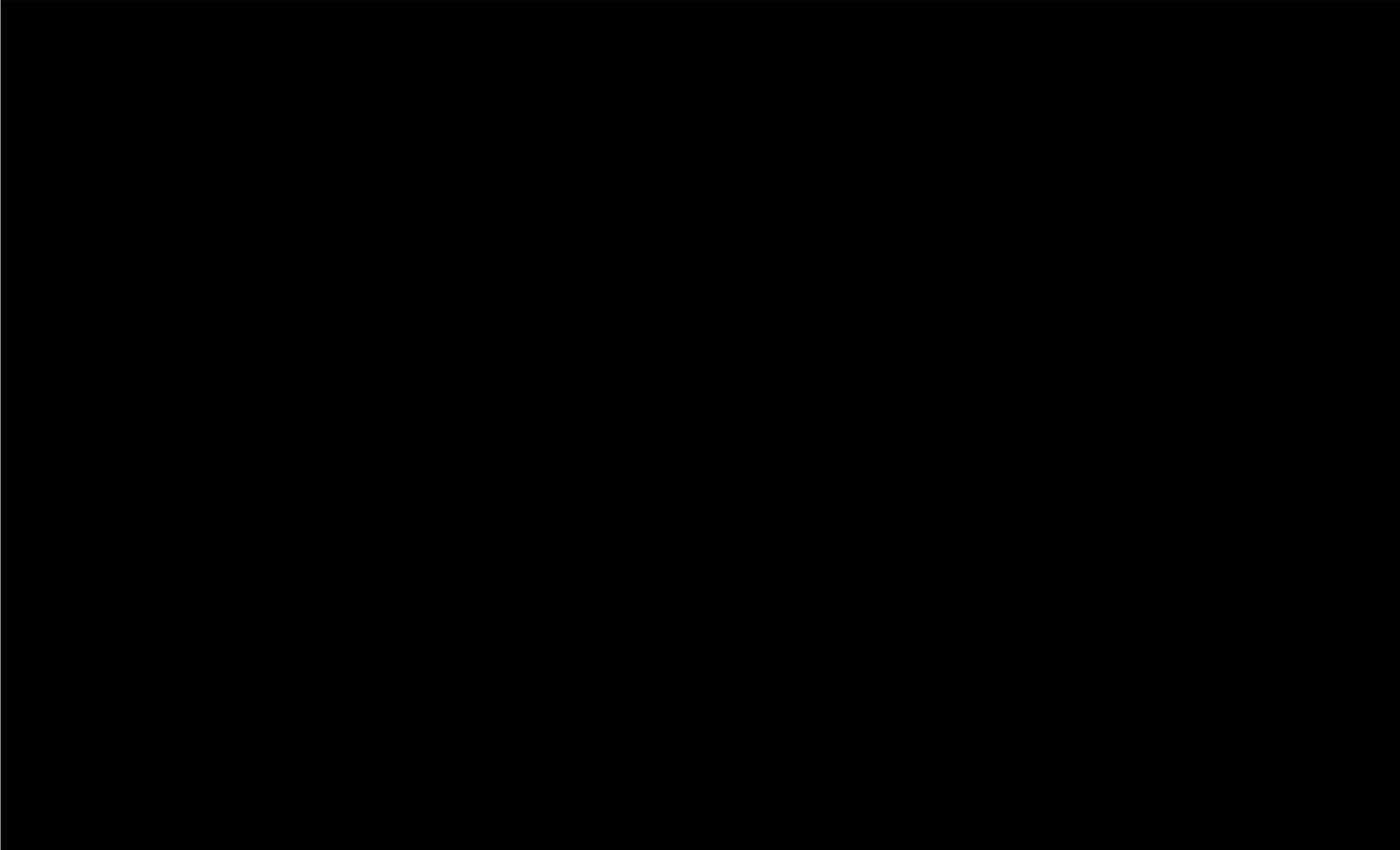
Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

28. The following key risks have been identified and are monitored and managed within the Programme's risk register









Ngā whakaaweawe rauemi | Resourcing impacts

29. The programme anticipates a maximum of 22.5 FTE of internal resource over the next 12 months (which will change as projects develop), including programme leadership and support, development leads, project managers, planners, designers, placemaking, engagement and communications experts.

Tauākī whakaaweawe āhuarangi | Climate change impacts

30. The Panuku urban regeneration approach considers mitigation and adaptation to climate change and the environmental impacts of development. Through our projects we aim to facilitate a low-carbon lifestyle where people can live, work, and play near to their homes and public transport, reducing reliance on private car travel and supporting walking and cycling. For the waterfront this approach has been an integral part of the planning and delivery of development to date.
31. The Wynyard Quarter Sustainable Development Framework (SDF) and accompanying sustainability standards for Wynyard Central were released in 2013. The SDF set out the vision for the waterfront to be “The leading location of sustainable urban transformation and renewal in Auckland and across New Zealand” and outlined objectives and strategies to deliver this, highlighting key aspects such as reducing greenhouse gas emissions, delivering high performance green buildings, adapting to change and increasing resiliency, enhancing environmental quality and managing travel demand and prioritising sustainable transport.
32. There is a need to consider for future development phases how standards should be raised. It was acknowledged in the SDF in 2013 that this would be a journey and that the bar should be raised over time as the market shifts. Internationally best practice is moving towards a focus on not just reducing carbon emissions through highly energy efficient buildings but considering carbon across the wider life cycle of the building. At Panuku we are looking to move into this space and consider what the wider carbon impact of our developments are. The Wynyard Quarter is an ideal location for us to look at this due to its reputation of an exemplar precinct with a sustainability ethos underpinning it.
33. Climate change is predicted to subject the Wynyard Quarter to increased flood risk, increased temperatures and increased frequency and severity of storm and drought conditions. In responding to these risks and vulnerabilities, we will need to ensure that infrastructure and developments are designed to cope with warmer temperatures and extreme weather events. Green infrastructure, increased tree cover and water sensitive design principles will be critical for climate adaptation and resilience and will be utilised in our projects to support a healthier environment, promote ecological and biodiversity values and minimise flood risk. These are all key factors and items that need to be built into the masterplan for Wynyard Quarter and refreshed strategy for Westhaven.

Ngā koringa ā-muri | Next steps

34. The programme will continue to be delivered in conjunction with the following partners:

- Mana Whenua
- Development partners: Willis Bond, Precinct, Fu Wah and Orams Marine
- Waitematā Local Board
- Council Group partners: Downtown Projects Office (DPO), Auckland Transport, Auckland Tourism, Events and Economic Development, Regional Facilities Auckland, Ports of Auckland
- Central Government agencies: New Zealand Transport Association, Ministry of Business Innovation and Economic Development.

35. Implementation will continue in line with the approved programme with progress reported to the board quarterly and monthly oversight by the management assurance functions: Portfolio Governance Group (PGG) and Programme Steering Group (PSG).

Ngā tāpirihanga | Attachments

Attachment 1 - Transform Waterfront Programme Business Case (document in resource centre)

Attachment 2 - Transform Waterfront Programme Business Case Overview Summary

Ngā kaihaina | Signatories

Ian Wheeler - Chief Operating Officer

David Rankin - Chief Executive (acting)

Decision paper: Unlock Papatoetoe Saint George's Lanes - Development Procurement Strategy

Authors: [REDACTED] Development Manager; [REDACTED] Manager Development; Richard Davison, Priority Location Director-South

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board...

a) Approve:

- i. the sale of the 1.14 hectare surface carpark known as "St George's Lanes" (the site) comprising property addresses of 3 (part), 5-7, 9Z, 17, 21, 31, 25A, 35 (part) Saint George Street, Old Papatoetoe, via a two stage 'deadline private treaty' process to deliver a medium density residential development with ancillary retail and/or commercial in alignment with the draft masterplan and the essential outcomes and design guidelines for the site including the requirement for two public accessways and Homestar 6.
- ii. the deadline private treaty respondents being assessed and selected based on their alignment with the Old Papatoetoe High Level Project Plan outcomes and objectives and acceptance of Panuku's Key Terms including price.

b) Delegate:

- i. selection of the preferred treaty respondent to the Chief Executive.

ii.

[REDACTED] alignment with the old Papatoetoe High Level Project Plan and the following essential outcomes for the site:

- A minimum site yield of 60 dwellings is proposed

- A maximum of 30% social housing on the site
- Homestar 6 star required minimum rating
- Two public pedestrian accessways through the site and widening of existing pedestrian accessway on the eastern boundary with stipulated minimum quality specifications
- Vehicular laneway adjoining and running parallel to Stadium Reserve on the Southern Boundary
- Site traffic design that allows for Cambridge Terrace to be extended to meet Stadium Lane
- Māori outcomes -the development is to adopt Te Aranga Principles for place naming in wayfinding design and the landscape design for the site.

Whakarāpopototanga matua | Executive summary

2. Formerly known as the 'Tavern Lane' site, Saint George's Lanes is a flagship site in the Unlock Old Papatoetoe town centre.
3. The site area of approximately 1.14Ha comprises seven titles: 3 (part),5-7,9Z, 17, 21, 31, 25A,35 (part) Saint George Street. The site is currently underutilised as surface car parking. Additionally, the site includes vacant buildings fronting 5-7 and 17 Saint George Terrace.

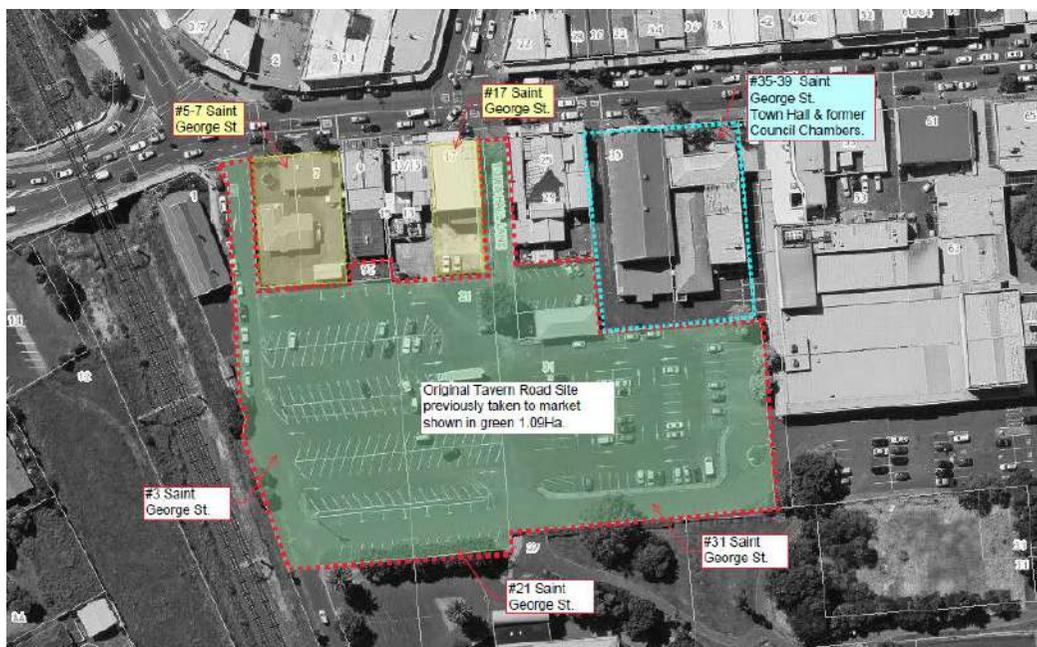
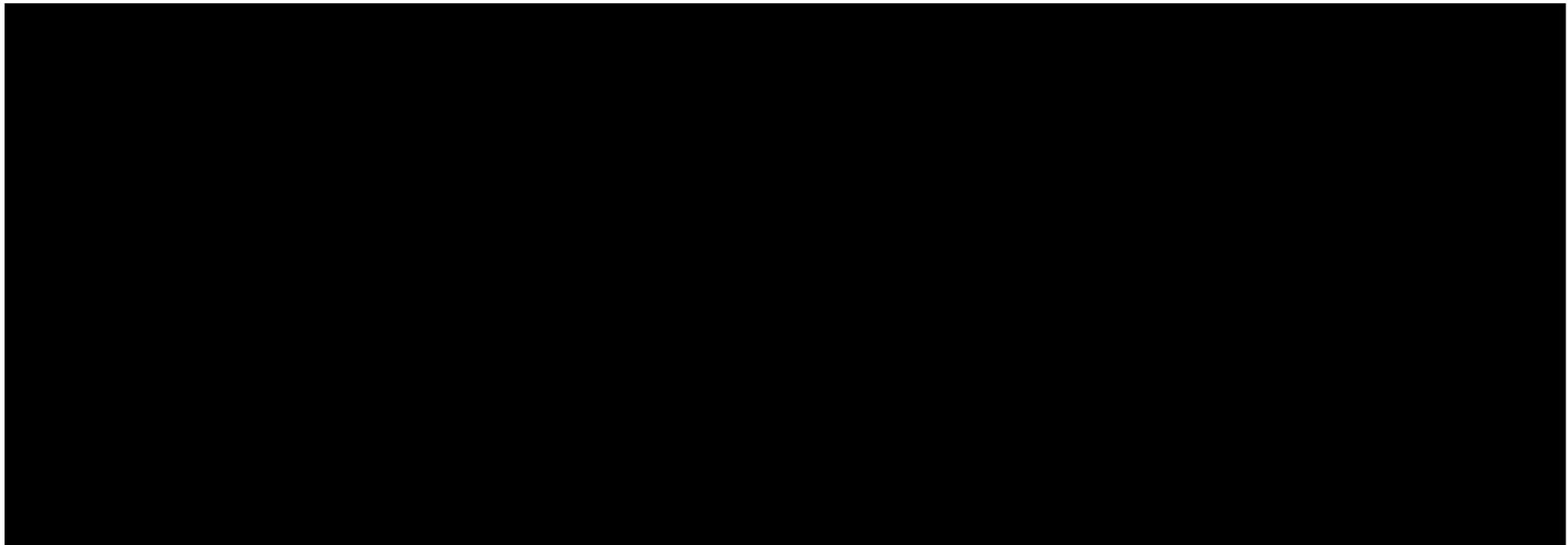


Figure 1: Saint George's Lanes Site Area

4. The site has been reconfigured and renamed to signal that it is a significantly different development opportunity to the original Tavern Lane site which was previously taken to market (shown green in figure 1). The adjoining properties now owned by Panuku and added to the original site (shown yellow in figure 1) now make up the Saint George's Lanes site.
5. Panuku are working on a masterplan for the town centre which is current in draft and is scheduled to be refined during FY21 and will be shared with the board by a target of December 2020. This site is a key part of a wider masterplan for the centre and is a key contributor to the goals and objectives of the HLPP. The site will unlock significant residential opportunities, enhance connectivity between St George Street (the main high street of Old Papatoetoe) and the recreational facilities and future residential development parcels to the south of the site as part of the masterplan's intentions. The site will also support the revitalisation of the old town hall site, adjacent and fronting Saint George Street, by providing a residential population on the shared boundary. The future of the town hall and the adjoining chambers building is a that is actively being progressed with relevant council departments including Community Facilities and the local board.
6. The redevelopment of the 1.14 Ha site supports the four key High Level Project Plan strategic moves that guide the urban renewal of Old Papatoetoe town centre including; developing quality urban form, enabling a humming main street, stimulating local economic development and instil local pride, and the undertaking of a housing development programme.

7. The unique set of constraints surrounding Covid 19 have seen local neighbourhoods re-structured as centres for both work and home living. The project lends itself to this hybrid model, with dwellings having a strong connection to the local high street through the required public access laneways.
8. The essential outcomes and design guidelines are included in appendix 1. The essential outcomes further outlined in paragraph 2 of the recommendations include; laneways providing public access and connectivity to the main street and the community facilities to the south of the site, a minimum of new 60 dwellings, a maximum of 30 percent social housing, development that addresses and overlooks the proposed town square, a minimum Homestar six rating, mana whenua input in the naming and wayfinding.
9. The design guidelines also included in appendix 1 clearly articulate Panuku expectations in meeting the essential outcomes. This includes considering the existing site context, the quality function and design considerations of the proposed laneways, how buildings should interface with the public realm, designing flexibility around development density and use, quality landscaping, and environmental responsibility. The design guidelines have been drafted with consideration to the HLPP and likely outcomes for the masterplan which is to commence engagement with the council later in 2020.
10. It is expected that the site will be developed at a medium density with terrace or low-level walk-up apartment housing typology. This will significantly increase the number of people living in the town centre and is the highest market preferred density for this location.



Horopaki | Context



Figure 2: Saint George's Lanes Site Aerial

15. The HLPP includes an approved Urban Layout Plan for the area, which will inform the development of a Masterplan later in the year. The proposed extension of Cambridge Terrace to meet Stadium Lane will create a new primary vehicular and pedestrian spine through this area and will enable the development of residential development parcels to the south of the subject site at 27 St George st (old netball courts and teaching garden). The St George's Lanes Site will be the market leader in terms of defining the local value for a broader housing typology mix as the residential development as part of the wider programme.



Figure 3: HLPP extract

16. The HLPP outcomes rely on the redevelopment of several HLPP approved land holdings to the south of the site for residential uses. To achieve this outcome Panuku proposes an extension of Cambridge Terrace to meet the newly designated Stadium Lane located within the New World car park. The development of a masterplan with professional traffic engineering advice is required in order to validate the road design and long term Panuku site sales sequence and investment programme.
17. The essential outcomes and design guidelines for the site provide for the connections identified in the Urban Layout Plan and masterplan (see figure 4). Preliminary work has commenced with the council and Auckland transport to validate the ability to implement the intent of the connectivity proposed in the masterplan. This work will ensure that the interfaces of the site and its relationship with other community facilities is optimised.



Figure 4: Supporting Masterplan

18. The site sale has previously been considered within the following board papers:

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
11 September 2019	FY19/20 Divestment Strategy	Portfolio wide divestment strategy. Sale of site.
17 August 2017	Delegated Authority Report: Developer selection and Sale of Tavern Lane Properties	Approved.
4 July 2017 AC Planning Committee.	Papatoetoe High Level Project Plan.	Planning Committee approved the HLPP.

