

Board Report

Public

Date

Wednesday,
24 March 2021

Venue

Panuku
82 Wyndham St



Board agenda

Where: Panuku, 82 Wyndham Street
When: Wednesday, 24 March 2021 | 10.00 am – 1.00 pm
Board members: Paul Majurey – Chair
 John Coop – Director
 David Kennedy – Director
 Richard Leggat – Director
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. | <p>Meeting open</p> <p>1.1 Public deputation</p> <p>1.2 Procedural motion to exclude the public</p> <p>Put the motion that, 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.</p> <p>1.3 Apologies</p> |
| 2. | Chief Executive's report |
| 3. | Health and Safety |
| 4. | <p>Decision papers</p> <p>4.1 Draft Statement of Intent 2021-24</p> <p>4.2 Responding to CCO review</p> <p>4.3 Delegated Authority Policy</p> <p>4.4 Panuku Town Centre Guidelines: proposed scope and approach</p> <p>4.5 Transform Manukau Programme Business Case</p> <p>4.6 Supports; Sites C&D Totara Ave, New Lynn</p> |
| 5. | <p>Information papers</p> <p>5.1 Quarter 2 report to Auckland Council</p> <p>5.2 Property market overview</p> <p>5.3 Waterfront Transitional Use Strategy</p> <p>5.4 Rainbow's End tenure</p> |

6. Governance matters

6.1 Director interests

6.2 Director meeting attendance

6.3 Minutes of 18 February 2021 board meeting

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.

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.



Opening

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura He tio
He huka
He hau hū
Tīhei mauri ora!

*Cease o winds from the west
Cease o winds from the south
Bring calm breezes over the land
Bring calm breezes over the sea
And let the red-tipped dawn come
With a touch of frost
A sharpened air
And promise of a glorious day*

Apologies have been received from Chair Paul Majurey.

David Kennedy has agreed to chair the meeting.

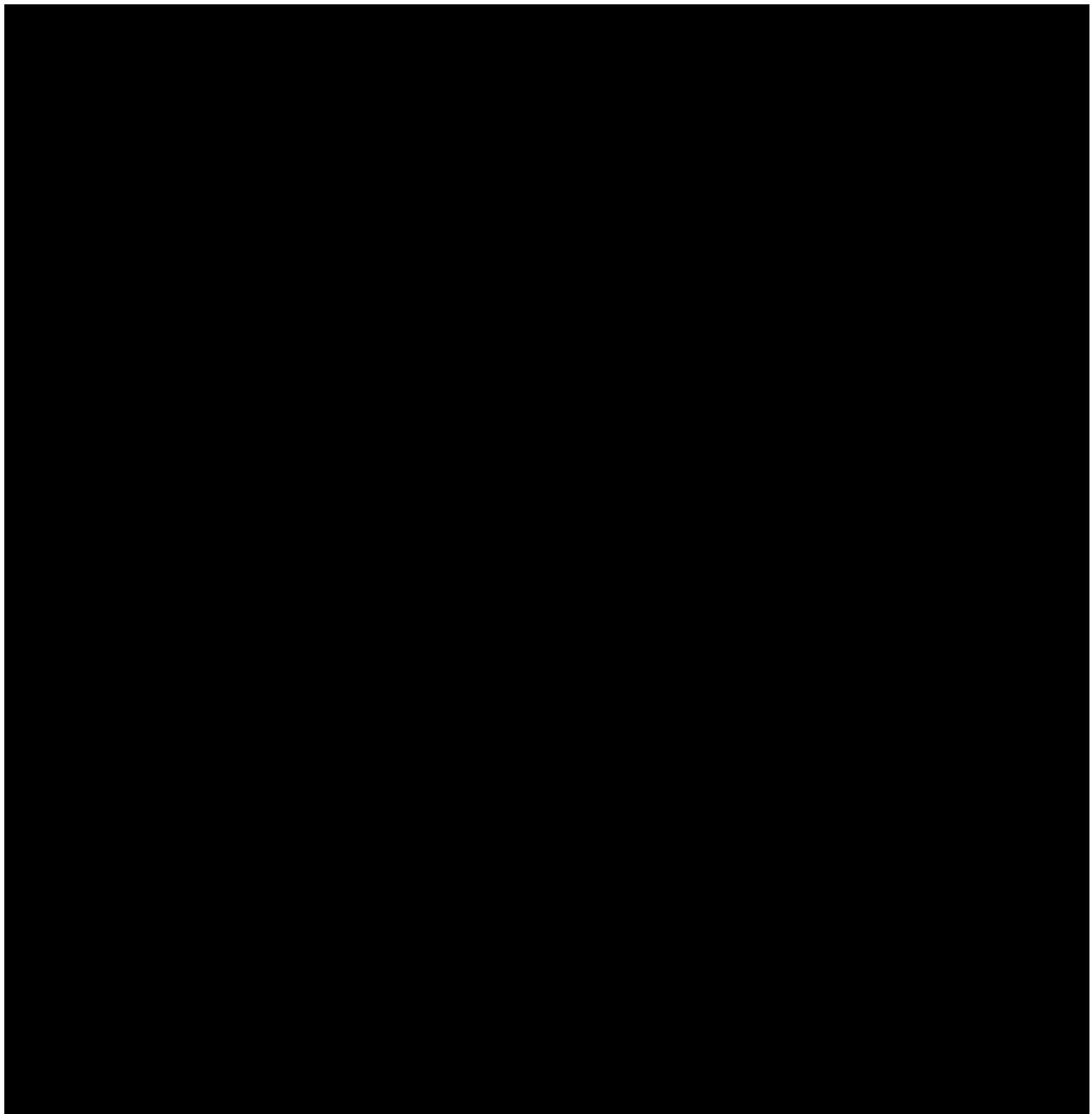
Information paper: Chief Executive's report