Matapaki | Discussion

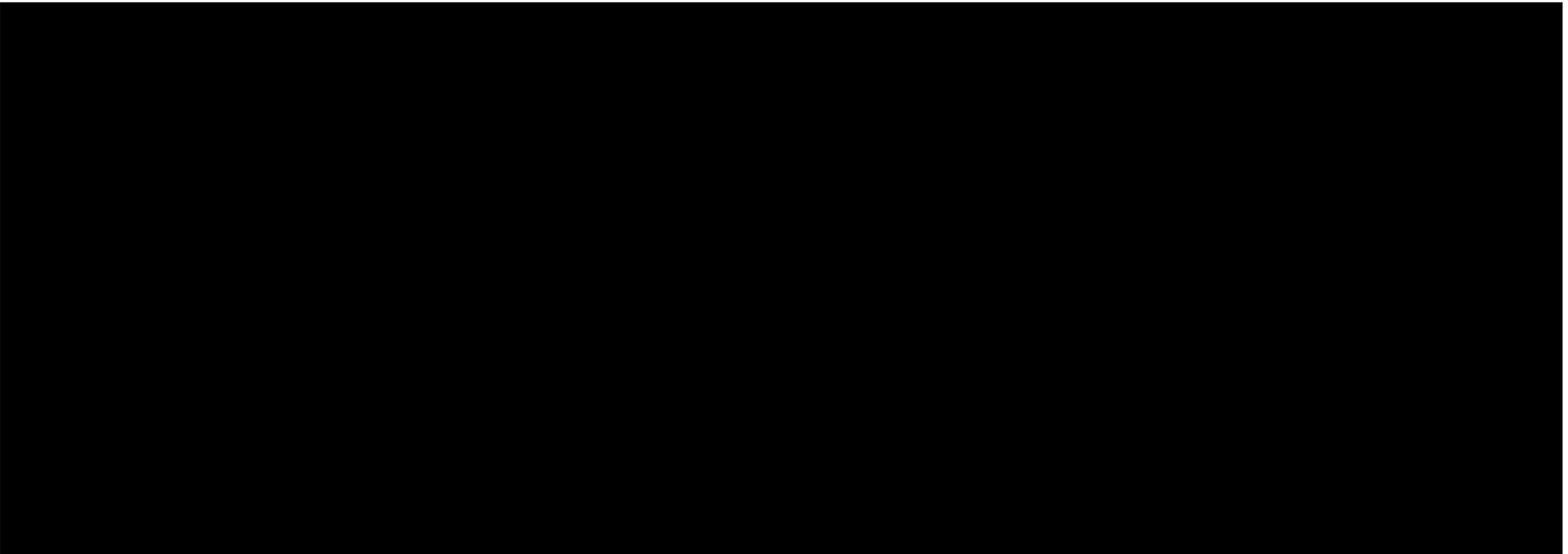
Outcomes

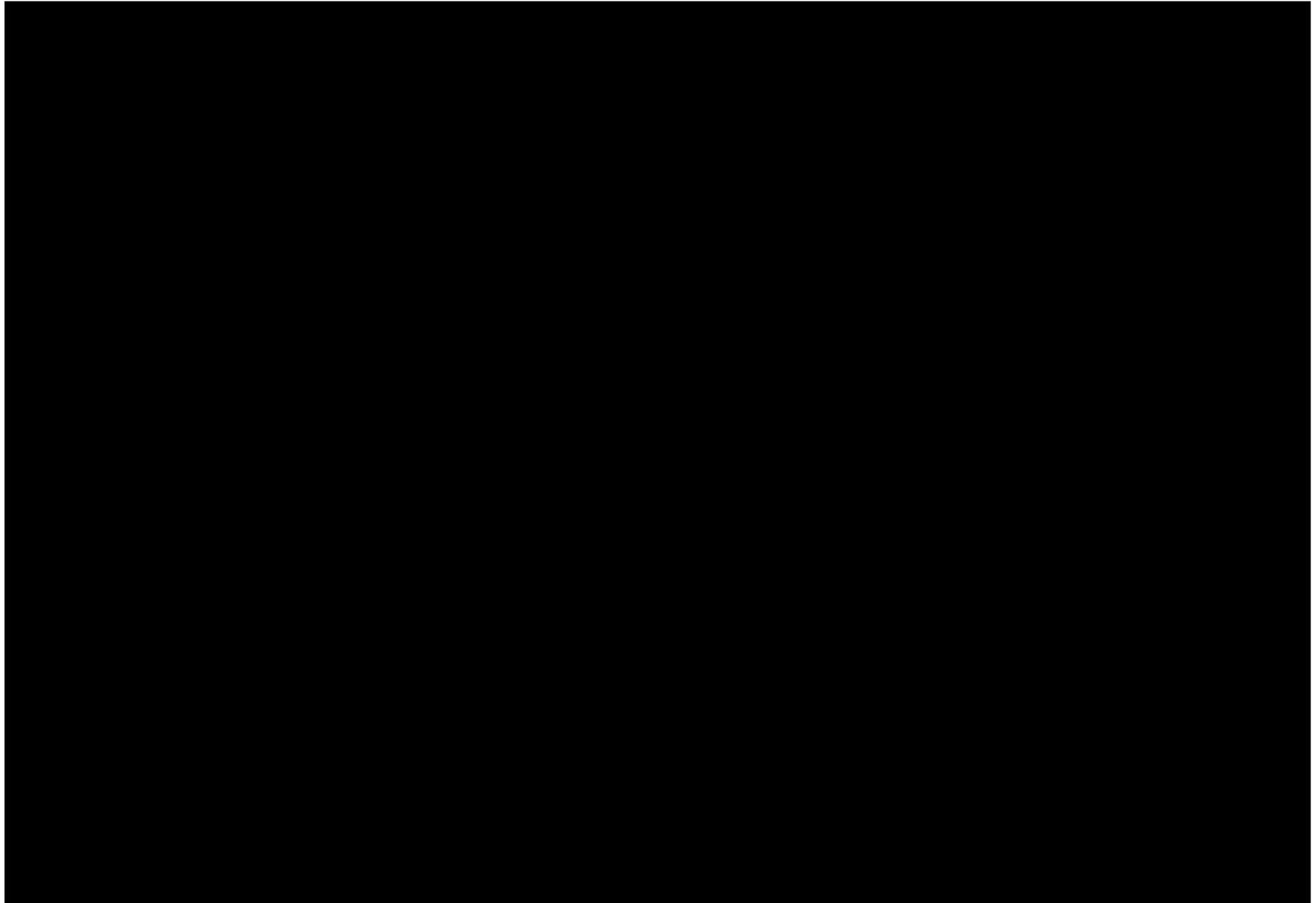
19. The project will contribute towards Panuku’s cross cutting themes as follows:

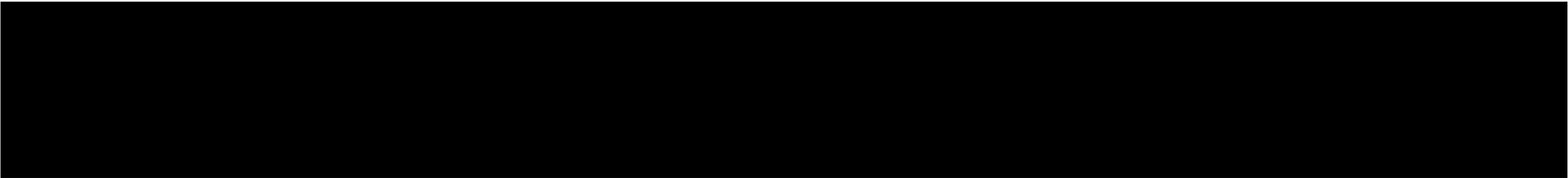
- a) Quality Urban Design and Development –through enhanced pedestrian circulation through and around the site enabling stronger connectivity to existing community infrastructure. The laneways are to be constructed at the developers cost, with a specified minimum quality finish to significant urban design elements.
- b) Sustainability and Climate Change -through the adoption of Homestar 6 as a minimum requirement
- c) Residential Choices -the proposed medium density residential development will increase housing product at a sub \$700K price point and contribute to housing diversity within the community. The development will be limited to a maximum of 30 per cent social housing product.
- d) Economic Outcomes -A permanent residential population located in the centre will support the viability and vitality of local businesses.
- e) Māori outcomes - adoption of Te Aranga Principles for place naming in wayfinding design and the landscape design for the site.

20. The Panuku essential outcomes are listed in the recommendations and further detail is included in appendix 1.
21. The Panuku Board has approved the guidance paper on housing mix for Panuku sites. Consistent with this policy a maximum of 30% social housing on the site is required.
22. Auckland Council owns a significant share of the land within the HLPP programme area which has the potential to transform parts of the town centre and create additional housing in Old Papatoetoe. Five development initiatives have been identified: St George's Lanes Site, The Depot at 91 Cambridge Tce, The St George's Bowling Green at 86 Cambridge Tce (currently leased), part of 27 St George Street which comprise an old netball court and teaching gardens, two site recently transferred from Auckland Transport at 98 St George St and 15 Kolmar Road and finally the potential to optimise the Library site at 107 and 109 St George St.
23. The St George's Lanes Site development parcel represents less than 20% of the total land earmarked for future residential outcomes. It is recommended that the transition to greater diversity in local housing typologies should be managed incrementally over several residential development stages as part of the wider masterplan and site sale sequencing over the life of the programme.

Sales Process





- 
37. The above strategy is in-line with the most recent board approvals being the September 2019 the FY 19/20 Divestment Strategy Decision Paper. The following divestment outcomes were approved in respect to the site: Design Brief, Commercial Use, Mixed Use, Residential, 6 Star, Housing Mix.
38. It is noted that Panuku is expecting a limit of 30 per cent of dwellings for social housing, which limits Crown investment.
39. The recent FY20 Divestment Strategy taken to the board recognised the softening in market conditions for new residential development and proposed an agile response to de-risking the divestment process through the following strategies:
- Flexible settlement provisions in the contract
 - Infrastructure Provisions
 - Public Realm Delivery
40. Consistent with the site disposal strategy outlined above, it is proposed to take the site to market in a two staged deadline private treaty process which will enable Panuku to make an initial assessment of the commercial capacity of the deadline private treaty respondents, without requiring the respondent to submit a detailed bid. The proposed assessment criteria for the first stage are as follows:
- i. Price 50%
 - ii. Delivery Capability and Relevant Experience 25%
 - iii. Financial Capacity 20%
 - iv. Ability to deliver within timeframes 5%.
41. It is proposed that selection in the second EOI stage is be based on a weighted scoring system to determine relative performance based on:

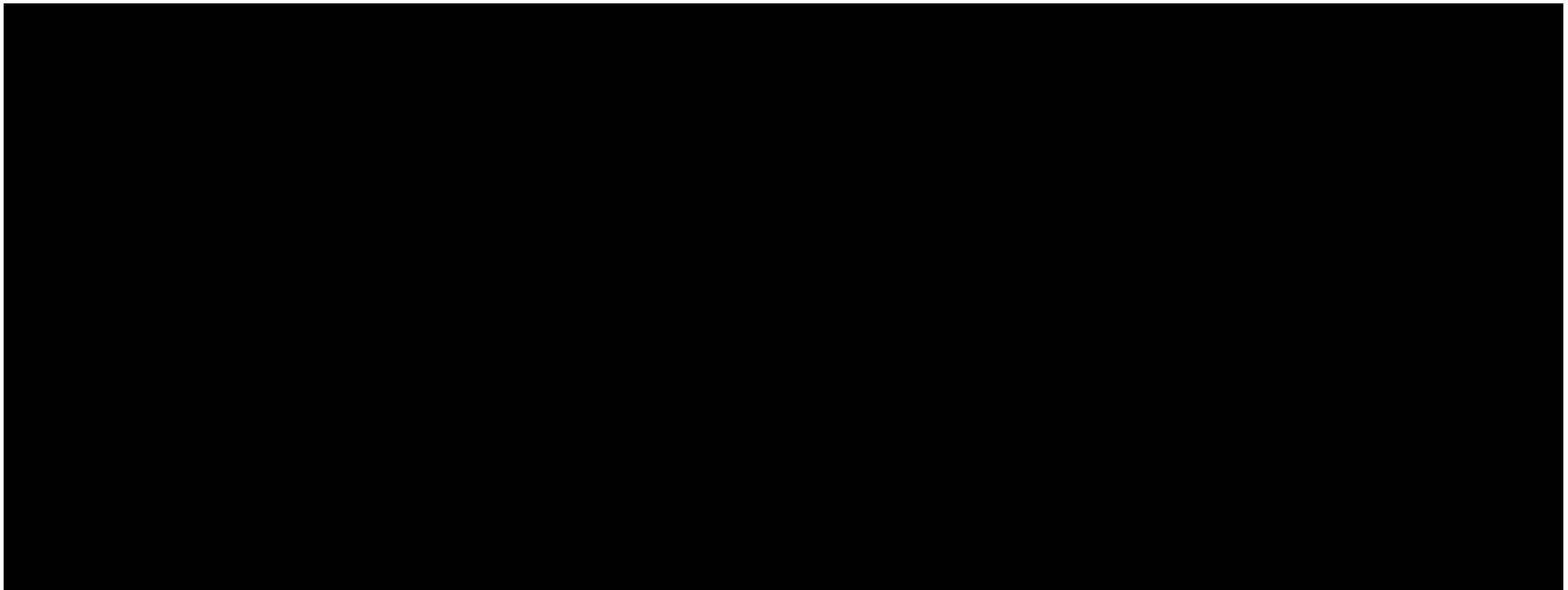
June 2020

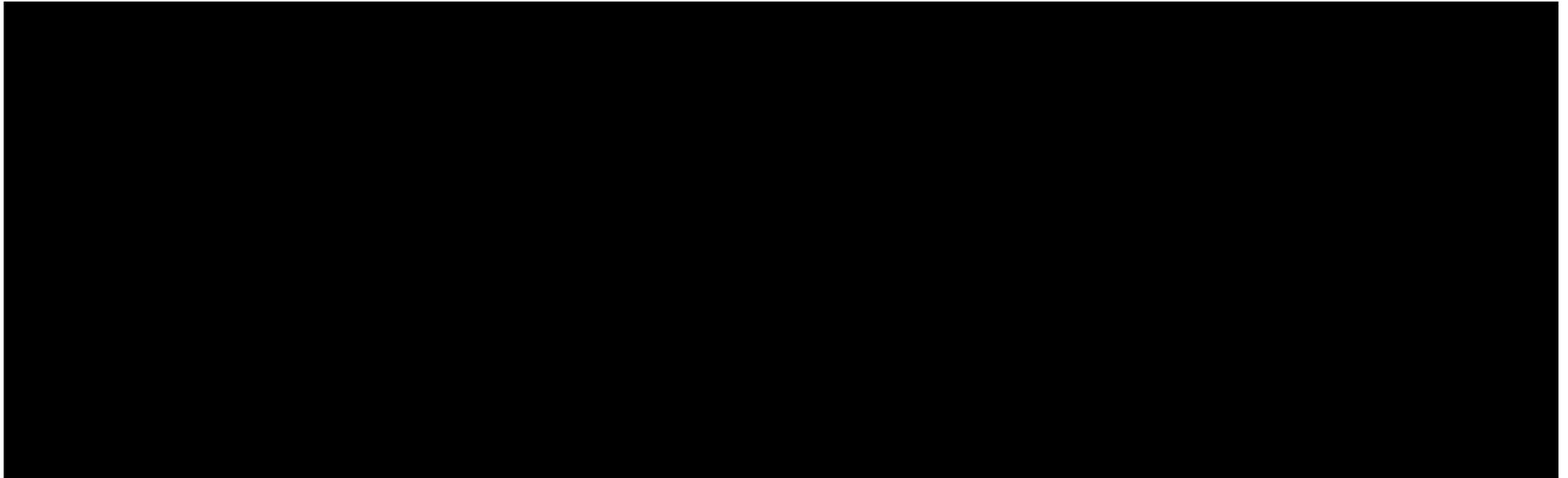
- Price 50%
- Alignment with HLPP and Essential Outcomes 40%
- Scale of Development (Design) 10%

42. Bayleys Real Estate were previously engaged as the agents for the site and will be retained for the sale process.

Hīraunga | Implications

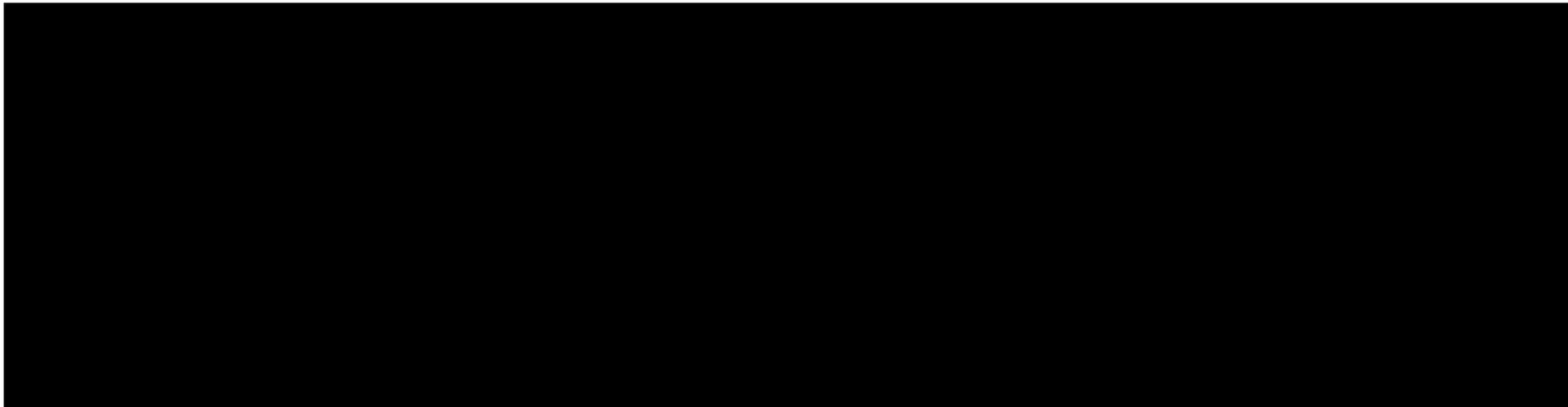
Ngā ritenga ā-pūtea | Financial implications





Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

48. Risks will be mitigated against as follows:



Tauākī whakaaweawe Māori | Māori impact

49. Panuku will issue an alert identifying the opportunity to iwi parties once the deadline private treaty offer is released to market.
50. The Ngai Tai ki Tamaki consortium are welcome to participate in the deadline treaty process.
51. Panuku essential outcomes include the adoption of Te Aranga Principles for place naming in wayfinding design and the landscape design for the site.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

52. Panuku's essential outcomes capture the key stakeholder and contractual requirements, including those of the Local Board, Auckland Transport and New World.
53. The Local Board require the inclusion of two publicly accessible pedestrian pathways through the site. As part of preparing for this new phase we have completed conversations and discussion with the Otara-Papatoetoe Local Board, and they have indicated that they are all supportive of progressing this site to market as soon as practical.
54. Preliminary discussions with Auckland Transport have also commenced in regard to the extension of Cambridge Terrace
55. Panuku will continue to keep these stakeholders and others such as Council's Community Services and Facilities informed on the project status.

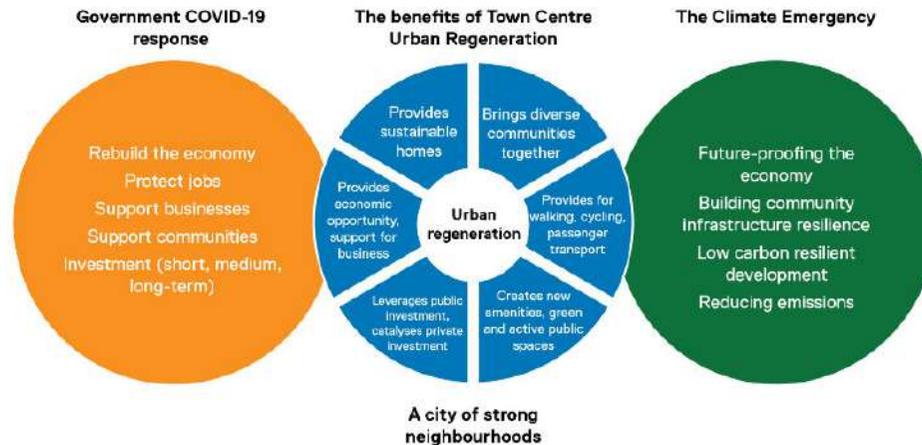
Ngā whakaaweawe rauemi | Resourcing impacts

56. The project will be resourced by a development manager and a designer through the sales process and the development agreement period, thereby ensuring benefits realisation.

Tauākī whakaaweawe āhuarangi | Climate change impacts

57. The location of the site within an existing suburban centre and closing to existing infrastructure including train and bus routes supports sustainable outcomes.

58. The following diagram explains the benefits of urban renewal in Old Papatoetoe and the climate action needed to support a transition to a low carbon future in the current context of Covid-19.



59. The unique set of constraints surrounding Covid-19 have seen local neighbourhoods re-structured as centres for both work and home. The project lends itself to this hybrid model, with dwellings having a strong connection to the local high street through the required laneways.

60. Panuku's climate objectives are supported by the requirement for the developer to adopt Homestar, with a minimum of 6-star rating required.

Ngā koringa ā-muri | Next steps

61. The steps and timeframes proposed to progress the decision are as follows:

June 2020 obtain board approval

June 2020

August 2020 deadline private treaty process commenced

December 2020 deadline private treaty process concluded

March 2021 execution of sales and purchase agreement

62. The above timelines for the sale of the site are subject to there being no change in the current level of market interest.

Ngā tāpirihanga | Attachments

Appendix 1 Essential Outcomes and Design Guidelines

Ngā kaihaina | Signatories

Allan Young - GM Development

David Rankin - Chief Executive (acting)



Saint George's Lanes

3 St George Street
Old Papatoetoe

Essential Outcomes and Design Guidelines

May 2020



CONTENTS

This design and development brief has been prepared to guide design responses for the St George's Lanes site in Old Papatoetoe. It identifies and provides rationale for the essential outcomes that will form part of Panuku's Development Agreement with its preferred development partner.

DOCUMENT CONTENTS

- 1 INTRODUCTION
- 2 UNLOCK OLD PAPATOETOE HLPP
- 3 URBAN AND DEVELOPMENT CONTEXT
- 4 THE SITE
- 5 ESSENTIAL OUTCOMES
- 6 DESIGN GUIDELINES
- 8 PRECEDENT IMAGES

INTRODUCTION

The St George's Lanes site is approximately 1 ha in size and is located in the centre of the Old Papatoetoe town centre. It is within 5 minutes walking distance from the Papatoetoe train station (providing a 30min journey to Britomart) and adjacent to the town centre's amenities such as shopping, community facilities and recreational spaces.

Future development on the site is a key regeneration project for Old Papatoetoe. It will bring new residents to the centre of the town, help revitalise the area and create an opportunity to enhance the public realm and connections to and throughout the centre.



Fig 1. Urban and Development Context of Old Papatoetoe

UNLOCK OLD PAPATOETOE HLPP

A High Level Project Plan (HLPP) is the project initiation document used by Panuku to establish its mandate to unlock positive change and redevelopment. The Unlock Old Papatoetoe HLPP was adopted by Auckland Council's Planning Committee in July 2017. It includes a vision and high level planning direction that give guidance to the Unlock Old Papatoetoe programme.

The HLPP vision for Old Papatoetoe:

“Old Papatoetoe will be a popular place to live, to shop, for people to meet and enjoy themselves, and will provide the services and facilities the community needs.”

Old Papatoetoe was chosen as an Unlock location because there are large under-utilised Council owned properties in the town centre that have a potential for redevelopment. There is an opportunity to transform parts of the town centre to create areas of new development that residents, visitors and businesses are proud of, and which will help to meet the needs of a growing and prosperous town.

The Saint George's Lanes site has been identified as one of the key locations that will contribute in achieving the vision. It is discussed in particular under Key Strategic Move 4 of the HLPP.

The four key strategic moves that guide further planning for the town centre are:

Move 1 - Develop quality urban form

Move 2 - Enable a humming main street

Move 3 - Stimulate local economic development and instil local pride

Move 4 - Undertake a housing development programme

The full Unlock Old Papatoetoe HLPP document can be found at:

<https://www.panuku.co.nz/papatoetoe>

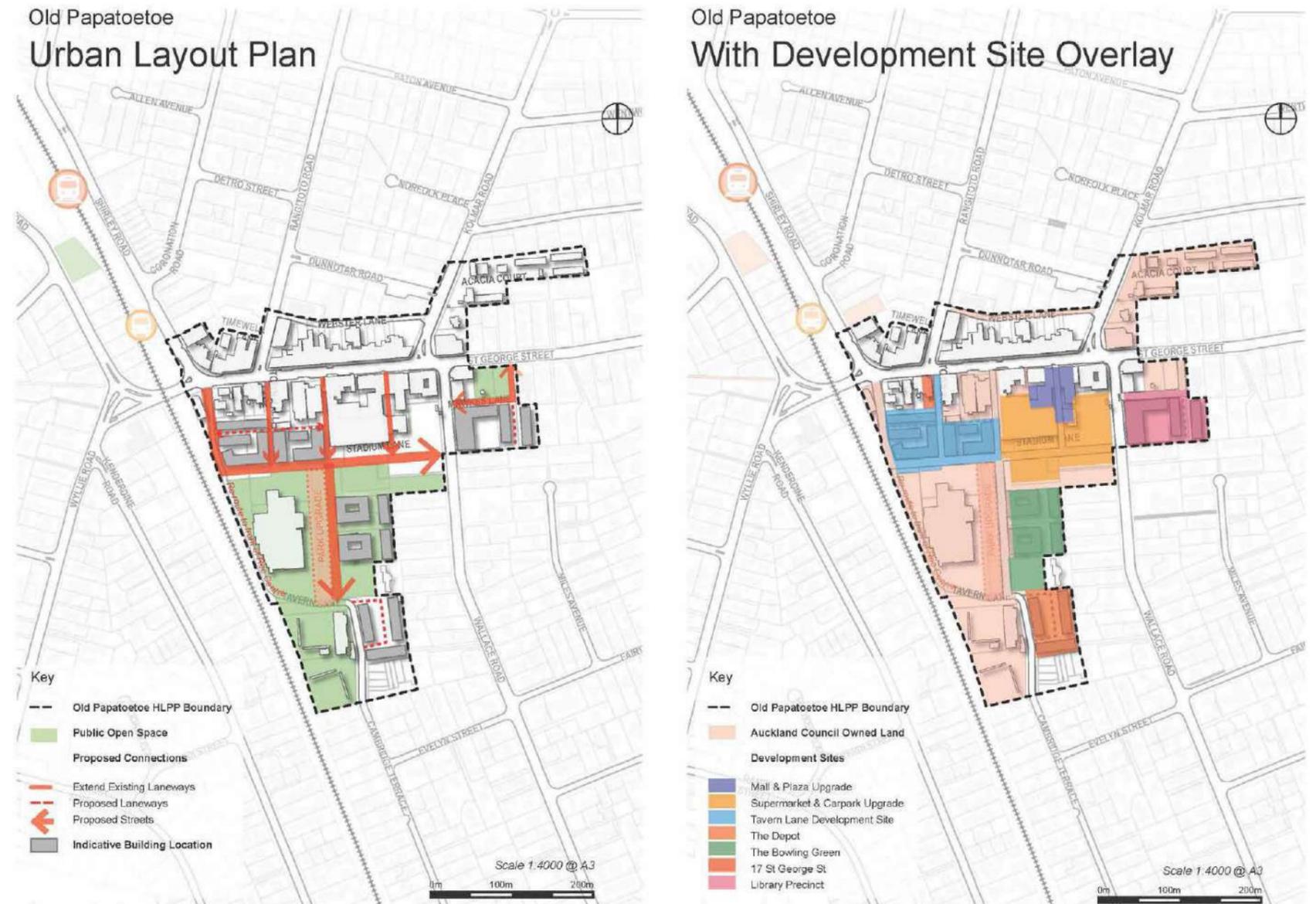


Fig 2. Unlock Old Papatoetoe HLPP Urban Layout Plans (page 41)

URBAN AND DEVELOPMENT CONTEXT

People have lived in the area for almost the entire history of human settlement in NZ. The area was located near to one of the narrowest points between the two harbours. The name Papatoetoe (Toetoe flats) references the native swamp grass that was abundant in the area.

- 1** New development such as the recently completed Papatoetoe Mall (developed by Panuku) with retail and local services facing a new public space is a sign of the positive change already happening in Old Papatoetoe town centre.

The Papatoetoe Mall provides a link from St George Street to the new Civic Space in front of the main entry to the new New World supermarket.
- 2** To the south of the mall and the supermarket is an upgraded public carpark, also developed by Panuku. This includes a new public road and will create a better link from Wallace Road to the site through the upgraded Stadium Lane.
- 3** The St George's Lane site is in a prime location that will contribute in creating a new community within the town centre. It is important to provide good quality buildings, appropriate public realm and links that allow connection through the town centre and to the adjoining neighbourhoods within the site.
- 4** There are also development opportunities for additional housing surrounding Stadium Reserve and to the south of the carpark. These sites are part of the Unlock Papatoetoe programme.
- 5** Stadium Reserve includes the well used Allan Brewster Leisure Centre. Council and Panuku are considering upgrades to the reserve including a children's playground.
- 6** An upgrade to the Town Hall and the Chambers buildings at 35 St George Street is being planned. This could include creation of a community hub and an upgraded town square.
- 7** The new community hub project will also create an opportunity to recreate and activate a link from St George Street to Stadium Reserve and Allan Brewster Leisure Centre through the existing pedestrian lane between the Chambers building and New World. Development on the site will need to positively address with this important link from the main street to the reserve.
- 8** Protected Golden Totara tree stand



Fig 3. Urban and Development Context of Old Papatoetoe

THE SITE

The Saint George's Lanes site is located to the south of St George Street, with the majority of the site is located behind the local shops. The site consists of 6 properties with addresses at 3, 7, 9Z, 17, 21 and 31 St George Street, Papatoetoe.

The site is an excellent location in the centre of Old Papatoetoe, within walking distance to public transport and local amenities.

The edge condition of St George's Lane site:

- To the west - Railway line and an old railway station building, which has been converted to a cafe;
- To the south - Stadium Reserve and Allan Brewster Leisure Centre;
- To the east - public laneway along New World and a public carpark;
- To the north - St George Street on the western edge and rear boundaries of the properties that front the main road.

Site area: approx. The Site is 1.14HA (to be confirmed in survey drawing).

Unitary Plan requirements:

- Business - Town Centre Zone.
- Permitted max height - 27m.
- Subject to Aircraft Noise Notification Area (ANNA).
- Building frontage - Key Retail Frontage along St George Street.
- Height in relation to boundary - 45 degrees from 8.5m height along southern boundary.
- Carparking for retail: Minimum 1 per 30sqm GFA for Food and beverage and other typical retail.
- Carparking for housing : no minimum or maximum.

Other characteristics:

- The site is relatively flat.
- There are three protected Totara Trees to the east of the site.
- Existing access is from the north through Tavern Lane and from the east through Stadium lane.
- There is also central laneway between 17 and 25 St George Street.



Fig. 3 Existing site properties (note: this is not a survey plan)

ESSENTIAL OUTCOMES

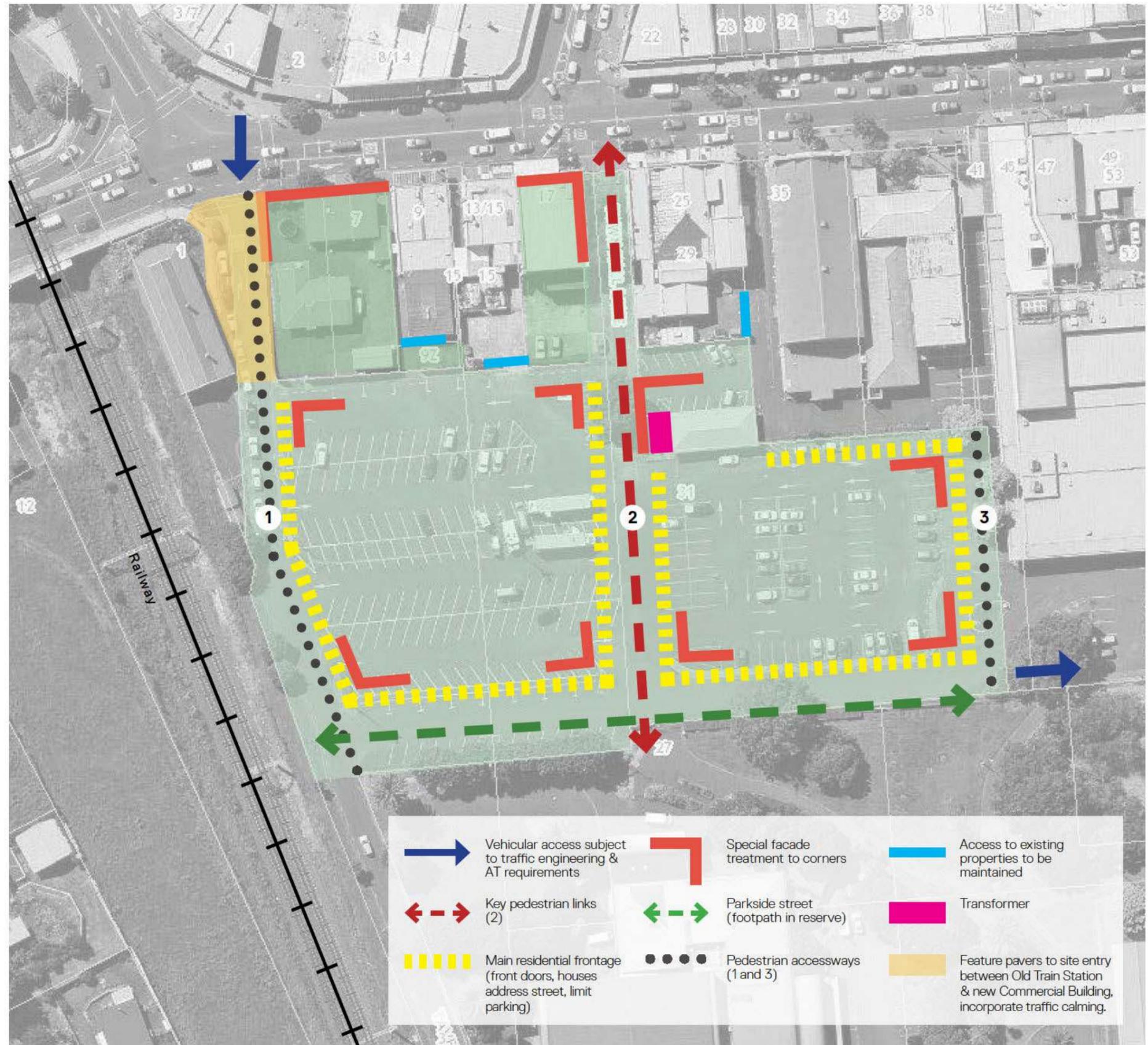
The following Essential Outcomes are the minimum standards that are required for the Saint George's Lanes site development by Panuku. Each proposal will be considered based on design merit and can be discussed with the Panuku team in more detail.

The development must achieve the following outcomes:

1. Provide 2 N-S pedestrian access ways through the site & widen 3rd pedestrian accessway along the eastern boundary, connecting the main street with Stadium Reserve. Where car access is included, these lanes must prioritise pedestrians and be designed as slow zones/shared spaces.
2. Ensure quality urban design & development -through enhanced pedestrian circulation through & around the site enabling stronger connectivity to existing community infrastructure. The minimum quality finish to these accessways is to be exposed aggregate concrete with feature paver banding. Mass feature pavers (or similar) are to be introduced in key areas including:
 - a) Plaza area between the Old Train Station & the new mixed use building at 5 Saint George St.
 - b) N-S pedestrian connection #2 through the site
3. Provide a **parkside lane** that provides a good edge to the reserve. This should maximise public access, and oversight from the houses. A footpath is provided within the reserve.
4. Allow for the provision of a **future community hub/town square** by ensuring development addresses and overlooks this space.
5. Ensure minimum of a **6 Homestar Built rating certificate** for any residential component - see 6 Homestar Panuku Custom Checklist.
6. The development is to adopt Te Aranga Principles in the naming of all laneways on site.
7. A quality, vibrant main street frontage with a canopy along St George Street.
8. A minimum of 60 dwellings with a maximum of 30% social housing across the site.

The final masterplan and design intent will be confirmed and agreed with Panuku during the masterplanning process.

See Design Guidelines on the next page for more guidance.



DESIGN GUIDELINES

Development proposals should address the following Design Guidelines to ensure a high quality proposal that delivers the vision in the HLPP.

These guidelines accompany the Essential Outcomes listed on the previous page. The purpose of the guidelines is to provide further instructions on how to meet these outcomes and to clearly outline Panuku's expectations.