Document author: David Rankin, Chief Executive

March 2021

Whakarāpopototanga matua | Executive summary

1. 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

Health and safety

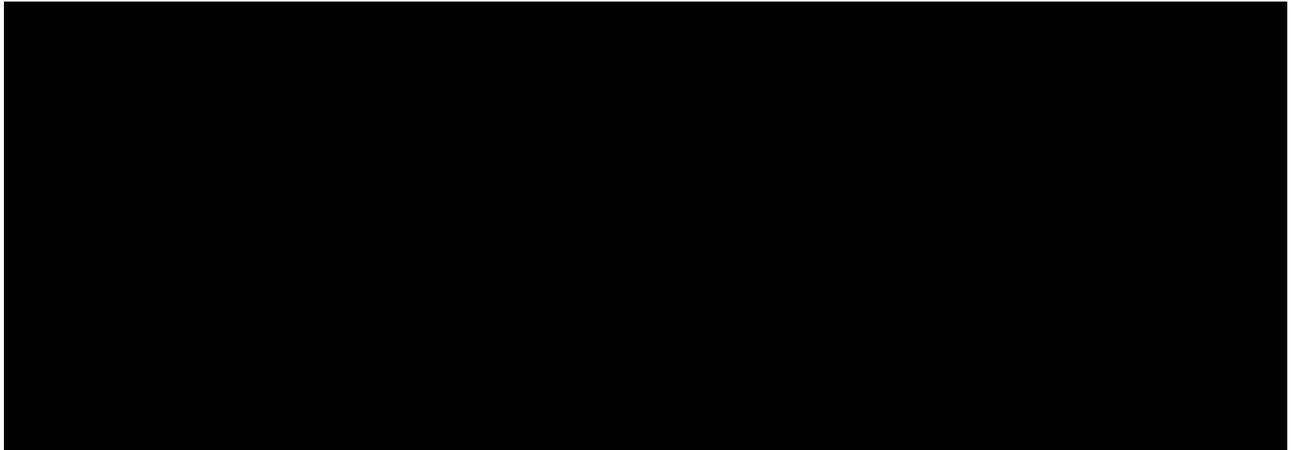
Update on waterfront silos 6 and 7

3. Following the incident that occurred in January 2020, where concrete fell from Silo 7 nearly missing members of the public, full independent surveys have now been completed of silos 6 and 7. This included both the structures and the internal and external steel structures that are affixed to the silos. This work was undertaken by Freyssinet, who worked with Beca and NZ Corrosion Services.
4. Silo 6 requires remedial work to address extensive small vertical and horizontal surface cracks in the concrete, that may create some future spalling of the concrete. Some internal steel structures, including the upper section of the internal walkway, internal frames and grating, and some fixtures on the outside of the silo require treatment or removal. It was noted the external steel on Silo 6 is sound, and has been upgraded recently.