1. Consider the existing context when developing the site

- Development proposal needs to respond to the challenges and opportunities of the site and is specifically designed to fit the context. It will need to ensure there is a well designed network of car and pedestrian circulation, all public areas are addressed and overlooked, and a clear hierarchy between public and private areas, and 'fronts' and 'backs' of housing.
- 'Sense of place' is very important. The development should respond to unique characteristics that define the town centre. The site adjoins two significant community buildings, both of which are heritage listed. The Old Papatoetoe Train Station is located on the western boundary of the site. New development should respond positively to the building. The Old Papatoetoe Town Hall is located on the north - eastern boundary of the site. Panuku is exploring creating a new town square as a civic heart to Old Papatoetoe. This will form the entry to one of the main pedestrian axis through the site.
- The design proposal should include a context analysis and design response, demonstrating the understanding of the main links, destinations, built and public realm character. This includes defining appropriate height, built form and materiality strategy in order to fit the context.
- A residential development on the Saint George's Lanes site will have a significant impact on the character of Old Papatoetoe town centre. High quality design of built form and high quality materials should be used; particularly in high visibility locations like corners.

2. Create three high quality, pedestrian focused lanes connecting the town centre to Stadium Reserve, and a parkside lane addressing the reserve.

- The lanes must be designed to encourage the public to walk through the development and access the reserve to the south. They must be attractive, overlooked by the houses and safe. They must include planting, lighting and quality materials.
- The central north-south laneway should be designed as the main pedestrian connection between Stadium Reserve and town centre's main street.

- The lane edge road must create an attractive public edge to the reserve, and oversight from the houses should be maximised.
- Ensure safe environments for pedestrians by creating slow residential streets. Design streets to slow speed (10-15 km/h) to encourage walking and cycling.
- Vehicular entries to the site should signalise a slow vehicle movement environment and pedestrian priority zone through landscaping and paving treatment rather than relying on road signs.

3. Provide active and safe street edges and appropriate access to each building

- A high quality edge to the main street (St George Street) by providing an active retail frontage facing the street, as well as turning the corner on 7 St George Street to provide some activity overlooking of Old Train Station, and 17 St George Street to provide activity onto the lane.
- A canopy will be required along St George Street. The canopy is to relate in height and extent to the existing canopies along the street.
- The site is zoned Business Town Centre which anticipates non-residential uses on the ground floor of buildings. Panuku expects that 5 and 17 St George Street will have a significant amount of retail or commercial use on the ground floor. The balance of the site is anticipated to be residential only, although flexible design to allow working from home on the ground floor is encouraged.
- Crime Prevention Through Environmental Design (CPTED) needs to be considered in the design process. Ground floor units need to have visual connection with street to ensure passive surveillance through providing windows and balconies facing the streets. Privacy of residents can be achieved through raising the ground floor.
- The building entrances need to be safe, welcoming and clearly visible from the street.
- A balanced mix of residential entries and vehicular entries (garages or carports) are allowed on all streets within development, as long as the passive surveillance of the street is achieved and parking does not create an adverse impact on the street.

4. Provide a balanced mix of tenure, flexibility for future change of use and appropriate density

- Panuku is seeking a medium-density residential development of a minimum 60 dwellings. A diversity of housing choices in terms of typologies, sizes, price points and tenure is encouraged.

- Inclusion of housing typologies on streets or pedestrian laneways that allow the front room to be used as a work space are encouraged to promote activity on site during work hours. Design ground floor with flexibility for future change of use through a higher ceiling height.
- Best practice universal design is encouraged where appropriate in the design of residential buildings. It will be required in the commercial developments and public areas, and should be addressed early in the design process.

5. Ensure good quality landscape

- Fencing along streets and laneways that are used by public should be low and visually permeable. This is to encourage passive surveillance to the street and to encourage a safe neighbourhood environment.
- Provide consistency of materiality along each street/lane. Differentiation between characters of each laneways and streets is encouraged. This can be achieved through the use of different materials, landscaping and planting.
- Use landscaping and seating instead of bollards for stopping car movement.
- Integrate trees and landscaping to soften the appearance of any surface or on-street carparking. Large surface carparks are not encouraged.
- Consider introduction of avenue planting of upright specimen trees (capable of achieving a minimum height of 5.0 metres).
- All materials, soil preparation and planting to be in accordance with best horticultural practices.

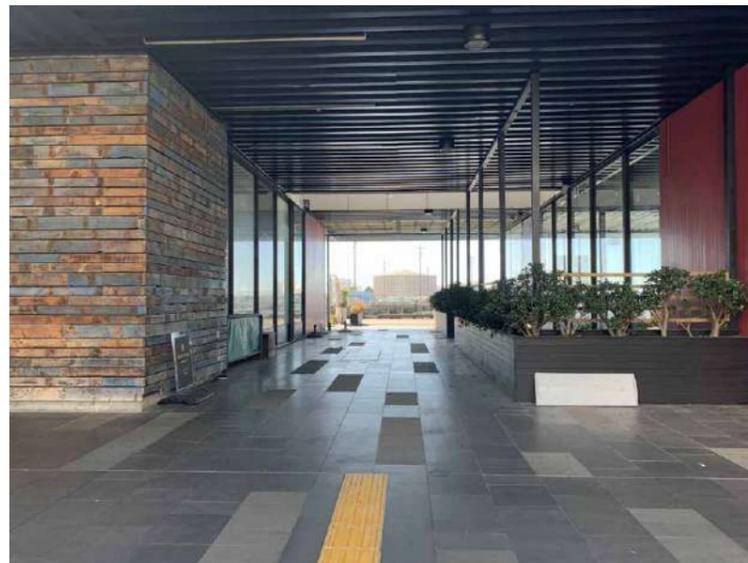
6. Be environmentally responsible

- Demonstrate the potential for environmental sustainable design (ESD) principles in the built form with a particular emphasis on low embodied material use, water conservation and waste management, including passive approaches such as appropriate orientation, efficient spatial planning and natural cross ventilation.
- Panuku has a custom checklist to achieve Homestar 6. This has many of the credits 'pre-approved' and can make gaining accreditation easier. The checklist can be provided, and Panuku can assist the developer in the process.

Note 1: Panuku uses the Auckland Design Manual as a reference document to guide design quality. <http://www.aucklanddesignmanual.co.nz/>

Note 2: These principles do not encompass detailed aspects that are otherwise covered through planning consent requirements.

PRECEDENT PHOTOS



PRECEDENT PHOTOS - LANEWAYS AND HOUSING



All images sourced from the Auckland Design Manual. Numbering is from top left to bottom right.

Images 1,2 and 3 Beaumont Quarter, Auckland

Case study:

<http://www.aucklanddesignmanual.co.nz/resources/case-studies#/resources/case-studies/beaumont-quarter>

Images 4 and 7: Buckley Terraces, Hobsonville

Case study:

http://www.aucklanddesignmanual.co.nz/resources/case-studies/buckley_avenue_hobsonville#/resources/case-studies/buckley_terraces



Images 5 and 6: Regent Park, Wellington

Case study:

<http://www.aucklanddesignmanual.co.nz/resources/case-studies/regent-park>

Image 8: Seatoun Terrace, Wellington

Case study:

<http://www.aucklanddesignmanual.co.nz/sites-and-buildings/stand-alone/case-studies/courtyard-houses#>



Image 9: Docklands, Melbourne



**Panuku
Development
Auckland**
An Auckland Council Organisation



Decision paper:Unlock Papatoetoe 91 Cambridge Terrace - site sale by exclusive negotiation

Author: [REDACTED]

June 2020

Ngā tūtohunga | Recommendations

That the Panuku Board...

1. Approve entering into a six month period of exclusive negotiations, under section 4.2 of Panuku's Selecting Development Partners Policy, for the sale of 91 Cambridge Terrace, Papatoetoe to the New Zealand Housing Foundation as an adjoining owner. Its proposal also offers a real and present opportunity, as described under the policy, to deliver a medium density residential development using a shared home ownership model. This is in alignment with the outcomes for new housing sought in the Old Papatoetoe High Level Project Plan (HLPP) and Programme Business Case (PBC).

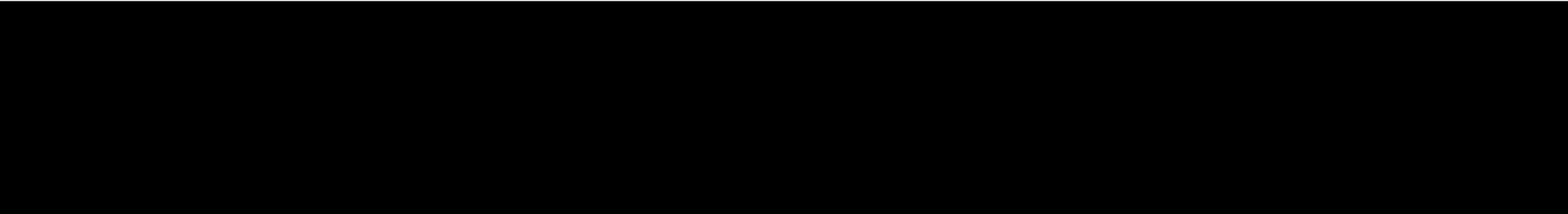
3. Essential Outcomes to be achieved by the developer are summarised as follows:

- a) High quality design with a good street interface.
- b) The proposal must consider future road planning as part of the wider programme.
- c) Ensure a minimum Homestar 6 rating
- d) The developer must include product / tenure options which support the affordable end of the housing market e.g. Shared ownership or rent to buy
- e) A minimum site yield of 20 dwellings or an agreed equivalent density, preferably with a range of typologies.

Whakarāpopototanga matua | Executive summary

4. The property has been earmarked for sale since 2009 when the Manukau City Council agreed to transfer the site to Tomorrows Manukau Property Limited (a council entity created to dispose of key assets) and more recently has been included in the 2017 Old Papatoetoe HLPP.
5. The property is a 4090m² site with a 1000m² workshop constructed in the 1970's. The building was converted to community office space and gymnastics club in the 1990's and is currently occupied by a variety of community tenants on monthly leases.

- 
7. The site is included in the Unlock Old Papatoetoe HLPP as suitable for sale to achieve housing outcomes. The site is earmarked for sale in FY22/FY23 by the Old Papatoetoe Programme Business Case. Council resolutions approving the disposal of this specific site are under review.
 8. Essential Outcomes have been identified for the site and design guidance will be provided to deliver the outcomes. These are included in attachment 2.

- 
11. After preliminary discussions we have received a formal letter of interest from the New Zealand Housing Foundation (NZHF) wishing to acquire and develop the property subject to an exclusive period of due diligence and negotiation. This has been analysed as our preferred option.
 12. The alternate options evaluated for the site include listing the property for sale on the open market and engaging directly with Mana Whenua however in the current economic environment both run the risk of delays and increased costs.

13. Dealing exclusively with development partners is covered in section 4.2 of Panuku's Selecting Development Partners Policy. The NZHF proposal meets the requirements of section 4.2 (a) and 4.3 (c) by being an adjoining owner and presenting a real and present opportunity which is consistent with the outcomes we require for housing.
14. The NZHF is a charitable trust that delivers affordable housing options through its Shared Ownership and Rent to Own programmes. It has proven capability in this area with the successful completion of a townhouse development on the adjoining site in which they overcame a number of site-specific challenges and maintain shared ownership of several homes. They have also completed and are progressing similar developments on sites throughout Auckland including council owned land in Avondale and Manukau.
15. NZHF's proposal to build assisted affordable housing on this site is consistent with the goals, strategic moves and outcomes of the HLPP and Programme Business Case. Their timeline is ahead of the programme and provides an opportunity to move earlier on this site. Their proposal is also in alignment with the essential outcomes for the site.
16. NZHF has offered the services of their community liaison personnel to assist in the relocation of existing tenants.
17. Given the capability of the developer, alignment with our project plan, essential outcomes, and strategic policy, a willingness to work around the management of existing tenancies, and the uncertainty the development world faces in the current economic climate it is recommended that a period of exclusive negotiations is entered into with NZHF. It would be difficult to achieve the same level of alignment with our programme from the open market with a developer who has both a proven track record and experience delivering the outcomes we require.
18. The period of negotiations should span no more than 6 months, with the proviso that tenant relocation may delay proceedings, at which stage listing on the open market should be considered.
19. The proposed development is in-line with plans for the wider area and will be a positive feature in master planning for the Old Papatoetoe Town Centre which is scheduled to commence with the council in late 2020.
20. The property was not earmarked for sale this year by the Programme Business Case, therefore Mana Whenua have not been advised that this site is to be disposed of in FY21. We will respond to this by informing Mana Whenua of the proposal and requesting feedback.
21. The Otara-Papatoetoe Local Board is very supportive of the project.

Horopaki | Context

22. The site is specifically identified in the 2017 HLPP as suitable for providing housing outcomes. This aligns with project goal 2 of the HLPP, to make a step change in housing. It also aligns with the HLPP Strategic Move 1 – develop a quality urban form, and Strategic Move 4 – Undertake a housing development programme.
23. An Unlock Old Papatoetoe programme business case (PBC) earmarked the property for sale in FY22/23.

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
June 2019	Unlock Old Papatoetoe - Programme Business Case	Adopted
August 2017	Unlock Old Papatoetoe - HLPP	Adopted by the Finance and Performance Committee - FIN/2017/109
July 2017	Unlock Old Papatoetoe - HLPP	Adopted by the Auckland Planning Committee - PLA/2017/78
January 2010	Auckland Transition Agency	Confirmed authority to dispose
October 2009	Manukau City Council	Authority to dispose to Tomorrows Manukau Property Ltd (TMPL) PA/OCT/1084/09

Matapaki | Discussion

24. Plans and negotiations are in place to relocate the existing tenants to suitable accommodation nearby to the former council Chambers building at 35 St George St, Papatoetoe by Auckland Council community leasing. The Papatoetoe Historical Society has also applied to move to this location although its shift will take extra care and resource.
25. The site is within the Residential - Terraced Housing and Apartment Building Zone. Apartment buildings up to 5-6 storeys could be achieved under this zoning. However, given its distance to the town centre and being on the edge of the project area the master planning undertaken to date as shown in Attachment 3 has suggested that the site is more suitable for townhouses or low-rise apartments only. This is consistent with market demand as the affordability of townhouses in the area makes apartment development less viable.

26. The following essential outcomes will be adopted:

- a) Dwellings and site plans are to be of a high quality and have a good interface with the street. This should include landscaping, minimising the impact of vehicle crossings and ensuring that all dwellings address and overlook the street.
- b) Panuku may extend Cambridge Terrace to the north through the reserve as part of the wider Unlock Old Papatoetoe programme. The proposal must consider this in the design of the site.
- c) Ensure minimum of a 6 Homestar rating for any residential component.
- d) The developer must include product / tenure options which support the affordable end of the housing market. There are several ways which this can be achieved including a shared ownership model or rent to buy.
- e) A minimum of 20 dwellings or an agreed equivalent density, preferably with a range of typologies or bedroom numbers per dwelling.

27. In addition, sale proceeds will be subject to an independent registered valuation based on these outcomes and design guidance will be provided to the purchaser.

28. Given the age of the building there is some risk of materials containing asbestos. There were also geotechnical issues discovered on the adjoining site in the form of uncontrolled fill which may also be present within this site.

29. The preferred option for sale is direct negotiation with NZHF. This option reduces market risk in the current economic environment which will be exacerbated by the essential outcomes we require. It also provides the opportunity to share due diligence costs and reduce other sale costs such as marketing and real estate commissions.

30. A negative of this option is not engaging directly with Mana Whenua on this site via the annual site sales update as this proposal involves progressing a sale earlier than planned.

31. Alternate options considered included engagement directly with Mana Whenua or listing on the open market. Both have positive aspects including providing a commercial opportunity to Mana Whenua or a fully contested sale however in the current environment both options are likely to result in delays, increased costs, and a lesser level of alignment with our programme if NZHF's interest in the site is lost.

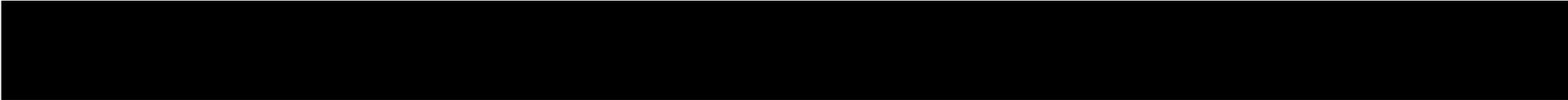
32. The developer has proven capability in meeting our essential outcomes with the development of multiple sites throughout Auckland. This includes working with council on Kotuitui Place in Manukau, Trent St/Whakawhiti Loop in Avondale, and the adjoining site 89 Cambridge Terrace. On the Cambridge Terrace site it overcame ground instability and flooding issues to produce a successful development under their shared ownership programme.

33. The current economic environment is uncertain and there are several risks to the development market including demand and finance. The developers proven track record including existing demand (through a shared ownership model) combined with the ability to work within the essential outcomes sought from Panuku for a development of this type makes exclusive negotiations a real and present opportunity.
34. The Otara-Papatoetoe local board have provided its support for both the relocation of tenants and the redevelopment of the site for affordable housing.

Hiraunga | Implications

35. Redevelopment of the site is in alignment with the wider programme
36. If negotiation with NZHF results in no transaction Panuku/Council will be well positioned to list on the open market.

Ngā ritenga ā-pūtea | Financial implications

- 
38. Disposal costs will be reduced under the preferred option with no real estate marketing or commission payable.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

39. Mana Whenua engagement is a key reputational risk. The preferred option if adopted should be communicated to Mana Whenua.
40. Panuku continues to maintain a risk register for the Unlock Old Papatoetoe programme. As with all public and private investment, currently the greatest risk to the programme is uncertainty around the timing and levels of Covid-19 lock-down, and the consequential impacts on the development, finance, and construction industries.
41. Other site-specific risks include the discovery of significant asbestos containing materials or uncontrolled fill leading to increased engineering needed for foundations. The potential sharing of due diligence costs will eliminate the market uncertainty around this.
42. Tenancy risk is also present with the relocation of existing community tenants an essential part of the process of stakeholder management. Ongoing communication and selection of a suitable development partner will be key to mitigating this risk.