5. Silo 7 requires remedial work to the external steel structures which are in a poor condition, small areas where the concrete is delaminating and minor isolated construction defects relating to shallow reinforcing steel. It was noted that silo 7 appears to be dry inside, contrary to previous understanding.
6. Panuku will address the works identified in the report as quickly as possible following the AC36 event.

7. The data from these reports will now be incorporated into the Waterfront Asset Management plan, and funding established through this process to support regular condition assessments and future works.

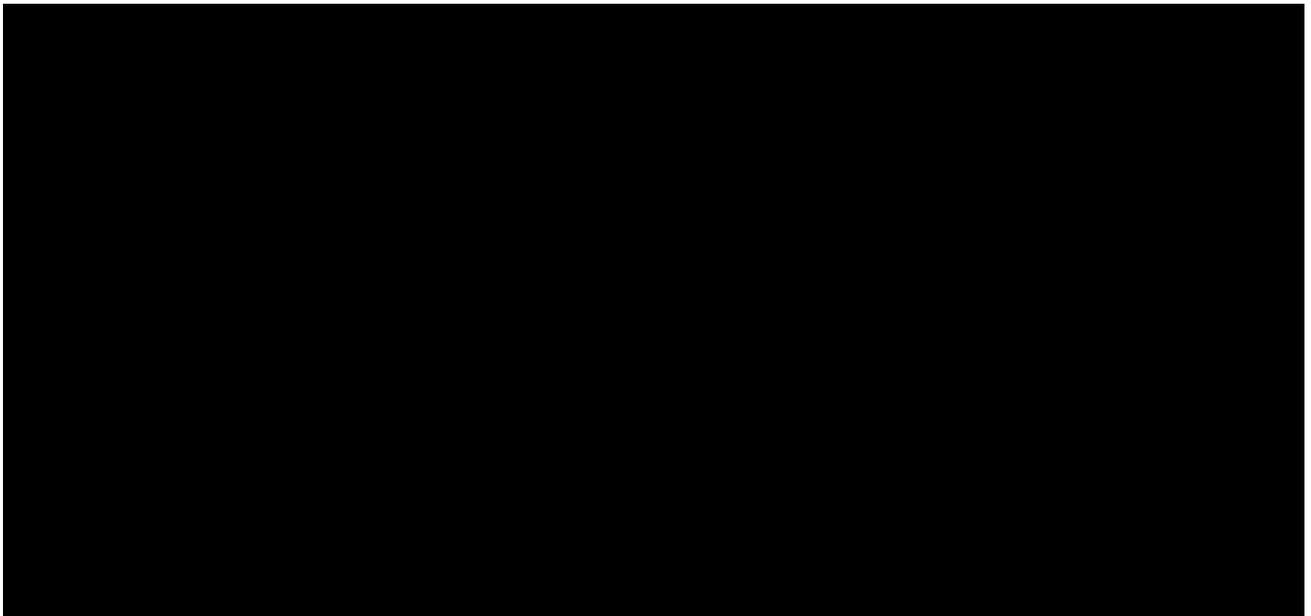
Incident

8. Last week Panuku marina's staff retrieved a man from the water after he jumped from the Wynyard Crossing Bridge. Both NZ Police and Ambulance services are treating the event as an attempted self-harm. Following the incident, the marina staff were provided with support from management and offered counselling services.



Transaction strategy

12. At the October 2020 meeting the board approved the FY20/21 transaction strategy that confirmed the properties that require a go to market strategy and those that contributed to the Statement of Intent (SOI) general asset sales target, and require no further board approvals.



17. The property market remains strong with low interest rates and strong consumer confidence. Fuller commentary is provided in the March quarterly market update.

Projected housing supply

18. The executive captures the housing supply forecast over a ten year period across a continuum e.g. completed, underway or forecast future dwellings being delivered within Panuku work programmes.
19. All reported dwelling figures are “net” i.e. total new dwellings less existing dwellings, irrespective of whether they are demolished. The total number of net new dwellings is approximately 10,900 units. This figure has been adjusted this quarter as a result of a reduction in yield across the Wynyard Headland proposed development since it was last reported to the board in November 2020.
20. To date, there have been circa 1062 dwellings completed across the programme. This includes 303 in our Transform locations, 366 in our Unlock locations. 273 have been delivered across our support programme of work and 120 net new dwellings delivered by releasing under-utilised land directly to the market through the asset sales and our optimisation programme. The board requested evidence of the housing delivered across the Panuku development and disposals programme of work. Some examples of housing delivered are outlined in attachment B.

Performance reporting

25. The Panuku February dashboard is attached for information. In summary:

- The managed property portfolio surplus is \$11.9m ahead of YTD budget mainly due to properties held longer in the portfolio than planned
- Current capital spend is 77% of YTD budget, a material variance relates to the timing of Waterfront contamination payments delayed by pre-leasing impact on construction schedules. We are forecasting to achieve substantial completion of budgeted capex by year end.
- Total unconditional sales completed by Panuku in the year to date is \$20.7m, comprising of 8 sales from general assets and council corporate property categories. We are continuing to progress the sale of other properties towards end of June.

Risk management

26. The Government's change in the Covid-19 Alert Level for the Auckland region resulted in smooth transition for the Panuku staff. Under Alert Level 3 staff work from home where possible. Panuku is well prepared for any changes in alert levels. Emphasis is on people leaders to ensure the welfare of the staff and to maintain workflows as far as possible. The situation is fluid at present and future changes in alert levels may incur. Panuku continues to cooperate with council's Crisis Management Team to ensure a unified approach across the council family.
27. Panuku is supporting Auckland Council in preparation of mandatory climate related financial disclosures through the Taskforce on Climate-related Financial Risk Disclosure framework. The Taskforce on Climate-related Financial Disclosure (TCFD) framework is an initiative headed by Helen Mahoney, Sustainability and Resilience Advisor, Auckland Council. Helen recently presented the TCFD framework to the Risk Managers Forum of council and the continuing work with the council's CCOs for future reporting. Attachment E is the TCFD Framework Guidance produced by Helen that outlines the reporting criteria. This will provide consistency of reporting across the Council family. Reporting will be in conjunction with the Head of Corporate Sustainability, Kristen Webster.
28. The ELT has reviewed the risk register and the risk wordings, scores, and mitigations amended to reflect the current risk thinking. The top risks are included as attachment F.