Tauākī whakaaweawe Māori | Māori impact

43. Engagement with iwi is on-going at a programme level however this specific site has not been signalled for sale in FY21.
44. Panuku's Selection of a Development Partner Policy states that the expectations of any non-contestable process include that other Panuku policies and processes have been met. E.g. Mana Whenua engagement.
45. The smaller scale of the development is likely to limit the level of engagement possible however we will respond to this by informing Mana Whenua of the proposal and requesting feedback on any cultural or environmental impacts and outcomes.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

46. The community leasing team has continued to manage stakeholder relations in terms of the existing tenants. The tenants have been aware of the site's potential development for some time and preparations are ongoing.
47. There is ongoing engagement with the Otara-Papatoetoe local board who has endorsed the Unlock Old Papatoetoe HLPP which identifies the site for future development.

Ngā whakaaweawe rauemi | Resourcing impacts

48. The current Programme Business Case allows for sufficient resources for this project.

Tauākī whakaaweawe āhuarangi | Climate change impacts

49. As with all Panuku priority locations, Old Papatoetoe was selected for intensification and regeneration to deliver on the Auckland Plan's goal of transit-oriented development, to support sustainable transport and to provide opportunities for employment, education and leisure close to people's homes.
50. In alignment with the sustainability policy, it is an essential outcome to provide housing to a minimum requirement of Homestar 6.

Ngā koringa ā-muri | Next steps

- a. Confirmation of Council resolutions (underway)

June 2020

- b. Completion of due diligence in conjunction with NZHF
- c. Stakeholder engagement
- d. Agreement of final terms

Ngā tāpirihanga | Attachments

Attachment 1 - Aerial Photo

Attachment 2 - Essential Outcomes and design guidance

Attachment 3 - Old Papatoetoe draft Masterplan

Ngā kaihaina | Signatories

Ian Wheeler - Chief Operating Officer

David Rankin - Chief Executive (acting)

Attachment 1: Aerial Photo



Attachment 2: Essential Outcomes and Design Guidance

ESSENTIAL OUTCOMES

The following Essential Outcomes are the minimum standards that are required for the 91 Cambridge Terrace site development by Panuku. Each proposal will be considered based on design merit and can be discussed with the Panuku team in more detail.

The development must achieve the following outcomes:

1. Dwellings and site plan are to be of a high quality and have a good interface with the street. This should include landscaping, minimising the impact of vehicle crossings and ensuring that all dwellings address and overlook the street.
2. Panuku may extend Cambridge Terrace to the north through the reserve as part of the wider Unlock Old Papatoetoe programme. The proposal must consider this in the design of the site.
3. Ensure minimum of a 6 Homestar rating for any residential component - see 6 Homestar Panuku Custom Checklist.
4. The developer must include product / tenure options which support the affordable end of the housing market. There are several ways which this can be achieved including a shared ownership model or rent to buy.
5. A minimum of 20 dwellings or equivalent density agreed, preferably with a range of typologies or bedroom numbers per dwelling.

The final plan and design intent will be confirmed and agreed with Panuku during the review process.

Additional design guidance will be provided to the successful purchaser.



Attachment 3: Draft Masterplan



Decision paper: Gasometer car park construction contract

Author: Kate Cumberpatch, Priority Location Director

June 2020

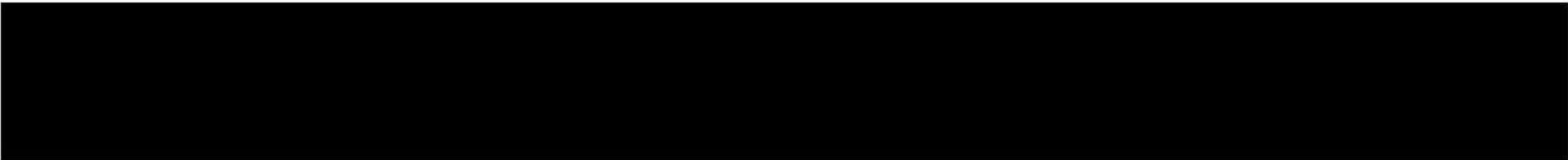
Ngā tūtohunga | Recommendations

1. That the Panuku Board approves a \$2million increase in the value of the construction contract with Argon Construction Limited, up to a total value of \$31million, for the construction of the Gasometer car park at Huron and Northcroft streets, Takapuna, in order to adequately fund unanticipated costs relating to an increase in scope and associated costs for the civil infrastructure relocation works, inground soil contamination, and additional steel design and fabrication costs.

Whakarāpopototanga matua | Executive summary

2. Argon Construction Limited is our head contractor building the Gasometer car park at Huron and Northcroft streets, Takapuna.
3. Construction commenced in October 2018 and is due to be finished in August 2020.
4. The Panuku Board approved a contract value of \$25.6m with an approved contingency of \$3.4m in August 2018.
5. The contingency has been used. The most significant cost overruns have been due to the increase in scope and associated delay costs for the civil infrastructure relocation works, inground soil contamination, and additional steel design and fabrication costs. All variations were assessed by our quantity surveyor and engineer to contract who certified that they are fair and reasonable and should be paid under the contract.
6. A further \$1.7m contingency is required for the remainder of the construction as signalled to the board last month. This additional contingency is to cover asbestos and basalt rock removal, an extension of time claim, traffic management, balustrade changes and Covid-

19 costs. This would bring the total construction contract value to \$30.7m. We are seeking approval for \$31m to cover any final unforeseen cost that may arise. This would be an additional budget increase of \$2m.



Horopaki | Context

9. Following a procurement process in March 2018, Argon was selected as the preferred contractor for the construction of the Gasometer car park.
10. The procurement was for early contractor involvement. Argon provided advice on the constructability of the design and pre-ordered materials that had long lead-in times. A pre-construction services agreement was executed on 3 May 2018 for this work.
11. The Panuku Board and Auckland Council's legal services and procurement teams approved the execution of a NZS3910 contract with Argon. The construction contract with Argon was executed on 1 October 2018 and construction commenced on 8 October 2018.
12. The fixed price lump sum contract has a value of \$25.6m. This consisted of \$22.2m for the car park building construction and \$3.4m for the relocation of existing services. The contract value included \$2.6m of provisional sums.
13. Due to the nature of the works, including significant trenching, asbestos potential and basalt breaking in road corridors, a contingency of \$3.4m was approved by the Panuku Board over and above the contract value.

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
22 August 2018, Panuku Board	Unlock Takapuna – Gasometer site car park construction contract and shortlisting tenderers	It is recommended that the Board: <ul style="list-style-type: none"> • Approves the execution of the construction contract to Argon to construct the Gasometer car park, up to a value of \$29m.

		<ul style="list-style-type: none"> Delegates to the Chief Executive the authority to execute the NZS3910 contract for Argon to construct the Gasometer car park at 14 Huron and 15 Northcroft streets, Takapuna.
26 April 2017, Panuku Board	Unlock Takapuna: Car parking strategy and Framework Plan	<p>It was RESOLVED THAT the Board:</p> <ul style="list-style-type: none"> Approves the strategy to meet Auckland Transport’s replacement car park requirements for the Anzac Street and Gasometer car parks by constructing a standalone car park building on part of the Gasometer site for 400 to 500 cars.

Matapaki | Discussion

14. The contingency for this construction contract has been fully allocated to cover unforeseen costs. Several significant costs have used most of the contingency. These costs are:

Significant variations (over \$50,000)	Variation cost
EPA documentation for civil stage 1 - sewer changes due to unknown existing services	\$75,000
Asbestos contaminated material management - additional asbestos found over and above the results from investigatory geotechnical surveys	\$301,000
Updated architectural detail designs for increased scope of works	\$100,000
Upgrade the paint specification at the recommendation of the sub-contractor due to the car park's location being 5km from the sea	\$118,000
Change in lift shaft set out due to lift manufacturer information provided during design phase	\$164,000
Temporary bracing to enable construction staging to keep build to programme	\$140,000
Larger pile head to ensure reinforced enough for excavating work - additional roads and the foundations of the old Gasometer structure were dug up	\$85,000

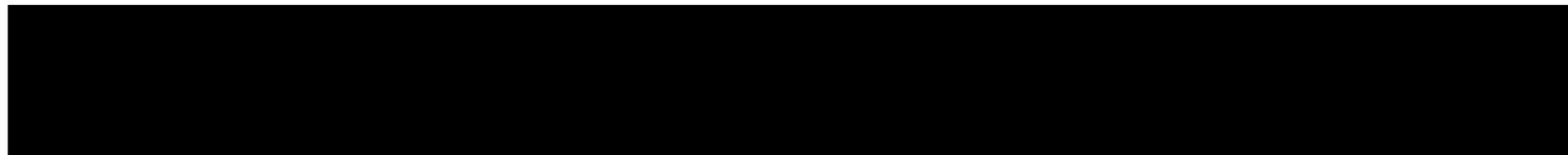
Variations due to consenting for sewer and stormwater diversion due to existing services not identified in investigatory work	\$101,000
Huron Street civil services stage 1 due to existing services not identified in investigatory work	\$162,000
Approval of EPA plans and costs associated with consenting changes	\$230,000
Civil stage 2 - Auburn Street; increased scope due to existing infrastructure, resulting in delay and standby costs.	\$372,000
Civil stage 2 - Northcroft Street; increased scope due to existing non-compliant infrastructure, resulting in delay and standby costs.	\$786,000
Total variations of significant cost (76% of total variation amount)	\$2.6m (significant variations)

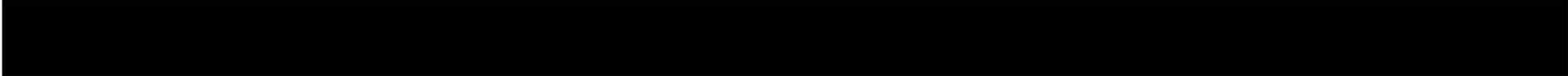
15. There is a further \$1.7m in variations expected. These further costs will bring the total expected contract value to \$30.7m. The significant variations expected are:

Significant variations forecast	Variation cost forecast
Asbestos contaminated material management - increased to cover the road corridor works following the higher amount of asbestos found on site.	\$540,000
Traffic management - works along Auburn Street now require full road closure for three weeks. An unexpected watermain was found and our stormwater pipe had to be redesigned to accommodate this.	\$200,000
Extension of time - delays to Auburn Street civil works due to redesigns.	\$232,000

CKL Surveys Limited

16. CKL Surveys Limited has been engaged by us to design the civil services for this project.

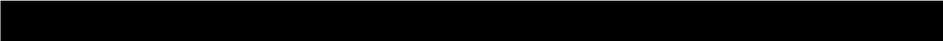




Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

- 20. An additional \$2m of funding required for this project.
- 21. There is \$6.3m still to be claimed with three months of construction remaining. It is forecast that \$2.1m will be spent in June 2020 (FY20) and the remaining \$4.2m will be claimed in FY21.
- 22. Auckland Transport is contributing approximately \$200,000.

- 
- 24. The Auckland Transport contribution and potential CKL compensation claim will reduce the impact on our budget of the final contract value.

Ngā koringa ā-muri | Next steps

Ngā kaihaina | Signatories

Ian Wheeler - Chief Operating Officer

David Rankin - Chief Executive (acting)

Decision paper: Unlock Hobsonville; Hobsonville Point Road and Launch Road development

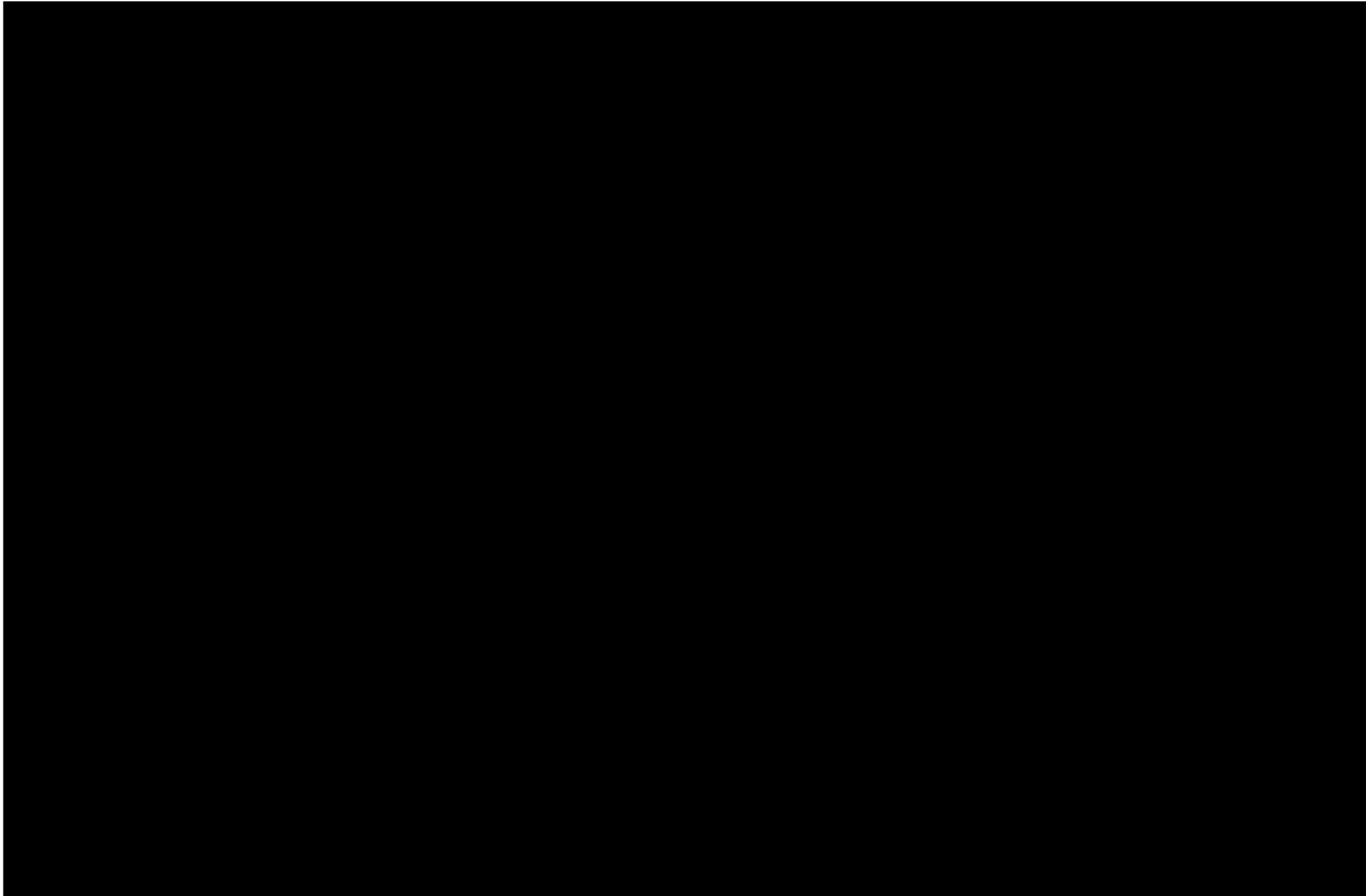
Author: Kate Cumberpatch, Priority Location Director

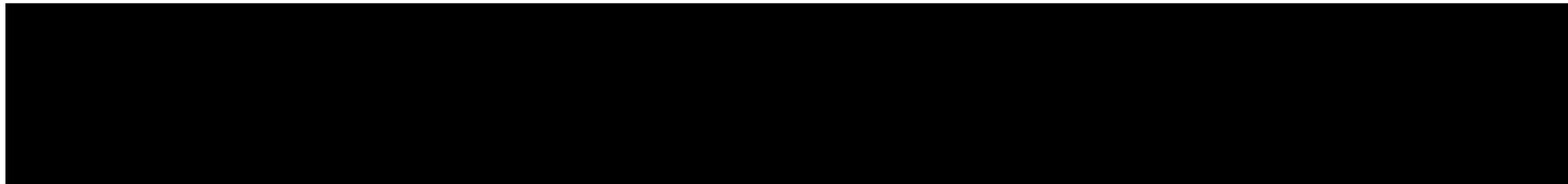
June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board...

Whakarāpopototanga matua | Executive summary





Horopaki | Context

15. In July 2016, Panuku and Kāinga Ora (then Hobsonville Land Company) entered into a Development Agreement which amalgamated several legacy agreements relating to the Unlock Hobsonville 20ha programme (formerly the Marine Industry Precinct), while also incorporating the newly agreed 14/6 masterplan (14ha residential and 6ha mixed use).



The site

17. There is 6ha of land remaining as part of Unlock Hobsonville that is yet to be developed or committed to a development partner. This remaining 6ha is intended to be developed as a mixed use precinct with a focus on providing employment and a community hub for the Hobsonville Point area.