Ngā tāpirihanga | Attachments

Attachment A - Auckland Council advice on discrimination claim

Attachment B - Housing supply completed

Attachment C - Exchange of letters: Kāinga Ora and Panuku partnership work

Attachment D - Performance dashboard

Attachment E – Top risk register

Information paper: Health and safety

Document author: Blair McMichael, Health and Safety Manager

March 2021

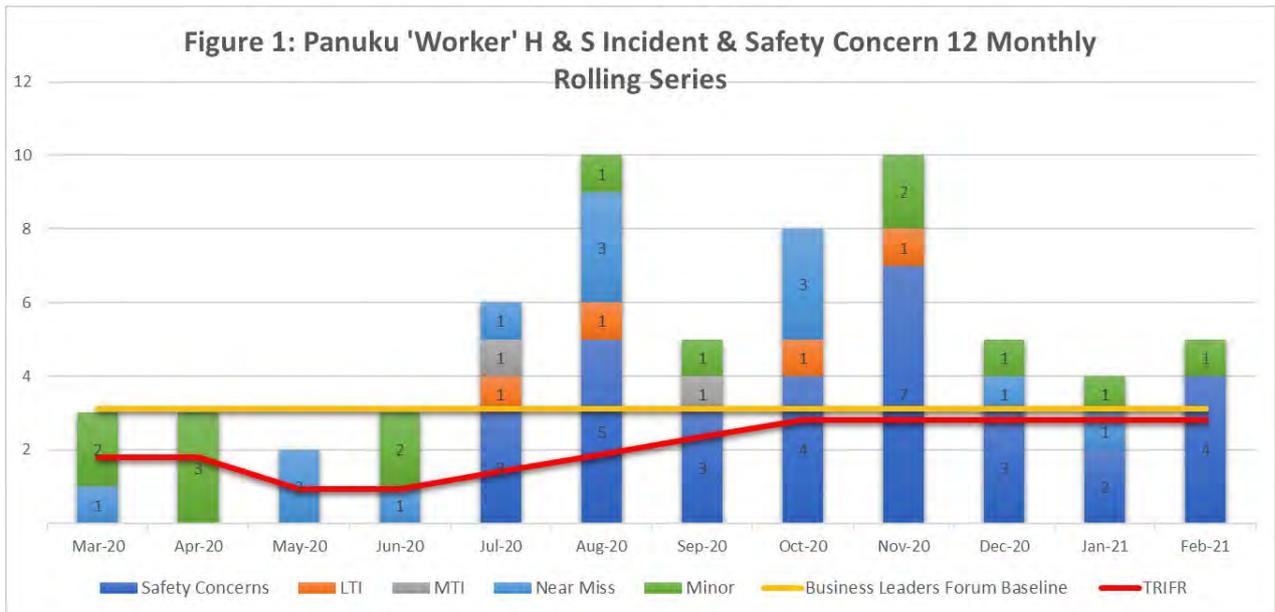
Whakarāpopototanga matua | Executive summary

1. Incident frequency rate data, represented in Figure 1, has been modified to reflect Panuku workplaces only and now excludes public spaces. These figures demonstrate the organisation is operating below our benchmark of the NZ Business Leaders Health and Safety Forum.
2. Incident and safety concern trends show an increase in reports of injuries to the public. These include slips, trips, and falls on a variety of surfaces from tram lines, paving and other surfaces around the viaduct. Most of these relate to areas of older asset design in public spaces. With increasing public use and changes of use such as electric cycles and scooters we are seeing more incidents around the Wynyard Quarter waterfront.
3. An internal audit on health and safety was completed in February. The draft review findings are now subject to approval through our Audit & Risk Committee. The draft findings indicate that Panuku's health and safety frameworks are fit for purpose, however compliance improvements and additional training are required, particularly around the Panuku Contract Management Framework (CMF).
4. Annual plan KPIs remain on-track without any exceptions.

Matapaki | Discussion

Health and safety key performance indicators

5. Following a review of our total recordable incident frequency rate (TRIFR) reporting, and with a view to more accurately tracking incidents where the incident is directly related to a Panuku place of work, we have excluded public space incidents. All incidents graphed in Figure 1 are where Panuku has a degree of influence or control under the Health and Safety at Work Act (2015). All other incidents and safety concerns continue to be recorded in our reporting tool Noggin including those involving the public in a public space where Panuku act as the asset owner.
6. A breakdown of all reported incidents, near misses and safety concerns during this time are summarised in Attachment A.



Key: LTI - Lost Time Injury; MTI - Medical Treatment Injury; TRIFR - Total Recordable Incident Frequency Rate.

- Figure 1 represents the Panuku Total Recordable Incident Frequency Rate (TRIFR). Our result for February (3) sits slightly below the NZ Business Leaders Health and Safety Forum benchmark TRIFR of 3.1.

Internal health and safety audit

- Panuku engaged Ernst Young to conduct an internal audit which was completed in February. Management responses to the findings are being finalised and will be reported to the Panuku Audit & Risk Committee. The audit noted no significant observations, with one high observation stating the need for regular compliance reviews, consultation, and training around our CMF.