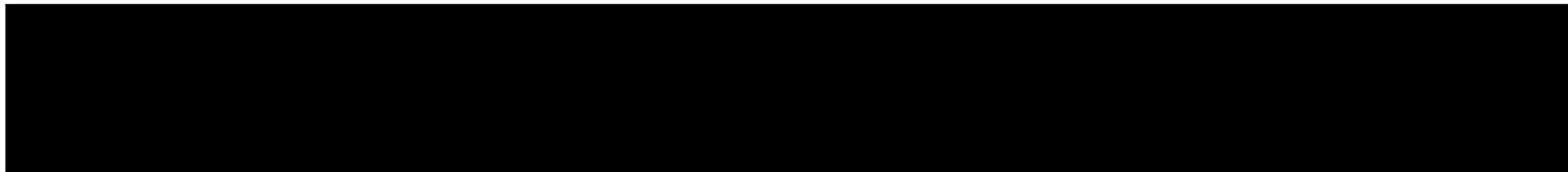
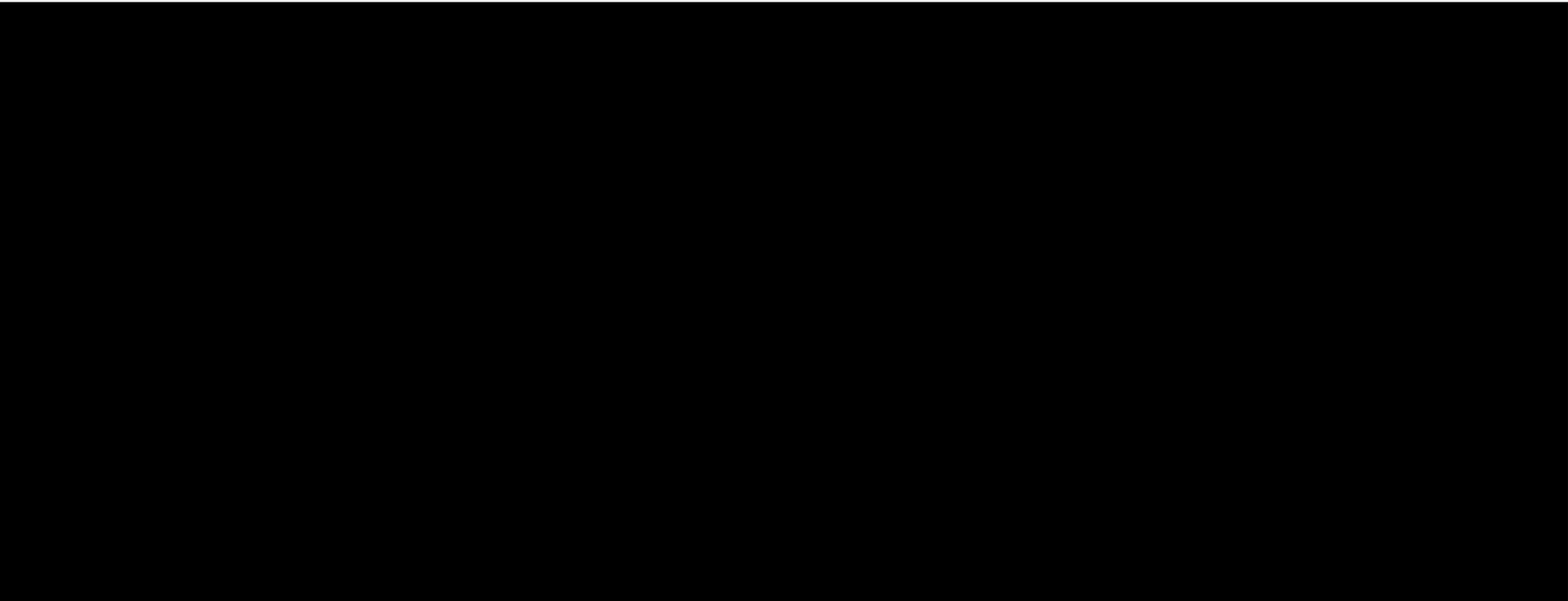




Figure 1: Unlock Hobsonville properties



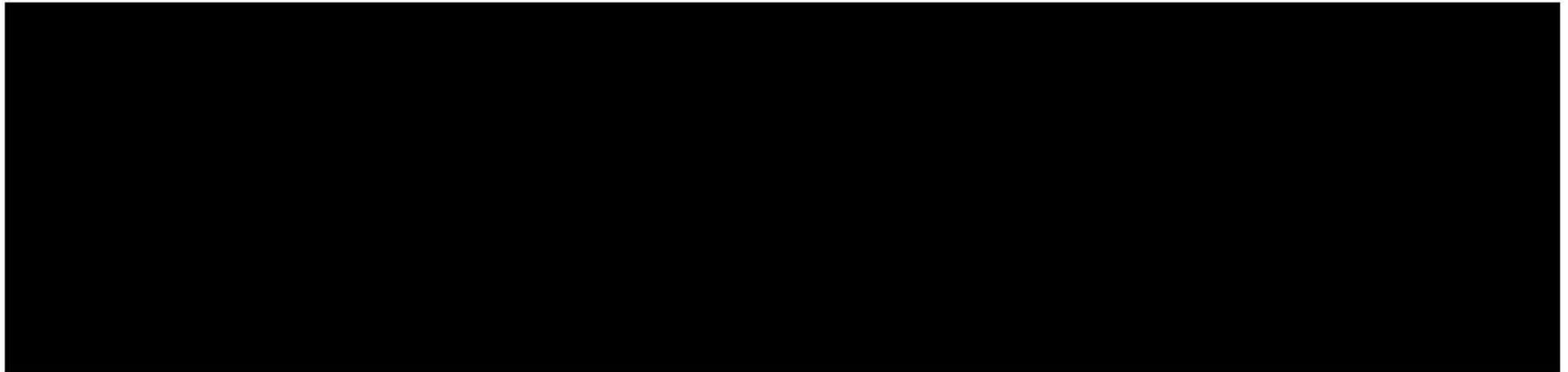


Previous Panuku Board engagement and decisions		
Date	Document	Decision / Outcome
[Redacted]		
27 June 2018	Decision paper	Unlock Hobsonville Programme Business Case approved
[Redacted]		
12 July 2016	Decision paper	Approval to proceed with roads C and F, Bulk Earthworks and Development Agreement with HLC.
25 May 2016	Decision paper	Selecting Development Partners Policy approved

Key council engagement and decisions		
12 April 2016	Finance and Performance Committee	Approval to disposal of the Hobsonville land described as Lot 4, Deposited Plan 463057 contained in Certificate of Title NA134C/260 subject to the satisfactory conclusion of any required statutory processes. That the final terms and conditions be approved under appropriate delegated authority.
12 November 2015	Auckland Development Committee	It was agreed that the 14/6 Masterplan be adopted.
7 July 2015	Auckland Development Committee	The ADC resolved to allow time for a viable proposal for a screen precinct to be developed. If not secured by 31 October 2015 and approved at the November 2015 ADC meeting, the 14/6 Masterplan for the 20ha Hobsonville Point block would be adopted by Council.

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications



Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

Tauākī whakaaweawe Māori | Māori impact

32. We understand the importance of effective communication and engagement with Māori about land. Panuku will attend a hui with mana whenua as part of a budget de-brief. The discussion will relate to the proposed change in direction for Unlock Hobsonville.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

33. Auckland Council's Finance team presented a paper to the Finance and Performance Committee in respect of the emergency budget consultation documentation. The sale of Unlock Hobsonville is included in the consultation material. Consultation closes at the end of June with a formal decision expected in July.

Ngā whakaaweawe rauemi | Resourcing impacts

35. The board was due to approve the Unlock Hobsonville programme business case and masterplan at its June meeting. The Unlock Hobsonville programme has been established and is fully resourced on the assumption of this being approved.

36. If Unlock Hobsonville is sold to Kāinga Ora, the majority of our resources can be redeployed across the Panuku portfolio, with some needed to complete the transaction.

Tauākī whakaaweawe āhuarangi | Climate change impacts

37. Kāinga Ora has always had a strong focus on sustainability and climate change impacts in developing Hobsonville Point. It will surely carry these outcomes and objectives across to the future development of these properties.

Ngā koringa ā-muri | Next steps

38. Seek confirmation from Kāinga Ora that it is interested and has the capacity and funding to purchase these four properties.
39. Get a current market valuation assessment of the properties.
40. Negotiate a sale and purchase agreement, with agreed outcomes for the properties, with Kāinga Ora.
41. Should Kāinga Ora not be interested, or we not reach a satisfactory agreement within six months, another significant development partner could be approached.

Ngā kaihaina | Signatories

Allan Young - GM Development

David Rankin - Chief Executive (acting)

Attachment 1: 20ha Airfields Masterplan approved 2016



Decision paper: Panuku and Auckland Transport Park and Ride Integrated Development programme

Author: [REDACTED] Head of Strategic Asset Optimisation (acting)

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board:

- a) approves the Panuku Development Auckland and Auckland Transport Park and Ride Integrated Development strategy;
- b) endorses the following properties as possible candidates to be utilised for integrated transport orientated development as part of the Panuku Development Auckland and Auckland Transport Park and Ride Integrated Development programme:
 - i. Ōrākei Train Station Park and Ride located 240 Orakei Road, Orakei;
 - ii. Manurewa Station Park and Ride located at 33 Station Road, Manurewa;
 - iii. Selwyn Road car park located at 8 Selwyn Road, Manurewa;
 - iv. Homai Station Park and Ride located at 2R Dalgety Drive, Manukau;
 - v. Sturges Train Station Park and Ride located at 76 Swanson Road, Henderson;
 - vi. Papakura Train Station Park and Ride located at 18-22 Railway Street West, Papakura;
 - vii. Constellation Park and Ride located at 62 Parkway Drive, Rosedale;
 - viii. Albany Park and Ride located at 125 McClymonts Road (250 Oteha Valley Road), Albany;

- ix. Silverdale Park and Ride located at 1 Hibiscus Coast Highway, Silverdale.
 - x. Adjacent to 20-26 Symonds Street, Central Auckland;
- c) notes that Panuku Board approval will be sought for the go-to-market strategy and development and design outcomes to be achieved at each above listed site prior to a site being taken to the market;
- d) notes the Auckland Transport Board resolved at its February 2020 business meeting:
- i. its approval in principle of optimisation of Council land ownership interest in Auckland Transport controlled park and ride sites with the overriding condition that current and future transport operations can be maintained and controlled by Auckland Transport; and
 - ii. that approval will be sought from the Auckland Transport Board on a site by site basis before going to the development community for expressions of interest for park and ride integrated development.

Whakarāpopototanga matua | Executive summary

2. An Auckland Plan transformational shift is to 'radically improve the quality of urban living'. A key aspect of improving the quality of urban living is the delivery of high-quality integrated development. Auckland Transport (AT) and Panuku Development Auckland (Panuku) have the ability to partner and collaborate to deliver transport infrastructure that is integrated with high-quality development on properties in the AT fixed asset register.
3. A number of credible development companies have enquired with AT and Panuku about the prospect of partnering to progress opportunities. Potentially significant opportunities have remained untapped to date. In June 2019, the Panuku Board approved the programme business case for the Development of Auckland Transport Assets which provided the funding to advance this programme of work.
4. AT and Panuku have worked together to scope the opportunities which exist in the AT managed portfolio and develop a framework to progress the opportunities. Our proposed strategy seeks to integrate transport service requirements at designated council owned park and ride sites with mixed use development to create transit-orientated developments (TOD). The focus is on current park and ride sites which have the potential for the airspace above the site to be sold for development or another disposal component, while the underlying transport asset is retained in council ownership and will continue to be maintained and operated by AT.

5. The capital receipts generated by the programme will be optimised and reinvested back into regional transport priorities in accordance with the extension of the Optimisation of Service Property approach to AT managed assets, which the Finance and Performance Committee approved in March 2018.
6. The non-financial outcomes of this programme are anticipated to include increased public transport patronage and strong urban regeneration and urban design outcomes at selected park and ride sites. This programme seeks to increase density and intensification around transport nodes and provide the Auckland regional with additional housing supply, with the potential for over 200,000m² of new commercial space or up to 2,100 new apartments.
7. 10 sites have been selected to progress as potential TOD opportunities. These comprise nine Auckland Council owned park and ride sites and a Crown owned site located in Grafton gully currently owned and operated by NZTA and one asset jointly owned by both NZTA and Auckland Council.

Horopaki | Context

8. A key aspect of improving the quality of urban living in Auckland is to enable and deliver high-quality integrated development. The Auckland Plan states:

“Integrating land use and transport is particularly important for rapid transit. Unlocking growth around rapid transport corridors and stations is essential to address Auckland’s housing and transport challenges. It will also maximise the benefits from the large investment required to build and operate rapid transport.”
9. AT and Panuku have complimentary roles to play in this area, with many properties in the AT fixed asset register presenting opportunities to deliver transport infrastructure that is integrated with high-quality development. Panuku has been mandated by Auckland Council to deliver on its commitment to prioritise urban redevelopment. Panuku will achieve this through facilitating urban redevelopment and public good activities.
10. Previous Panuku Board and council group decisions relating to the Panuku and AT Park and Ride Integrated Development strategy are set out in Attachment B.

Matapaki | Discussion

11. AT and Panuku have worked together to identify and assess prospective opportunities by utilising current and past investigations undertaken by both AT and Panuku. The land on which AT operate park and rides is under-utilised single use land with untapped potential in which large amounts of capital is locked up. Such sites provide opportunities to undertake integrated TODs close to amenities with links to reliable and frequent public transport.
12. Sites were assessed at a high level to ascertain if any development potential can be realised, such as the sale of the airspace above each site or another disposal component based on the development strategy, while the underlying transport asset is retained in council ownership. Sites with latent development potential can be optimised; unlocking the value to provide funding for reinvestment back into the transport network, providing improved access, service delivery and a mixture of additional uses. A full schedule of the sites across the region proposed for the Panuku and AT Park and Ride Integrated Development strategy is contained in Attachment A to this report.
13. The objectives of the Panuku and AT Park and Ride Integrated Development programme are:
 - increased public transport patronage, active modes and safe access;
 - strong urban regeneration and urban design outcomes;
 - increasing density and intensification around transport nodes;
 - increasing housing supply and delivery of a range of housing typologies as a priority;
 - the delivery of parking as part of a mix of uses;
 - the ability to partner with developers capable of delivery;
 - the release of capital / latent value from park and ride sites; and
 - future proofing for imminent strategic transport requirements.
14. In January 2019, Panuku commissioned PricewaterhouseCooper (PwC) to produce a Commercial Development Strategy for this programme of work. The Commercial Development Strategy proposed adopting a phased approach to delivery. We accepted this proposal and divided the ten sites into three tranches based their respective marketability, timing and effect on transport objectives.

15. Approval for the sale of the airspace development or another disposal component will be sought for the 10 sites from the Finance and Performance Committee in July 2020. Upon obtaining approval, we will take a phased approach to delivery.
16. In February 2020, the AT Board approved in principle the optimisation of the park and ride sites with the overriding condition that current and future transport operations can be maintained and controlled by Auckland Transport. The AT Board noted that approval will be sought on a site by site basis before expressions of interest are sought from the development community for TODs to be progressed on selected park and ride sites.

Hīraunga | Implications

17. Panuku will advance the opportunity to partner with the private sector to develop TODs at identified park and ride sites. The development outcomes for each individual site will be identified in the respective project business case and will largely be driven by the development opportunity, market demand, Auckland Unitary Plan zoning and site-specific designations. We will work with AT to ensure the necessary transport service requirements are achieved. AT in return will leverage off the Panuku mandate, delegation and skill set in this area.
18. Subject to Finance and Performance Committee approval, the AT Board will approve and confirm the functional and commercial requirements for the transport component and the potential development envelope for each site. Panuku will complete a planning assessment of each site and a site-specific Essential Outcome Brief will be prepared prior to it being taken to the market. We propose a two-stage market process is undertaken. Prior to any site being taken to market, Panuku Board approval will be sought for the go-to-market strategy and the development and design outcomes to be achieved.
19. A joint AT and Panuku panel will review proposals received and select the preferred development partner. Final terms and conditions of the disposal of any component of the selected sites to enable development will be approved under the appropriate delegations. Elected members and key stakeholders will be made aware of the appointment of the development partner for each site, the agreed transport requirements and the development outcomes and timeline for delivery.

Ngā ritenga ā-pūtea | Financial implications

20. The Park and Ride Integrated Development programme seeks to reinvest the net proceeds generated from the redevelopment of selected park and rides facilities into regional transport priorities. This is in accordance with the service property optimisation framework, which is an Auckland Council policy tool that aims to deliver improved community outcomes with no impact on rates. It previously only applied to Auckland Council's community assets; not properties on the AT fixed asset register. On 20 March 2018, the Finance and Performance Committee resolved:

“the extension of the Optimisation of Service Property approach to Auckland Transport noting that this will enable reinvestment of net proceeds by Auckland Transport in transport priorities arising from the commercial development of service property undertaken in partnership with Panuku as part of an urban development project where airspace is being sold above a transport service site”.

21. The delivery of the Park and Ride Integrated Development strategy will provide an additional funding stream for reinvesting into regional transport priorities which is not derived from rates.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

22. There may be insufficient appetite from the development community for new development opportunities, particularly given the potential post Covid-19 impacts on the property market. There may also be an oversupply of development sites on the market. The Panuku and AT Park and Ride Integrated Development strategy enables the sale of sites to be sequenced to mitigate any potential downturn in the property market or lack of demand.

23. Given the interest AT and Panuku have received from a number of credible development companies about the prospect of partnering to progress such opportunities, a delay in taking these sites to the market may erode private sector interest. Should the Panuku and AT Park and Ride Integrated Development programme be approved by the Finance and Performance Committee, the development community will be kept apprised about progress. Feedback received and property market expertise will be utilized in forming the sequencing of these sites to the market.

24. There are risks associated with undertaking any form of development in and around transport functions. These will need to be carefully managed, with current and future transport requirements and operations continuing to be maintained and controlled by Auckland Transport.

Tauākī whakaaweawe Māori | Māori impact

25. The importance of effective communication and engagement with Māori on the subject of land is understood. As a first step, AT and Panuku are jointly attending four hui with mana whenua to discuss the proposed Park and Ride Integrated Development programme. The purpose of attending the three hui is to engage early with mana whenua so that they are informed about the proposed approach.

26. At the hui we are seeking feedback on our proposed framework for working with mana whenua on site specific opportunities. Our proposed approach is to understand if there are any historical issues of significance or sites of cultural significance for mana whenua for any of the sites. Following this, we propose contacting each mana whenua group independently and requesting feedback on the specific proposal. This engagement will seek to understand any potential issues of cultural significance the group would like to formally express and any preferred outcomes that the group would like considered.

27. We will also invite mana whenua to express potential commercial interest in the subject properties. We will also seek input into, and collaboration on, any related public realm design.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

28. Workshops regarding the Panuku and AT Park and Ride Integrated Development programme were held with the Upper Harbour, Ōrākei, Hibiscus & Bays, Henderson-Massey, Papakura and Manurewa Local Boards in July and August 2019. Information memorandums were also sent to these local boards in March 2020 with the offer of an additional workshop following the 2019 local government elections. The Ōrākei Local Board requested an additional workshop.

29. The feedback received from impacted local boards was largely supportive of the proposal, with the following themes being raised:

- support for any potential development to be in accordance with the controls contained in the Auckland Unitary Plan;
- desire to see mixed use development including multiple council services to provide a "sense of community";
- ensuring any development does not impact the functionality of the Park and Rides;
- desire to see Park and Ride capacity expanded and either a 'user-pays' model introduced or conversely remaining free of charge for public transport users; and
- the importance of future proofing the transport function.

30. This feedback has been noted.

31. The executive is obtaining the formal endorsement of the impacted local boards in June 2020.

Ngā whakaaweawe rauemi | Resourcing impacts

32. In June 2019 the board approved the programme business case for the Development of Auckland Transport Assets and the annual funding of the programme. The Panuku and AT Park and Ride Integrated Development programme has now been established as a joint programme with AT and is fully resourced. There is an allocated Programme Manager and Programme Coordinator from the PMO and dedicated resources have been allocated for specific work packages including statutory matters, development, communications and engagement and planning.

Tauākī whakaaweawe āhuarangi | Climate change impacts

33. The Panuku and AT Park and Ride Integrated Development programme is intended to help address the some of the issues the Auckland region faces due to climate change by:
- creating density in and around transport nodes;
 - helping to create walkable communities;
 - increasing public transport accessibility;
 - providing communities with more options to be less reliant on traditional forms of transport such as cars; and
 - reducing transport related emissions.
34. Subject to Finance and Performance Committee approval, analysis will be undertaken on a site by site basis of the climate change impact, with potential risks such as if the site is in flood plains and the potential for coastal inundation considered and mitigation strategies formed if necessary.
35. We recognise that any form of construction and development can increase emissions. Emissions associated with any potential redevelopment could be reduced through development standards agreed through a future development agreement, utilisation of our Homestar 6 policy and requirements to reduce carbon emissions in commercial developments.
36. The long-term benefits of there being a reduced reliance on private motor vehicles is also anticipated to offset construction related emissions by the creation of density in and around transport nodes. This will contribute to helping to create walkable communities, improving access to public transport and reducing transport related emissions.

Ngā koringa ā-muri | Next steps

37. The Panuku and AT Park and Ride Integrated Development strategy will be recommended to the Finance and Performance Committee in July 2020.
38. Subject to Finance and Performance Committee approval, site specific due diligence will be undertaken on each site. AT will confirm the functional and commercial requirements for the transport component and the potential development envelope available. Panuku will

undertake a planning assessment of each site. This will inform the site-specific essential outcome brief which will be taken to the market in a two-stage process. Panuku Board approval will be sought for the go-to-market strategy and the development and design outcomes at each site prior to going to market.

39. A joint AT and Panuku panel will review proposals received and select the preferred development partner. Final terms and conditions of the disposal of any component of the site to enable development will be approved under the appropriate delegations.

Ngā tāpirihanga | Attachments

- A Schedule of sites
- B Previous Panuku Board and council group decisions

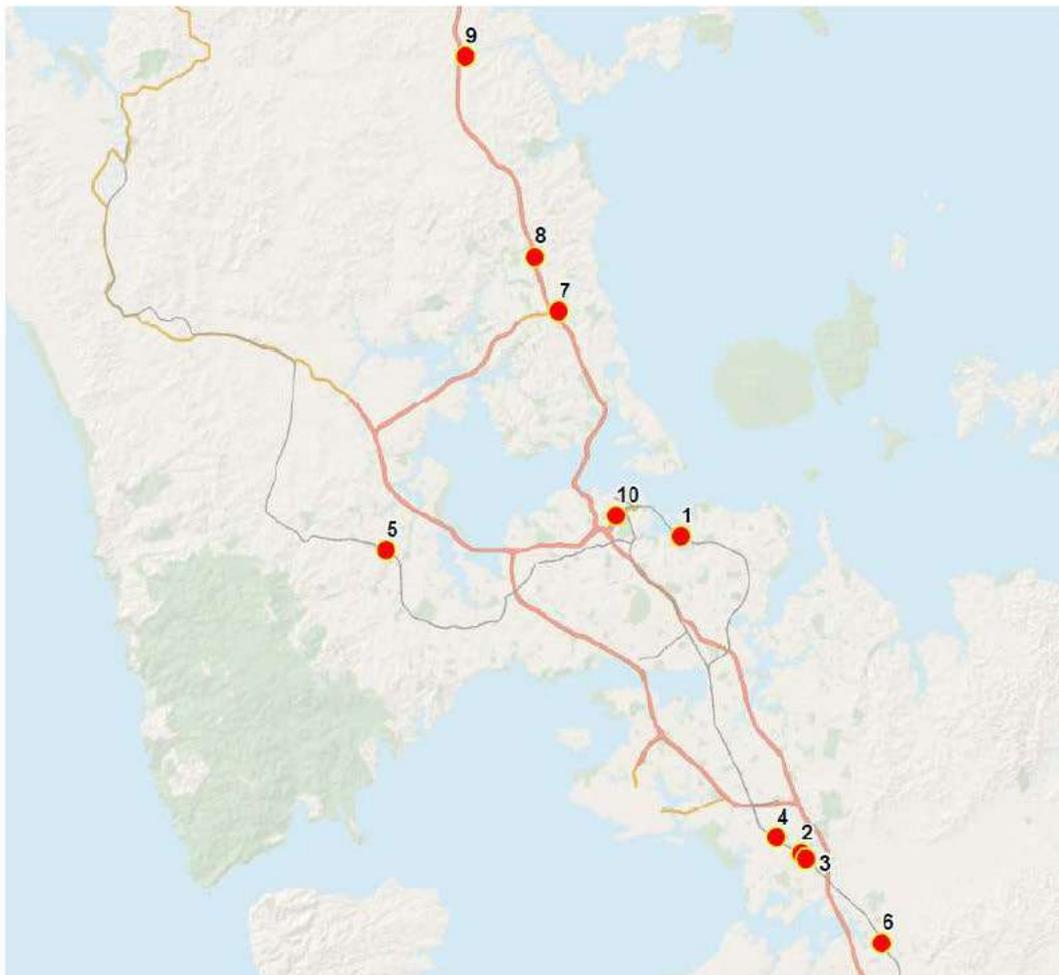
Ngā kaihaina | Signatories

Marian Webb - GM Assets & Delivery

David Rankin - Chief Executive (acting)

Schedule of sites

Key	Location	Local Board
1	Ōrakei Train Station Park and Ride 240 Orakei Road, Orakei	Ōrakei
2	Manurewa Station Park and Ride 33 Station Road, Manurewa	Manurewa
3	Selwyn Road car park 8 Selwyn Road, Manurewa	Manurewa
4	Homai Station Park and Ride 2R Dalgety Drive, Manukau	Manurewa
5	Sturges Train Station Park and Ride 76 Swanson Road, Henderson	Henderson Massey
6	Papakura Train Station Park and Ride 18-22 Railway Street West, Papakura	Papakura
7	Constellation Park and Ride 62 Parkway Drive, Rosedale	Upper Harbour
8	Albany Park and Ride 125 McClymonts Road (250 Oteha Valley Road)	Upper Harbour
9	Silverdale Park and Ride 1 Hibiscus Coast Highway	Hibiscus & Bays
10	Adjacent to 20-26 Symonds Street	Waitemata



Attachment B

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
20/03/18 Finance and Performance Committee	Progressing urban development	<p>That the Finance and Performance Committee:</p> <p>d) approve the extension of the Optimisation of Service Property approach to Auckland Transport noting that this will enable reinvestment of net proceeds by Auckland Transport in transport priorities arising from the commercial development of service property undertaken in partnership with Panuku as part of an urban development project where airspace is being sold above a transport service site.</p>
26/06/19 Panuku Board	AT assets programme business case	<p>The Panuku Board:</p> <p>a) Approved:</p> <p>Investment for FY20 of \$1.4M CAPEX and \$0.4 M OPEX.</p> <p>Agree, in principle, to the ongoing investment in the programme, noting that this is subject to Auckland Council Long Term Plan review in two years and confirmation of ongoing funding through reinvestment.</p> <p>Approved the following projects subject to Board approval of a go-to-market strategy for transit-oriented developments:</p> <p>Tranche 1 site developments:</p> <p>b) 240 Orakei Road, Orakei</p> <p>c) Grafton gully, part of the State Highway 16 road reserve</p> <p>d) 8 Selwyn Road, Manurewa</p> <p>e) 33 Station Road, Manurewa</p> <p>Notes the baseline programme milestones for FY20.</p>

02/20 AT Board	Park & Ride integrated development	<p>The Board:</p> <p>i. Approves in principle optimisation of Council land ownership interest in Auckland Transport (AT) controlled park and ride sites with the overriding condition that current and future transport operations can be maintained and controlled by Auckland Transport.</p> <p>ii. Notes that AT and Panuku Development Auckland are seeking to jointly progress integrated development on Council owned land currently controlled by Auckland Transport and used primarily for park and ride.</p> <p>iii. Notes that AT Board approval will be sought on a site by site basis before going to the development community for expressions of interest for park and ride integrated development.</p> <p>iv. Notes that in 2018 Auckland Council Finance and Performance Committee resolved - “the extension of the Optimisation of Service Property approach to Auckland Transport noting that this will enable reinvestment of the net proceeds by Auckland Transport in transport priorities arising from the commercial development of service property undertaken in partnership with Panuku Development Auckland as part of an urban development project where airspace is being sold above a transport service site”</p>
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Decision paper: Disposal of 200 Victoria Street West, Auckland Central

Author: [REDACTED] Portfolio Specialist & [REDACTED] Senior Portfolio Specialist

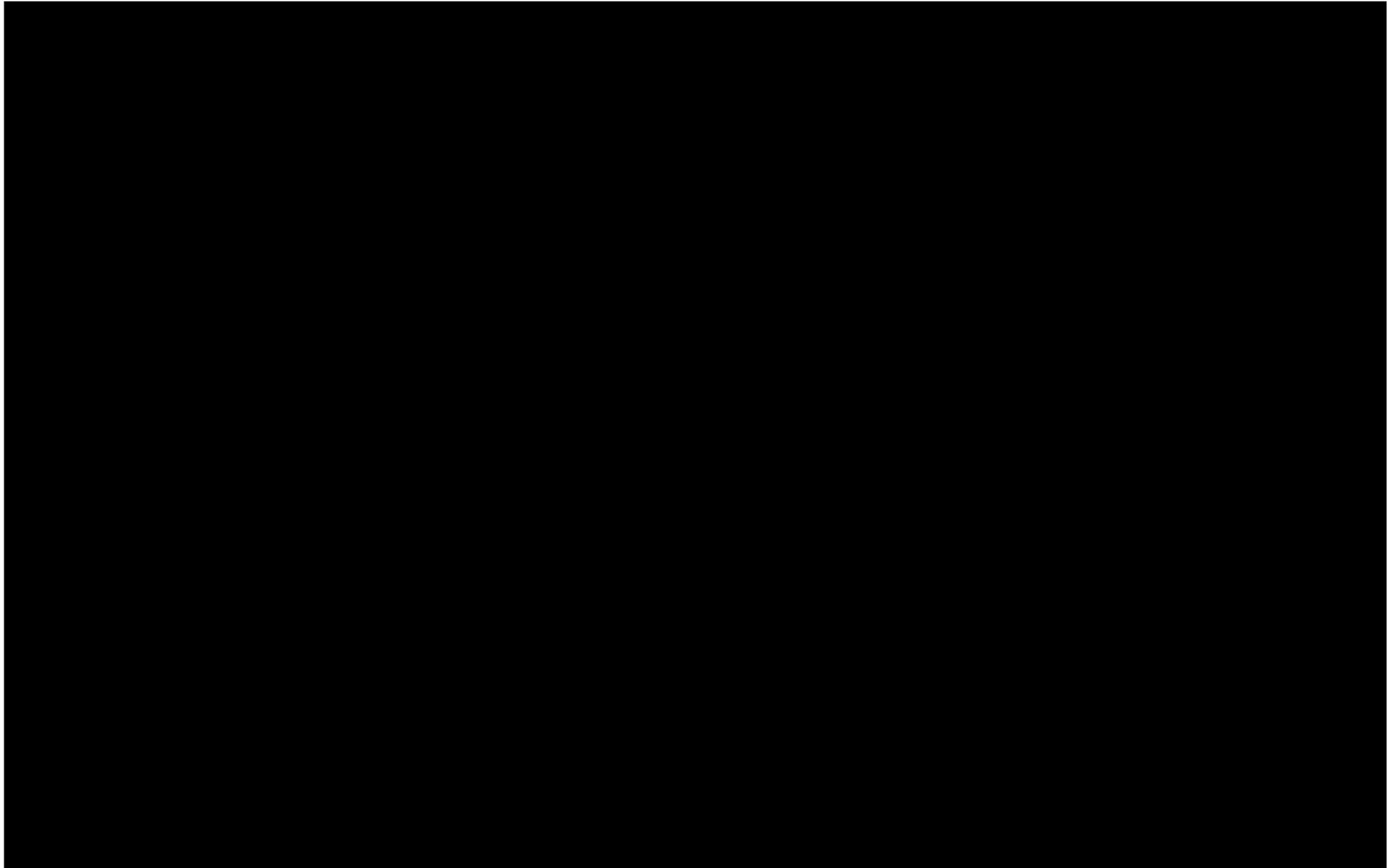
June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board:
 - a) Approves the sale of, and agreed payment of back rent for, 200 Victoria Street West, being Part Lot DP 11603 (also described as Part Allotment 20 Section 24 City of Auckland), to VQ Holdings Limited for a total sum of \$10.3m plus GST, and
 - b) Delegates authority to the Chief Executive to execute the sale and purchase agreement on terms and conditions generally in accordance with those outlined in this paper.

Whakarāpopototanga matua | Executive summary

2. Auckland Council owns the lessor's interest in 200 Victoria Street West, Auckland Central. The property is subject to two ground leases, held by the same lessee, VQ Holdings Limited.
3. The property was identified as a property that could potentially be recommended to the council for disposal. The rationalisation process commenced in March 2019. No current or future council service uses were identified through the consultation and the feedback received was supportive of disposal.
4. The Panuku Board approved the executive recommendation for disposal of 200 Victoria Street West at its July 2019 meeting.
5. The council's Finance and Performance Committee approved its disposal on 20 August 2019.



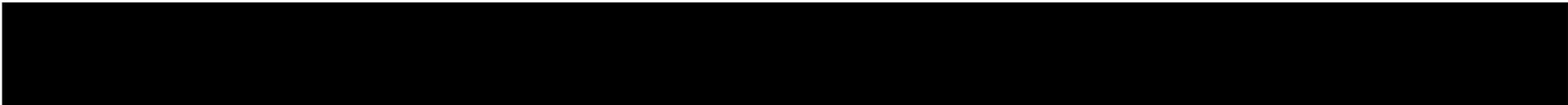
Horopaki | Context

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
Waitematā Local Board Business - 21 May 2019	Resolution: WTM/2019/76	Support proposed disposal
Panuku Board Report - July 2019	Decision Paper: Disposal Recommendation	Approval of divestment of 200 Victoria Street West and entering into an exclusive negotiation process and conditional agreement for sale and purchase with the ground lessee for the sale of 200 Victoria Street West, Auckland Central. The final terms and conditions to be approved under the appropriate delegations.
Finance and Performance Committee meeting - 20 August 2019	Resolution's FIN/2019/87 & FIN/2019/88	Approval of disposal, subject to \$5.5m of the proceeds of the sale being allocated to proposed development of a civic space at 254 Ponsonby Road, Ponsonby, with the balance allocated to the Victoria Street Linear Park project in Auckland Central.

Matapaki | Discussion

200 Victoria Street, Auckland Central

14. 200 Victoria Street West is a prominent 1,235m² corner property situated at the junction of Victoria Street West and Wellesley Street West, opposite Victoria Park in central Auckland. The property was vested in council by the Crown in 1875 pursuant to the Auckland City Endowments and Reserves Act 1875 (the 1875 Act) for the improvement and benefit of the City of Auckland.
15. Auckland Council owns the land only and has a lessor's interest in the property. The property is subject to two ground leases, held by the same lessee, VQ Holdings Limited. The ground leases cover the entire property.



17. The improvements, a four-level commercial building with retail and office uses, are owned by the lessee. Any alternative use or development potential is constrained by the ground leases.

Divestment

18. The property has not been used to deliver a council service since at least 1916 and was identified as a property that could potentially be recommended to the council for disposal. The rationalisation process commenced in March 2019. Panuku worked with the council group, iwi authorities and the Waitemātā Local Board to identify if the property had any current and future services uses. No current or future council service uses were identified through the consultation and the feedback received was supportive of disposal.

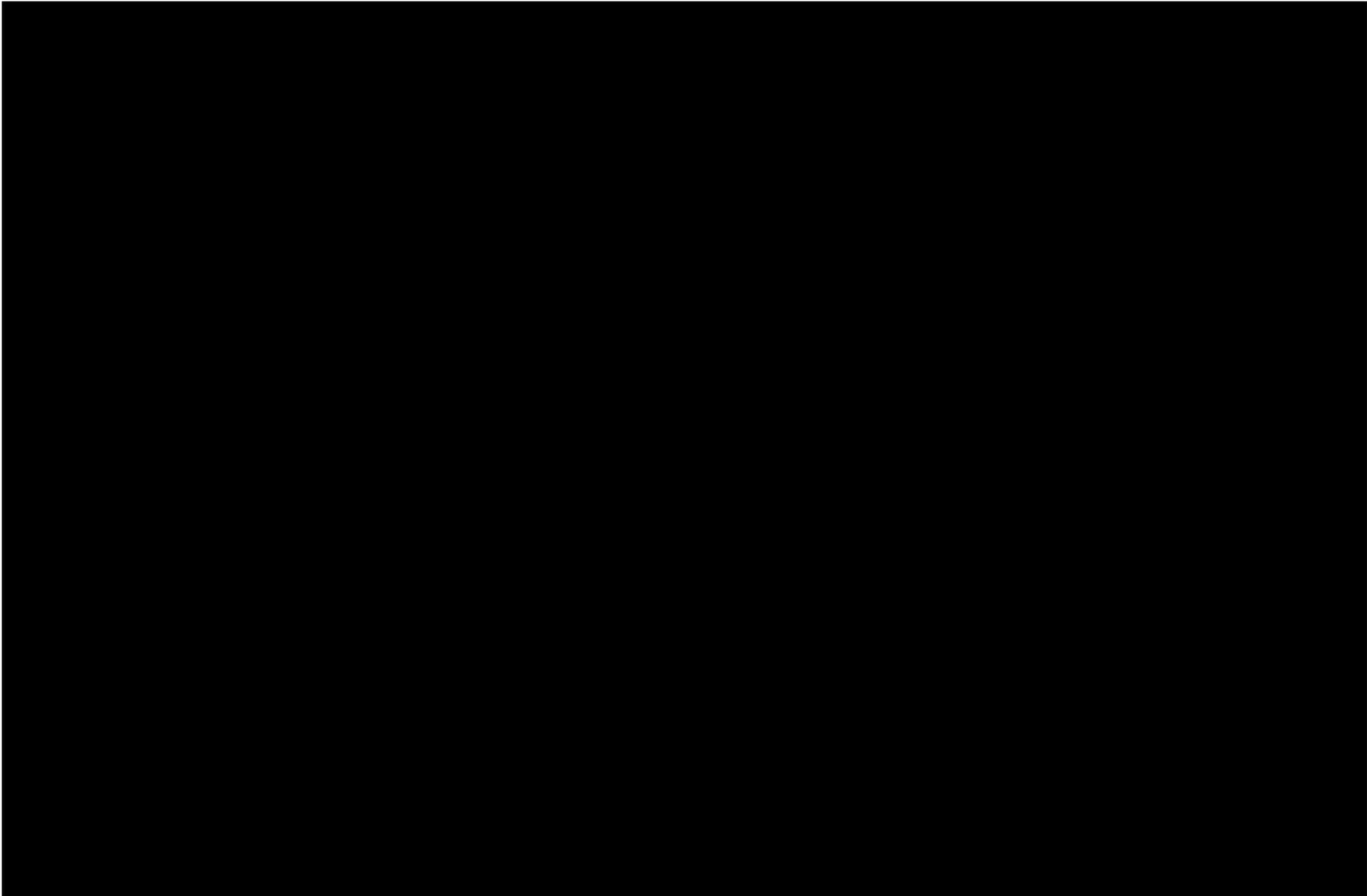
19. The Panuku Board approved the executive recommendation for disposal of 200 Victoria Street West at its July 2019 meeting.

20. The council's Finance and Performance Committee approved the disposal of 200 Victoria Street West on 20 August 2019.

21. Sections 140 and 141 of the Local Government Act 2002 require certain conditions to be met before endowment property can be sold. One of the conditions is that the proceeds of the sale must be used for a purpose consistent with the purpose of the endowment. The purpose of the 200 Victoria Street West endowment is for the "improvement and benefit of the [City of Auckland]."

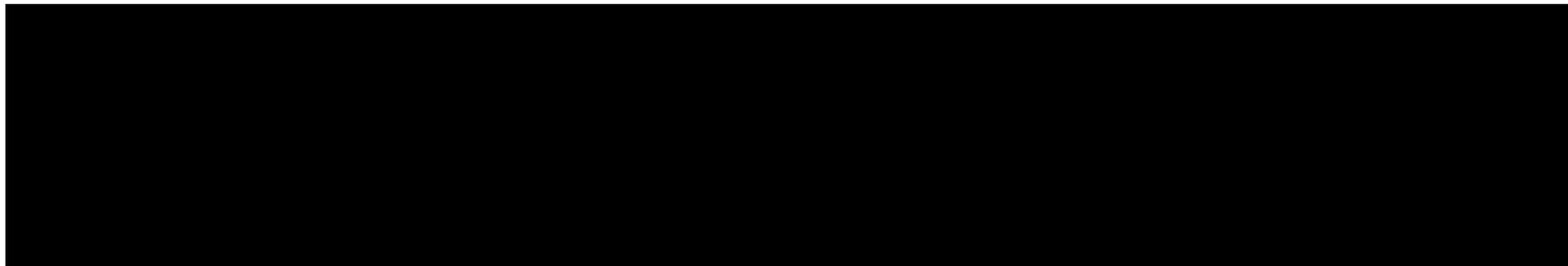
22. As a result, the Finance and Performance Committee approval is subject to \$5.5m of the proceeds of the sale being allocated to proposed development of a civic space at 254 Ponsonby Road, Ponsonby, with the balance allocated to the Victoria Street Linear Park project in Auckland Central.



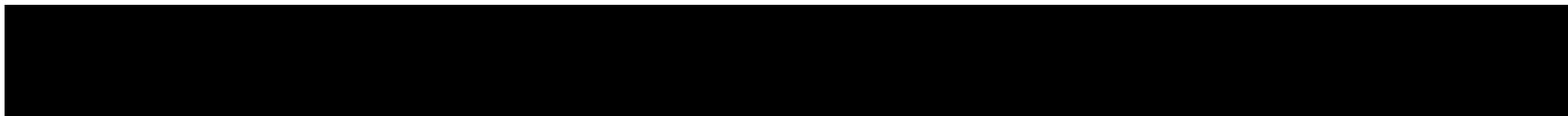


Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications



Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations



Tauākī whakaaweawe Māori | Māori impact

38. Fifteen Mana Whenua iwi authorities were contacted regarding the potential sale of 200 Victoria Street West, Auckland Central: Te Runanga o Ngāti Whatua, Ngāti Whatua o Kaipara, Ngāti Whatua Ōrākei, Te Kawerau a Maki, Ngāi Tai ki Tāmaki, Ngāti Tamaoho, Te Ākitai - Waiohua, Ngāti Te Ata - Waiohua, Te Ahiwaru, Ngāti Paoa, Ngaati Whanaunga, Ngāti Maru, Ngāti Tamatera, Te Patukirikiri, Waikato-Tainui. None of the iwi authorities provided feedback.
39. Engagement with Mana Whenua on the two projects recommended for the allocation of the proceeds of sale from 200 Victoria Street West (the development of a civic space at 254 Ponsonby Road and the Victoria Street Linear Park project) will be undertaken within those projects.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

40. The Waitemata Local Board resolved at its 21 May 2019 business meeting to support the disposal of 200 Victoria Street West on the basis that a portion of the proceeds of sale are ring-fenced to fund its One Local Initiative at 254 Ponsonby Road with the balance allocated to the Victoria Street Linear Park project in Auckland Central in line with the criteria set out in the Endowment Act. The Waitemata Local Board advocated successfully for the ringfencing of \$5.5m at the Finance and Performance Committee.
41. The council's Finance and Performance Committee approved the disposal of 200 Victoria Street West on 20 August 2019, subject to \$5.5m of the proceeds of the sale being allocated to proposed development of a civic space at 254 Ponsonby Road.

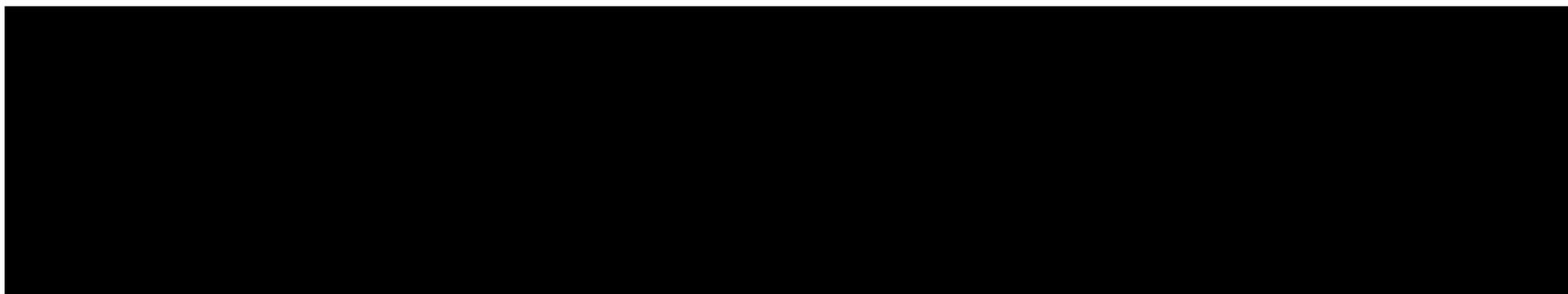
Ngā whakaaweawe rauemi | Resourcing impacts

42. Panuku will continue to provide internal resource to finalise the sale and purchase agreement and payment of the balance rent. The costs associated with this work will be netted off the sale price.

Tauākī whakaaweawe āhuarangi | Climate change impacts

43. It is considered that the sale and purchase of the property will not have an impact on climate change.

Ngā koringa ā-muri | Next steps



Ngā kaihaina | Signatories

Allan Young - GM Development

David Rankin - Chief Executive (acting)

Decision paper: Audit and Risk Committee recommendations

Author: Michele Harpham, Finance Manager

June 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board approve the proposal and engagement letter from Audit NZ, for the three years ending 30 June 2020, 2021 and 2022, for signing by the Panuku Board Chair.
2. That the Panuku Board delegate to the Audit and Risk Committee the authority to approve the 30 June 2020 financial reporting pack and representation letter for submission to Auckland Council.
3. That the Panuku Board approve the internal audit programme for the financial year ending 30 June 2021.

Whakarāpopototanga matua | Executive summary

4. Karen MacKenzie from Audit New Zealand has been appointed by the Auditor-General as the external auditor of Panuku for the three years ending 30 June 2020, 2021 and 2022. The Panuku Audit and Risk Committee reviewed the proposal and engagement letters at their meeting on 11 June meeting and agreed to recommend them to the Board for approval. The proposed fees for Audit New Zealand are significantly reduced from the year ended 30 June 2019, due to the asset transfer that occurred in June 2019, which transferred the majority of the waterfront assets from Panuku to Auckland Council. If the cost to Audit NZ on the 2020 audit is less than estimated, Audit NZ will invoice Panuku for the lower amount. The audit fees for 2021 and 2022 will be revisited after the 2020 audit is completed, so they can be more accurately based off the hours required.
5. The 30 June 2020 financial reporting pack is due to Auckland Council on 29 July 2020, with a letter of representation to follow on 19 August 2020. Due to the timing of the Panuku Board meetings, delegation for the approval of these items is sought for the Audit and Risk Committee. The board is scheduled to consider and approve the Annual Report at its meeting on 21 August 2020.

6. A proposed internal audit programme for the financial year ending 30 June 2021 was reviewed by the Panuku Audit and Risk Committee at the 11 June meeting and is presented for approval by the Panuku Board.

Matapaki | Discussion

Audit Proposal and Engagement Letters

7. The Auditor-General is the auditor of council-controlled organisations under the Public Audit Act 2001. The Auditor-General appoints an auditor in three-year rotations. For 30 June 2019, Karen MacKenzie from Audit NZ was appointed for one year only. The Auditor-General now wishes to appoint Karen as the auditor of Panuku for the financial years ending 30 June 2020, 2021 and 2022.
8. Audit NZ have provided a proposal, including fees for the three-year period. The proposal is included as Attachment A. The fees proposed by Audit NZ are detailed in the table below. After discussion with Audit NZ, they have agreed if the cost to Audit NZ on the 2020 audit is less than estimated, Audit NZ will invoice Panuku for the lower amount. The audit fees for 2021 and 2022 have been removed from the proposal letter and will be revisited after the 2020 audit is completed, so they can be more accurately based off the hours required.

Year	Type	\$ fee ¹	\$ change	% change
30/06/2019	Actual	211,391		
30/06/2020	Proposed	123,776	(87,615)	-41%
30/06/2021	Proposed	127,272	3,496	3%
30/06/2022	Proposed	130,925	3,653	3%

9. The reduction in fees from 2019 to 2020 is due to the transfer of assets from Panuku to Auckland Council that occurred in June 2019. Due to this transfer, the financial performance and position of Panuku are significantly different, as the assets, liabilities, revenue, and expenses

¹ Including Office of the Auditor-General overhead charge and estimated disbursements

for the waterfront portfolio now reside in the financial statements of Auckland Council. However, the Statement of Intent performance information for Panuku, which are also included as part of the audit, has not changed.

10. Audit NZ has also provided a letter of engagement which is included as Attachment B. The engagement letter forms our contract with Audit NZ and sets out the terms, nature and limitations of the annual audit, along with the respective responsibilities of the Panuku Board and the appointed auditor for the financial statements and performance information. There are no material changes from the engagement letter that was signed for the 30 June 2019 engagement.

External Audit 30 June 2020

11. Panuku is required to provide a reporting pack and representation letter to Auckland Council to be used for group consolidation purposes. As there is no board meeting scheduled for July, the reporting pack and representation, will need to be approved by the Audit and Risk Committee at its meeting on 28 July.
12. In previous years Audit NZ has been required to provide clearance on this reporting pack to the Auckland Council auditors (also Audit NZ). The group auditors no longer require the reporting pack to be reviewed by our auditors, as the 30 June 2019 asset transfer has significantly reduced the impact of Panuku the company on the financial performance and position of the Auckland Council Group. Audit NZ of course still needs to audit the annual financial statements, and statement of intent performance target reporting, as part of our Annual Report.
13. The annual financial statements, and statement of intent performance target reporting, along with non statutory narrative information, and accompanying representation letter to Audit NZ, will be presented to the Audit and Risk Committee at its meeting on 20 August. The Annual Report is then scheduled to be approved, in confidential session, by the Panuku Board on 21 August. Public distribution of the Annual Report content will take place after 30 September, once Auckland Council has released its final results to the NZX.

Internal Audit

14. The internal audit plan for 2020/21 was discussed by the Audit and Risk Committee and the document included as Attachment C is recommended to the Board for approval. The reviews proposed to take place next year are:
 - Cyber security
 - Health and Safety follow up
 - Fraud Identification and Management
 - Portfolio Management Office follow up

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

15. The external and internal audit fees proposed are within budget.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

16. There are no risks as a result of this decision. The auditor is appointed by the Auditor-General and Panuku has minimal choice in this decision. Internal audit is designed to identify risk areas and provide feedback on existing controls, and advice on solutions to eliminate or further mitigate the risks.

Ngā whakaaweawe rauemi | Resourcing impacts

17. The external and internal audit are part of business as usual for Panuku.

Ngā koringa ā-muri | Next steps

18. The Board will approve the annual report at its August meeting.

Ngā tāpirihanga | Attachments

Attachment A: Audit NZ Proposal

Attachment B: Audit NZ Letter of Engagement

Attachment C: Internal audit plan

June 2020

Ngā kaihaina | Signatories

Carl Gosbee - Chief Financial Officer

David Rankin - Chief Executive (acting)

Information paper: Panuku People

Document author: Monica Ayers, GM People & Culture

June 2020

Whakarāpopototanga matua | Executive summary

1. During the Covid-19 lockdown, the board was informed of impacts to the health, safety and wellbeing of Panuku people along with detailed measures to save on staff costs (refer to board discussions of 17 and 29 April 2020). This report updates the board on the most recent people metrics and outlines the People & Culture (P&C) work programme for the next six months.

Matapaki | Discussion

Covid-19 lockdown impacts

2. Auckland Council provided advice to Panuku on managing people issues during lockdown, including guidance on discretionary leave for staff who were unable to complete their normal duties. During April 2020, 45 Panuku employees took discretionary leave (just under 20% of staff) and in May this dropped to 16 employees.
3. Annual leave balances increased during lockdown and P&C is now supporting managers to actively manage this leave liability. Sick leave dramatically dropped during April and May, a pattern seen across the council family.
4. In late April, an internal survey on working from home showed that staff felt supported and they appreciated the tone of organisational communications, which encouraged them to focus on family and wellbeing. Staff also reported success with flexible working and staying connected with managers and colleagues using technology. However, respondents asked the ELT to provide more clarity about the future for the business as soon as possible. This has been the focus for internal communications in May.

5. In late May, employees earning \$100,000 or more per annum were asked to take a voluntary pay reduction for six months. In total 72.5% accepted the reduction - 74 people out of 102 approached. Only 11 of these employees accepted a reduction smaller than the percentage requested.
6. In total the savings from salary reductions will be around \$400k over the six months, made up of around \$140k from ELT salary reductions and \$255k from other staff. This is in line with the amount targeted in our opex budget.

Impact to P&C work programme

7. Several P&C initiatives were put on hold during April and May, due to the lockdown, expenditure restrictions, and having to release the contractor working on the Raranga operating model changes. Most activities will be carried forward into the new financial year (see P&C work programme below).
8. In February 2020 the board decided to discontinue Performance Recognition Payments. P&C planned to conduct remuneration market benchmarking as a basis for re-setting Panuku's performance pay framework.
9. Following Covid-19 financial impacts, Auckland Council is now looking at options for the annual remuneration review, including limiting or cancelling salary increases in 2020. Considering this, alongside the wider economic and employment market impacts, P&C has postponed the market benchmarking exercise until next year and will follow the council's lead for this year's remuneration review.
10. P&C also planned to set up an employee working party to improve the Te Waka performance system and develop a recognition programme. Due to the lockdown and the inability to gather staff together, this has been postponed until the new financial year.

EAP services

11. In February 2020, the board asked management to report on the effectiveness and uptake of the EAP programme. P&C had to defer the planned review due to the Covid-19 lockdown, and this will now be done in the first part of FY20/21 using the new survey methodology (see Staff survey approach below).
12. Only three staff used EAP in March/April, the same number as in January/February. All were self-referrals and the issues discussed were 75% personal versus 25% work issues.
13. EAP Services have reported that during March and April in New Zealand demand for their services reduced by about 20%, a trend reflected globally. They expect usage will increase as NZ moves out of lockdown. P&C will continue to promote EAP services to staff, particularly during any change processes.

P&C work programme

14. The Panuku people strategy has four key moves: Supporting collaboration, building capability, valuing diversity and thriving people. Informed by these key moves, the focus for the coming 6 months will be:
- a) Planning our workforce - ensuring the right level of resourcing in the right places, including managing change processes.
 - b) Embedding our operating model - with a significant focus on building project capability.
 - c) Developing leaders - implementing phase two of the people leader programme and continuing executive development.
 - d) Redesigning the reward framework following removal of performance recognition payments.
 - e) Supporting staff to work from home more often, based on our learning from lockdown.
 - f) Enabling two-way communication with staff, including implementing a new staff survey methodology.

Change processes

15. In planning our workforce, constrained capital and operating budgets will inevitably lead to some organisational restructuring in FY20/21. The ELT is currently developing a package of change proposals to be presented to the business.
16. In particular, the reduced programme of work in priority locations will impact functional resource levels. The teams being reviewed are Development, Acquisitions and Disposals, Design, Placemaking, Project Management, and Corporate Affairs teams (such as communications, marketing and engagement).
17. Some of these teams are not currently at full strength and vacant roles can be removed to achieve required savings. In other areas, redundancies are likely. A full change proposal outlining all potential impacts will be completed in late June.
18. We plan for staff consultation on the change package to occur concurrently with public consultation on the emergency budget. We aim to reach decisions on staff changes in July, to coincide with the Panuku budget being confirmed and the CCO review recommendations being reported. Implementation will then take place from August.

Staff survey approach

19. Since Panuku was formed, Aon Hewitt has been our provider for an annual engagement survey. These surveys have informed our people strategy and business plans.
20. With more people working remotely and facing challenging and changing times, frequently gathering staff perspectives and feedback will be increasingly important. P&C now recognises that a traditional annual engagement survey on its own is no longer enough and is seeking to implement a 'continuous listening' approach to understanding staff sentiment.
21. Market research was conducted on different approaches and suppliers, looking at a range of factors including price, approach, methodology, service and support, supplier reputation, and ease of implementation.



24. We are planning to launch our first survey as soon as procurement restrictions allow and expect that this will be focused on flexible working, wellbeing, EAP and engagement. An overview of results will be presented to the board once available.

Ngā tāpirihanga | Attachments

P&C report - April & May