Waterfront public safety review

- The executive has commenced a public safety review across the waterfront. This includes representative staff from across the business. Three waterfront safety risk workshops have been facilitated to date by our Head of Property Portfolio.
- Topics included safety risks and controls, the planned application of non-slip resins along North Wharf, trip risks along rain garden, and designs and engineering controls for falls from height. Other actions include a planned review of safety in design guidance and training, which is also mentioned in the recent internal health and safety review. Of the latter risk, falls from height, the ELT has requested a safety control recommendation be provided to it for approval in April.
- The workshops also discussed the tracking of incidents and safety concerns and the timely close-out of incidents, which has since been raised with our Hautū (people leaders) group. Actions from the workshops are to be tracked through the Assets & Facilities team.

Covid 19 response

12. The Crisis Management Team (CMT) led by Carl Gosbee, continues to communicate our safety controls and expectations to all staff around working from home and returning to our offices. This work is supported through the people leader's forum, Hautū, and regular updates communicated to reflect the changing alert levels.
13. Although the Covid-19 pandemic remains a very real health risk, the risk is well understood and managed.

Panuku health and safety annual plan monitoring targets

14. The tracking of our health and safety KPI's and planned deliverables remain on track with scheduled training in the CMF, including recommended improvements from the internal health and safety review, to be scheduled over the following two months.

Panuku health and safety committee

15. A summary of items discussed at the February committee meeting are as follows:
 - The plan to audit health and safety within the Westhaven offices, new and existing
 - The pending Onehunga external health and safety risk review
 - A health and safety critical risk workshop is scheduled for April
 - Contract Management Framework refresher training, for our capital delivery team, scheduled for March and April, and
 - Support from our People & Culture team to transfer all health and safety training into Tupu, our system for maintaining personnel records.

Ngā tāpirihanga | Attachments

Attachment A - Reported incidents, near misses, safety concerns and safety initiatives

3.0 Health & Safety report

Attachment A: Reported incidents, near misses, safety concerns and safety initiatives

Workplaces where Panuku has either influence or control

First aid – A Westhaven marina staff member twisted their ankle. First aid was applied, and the individual continued light duties.

Near miss – Panuku security contractors intervened where a member of the public had entered the Onehunga wharf site tailgating behind a tenant's vehicle. The individual, who remained in their vehicle, was distressed and appeared to be considering self-harm. The security guard deescalated the situation and contacted the NZ police who removed the person from site.

Safety concern – Our Property team have raised a safety concern in Noggin around 'at risk' tenants to allow other property managers to be aware of an aggressive tenant. We need to consider a system which notifies all property managers of known safety risks and controls prior to travelling to site.

Incident – Barrowcliffe (Manukau) site was 'locked down' briefly while police contained a suspect within the general vicinity.

Public space incidents

Incident – A cyclist travelling along the Te Wero section of the viaduct marina fell when their front wheel lost traction on the waihape design which had recently been placed on the pavement. Panuku is investigating this incident further.

First Aid – A member of the public tripped on the lip of a paving surface which steps in and out of the road corridor rain garden along Jellicoe Street, Wyndham Quarter. Contributing factors to the incident include tenancies extending their seating into the footpath and reducing the walkway, and the 'stepped-in' design around the gardens which also reduces the perceived walking space. Panuku has notified the tenants to maintain the footpath and stop infringing on the space. We will monitor this. Panuku have placed temporary plants along the 'stepped-in' paving section of the raingarden to deter pedestrians from inadvertently stepping off the paved area. Our Assets & Facilities and Design teams are reviewing the paving design.

Incident – Panuku was contacted by a scooter rider who, while attempting to cross the Wynyard Crossing Bridge in January, was struck by a closing safety barrier. The purpose of the safety barrier is to close after sufficient warning prior to the raising of the bridge to protect the public and allow the bridge to be raised for vessels transiting beneath. We have investigated this incident reviewing CCTV footage of the event where audible alarms, flashing safety symbols and safety signage are in place and activated. A security guard is present due to the America's Cup event and has stopped pedestrians from entering while the safety barrier is about to close. The scooter rider drives between the stationary pedestrians and guard and the scooter is struck by the gate, which is remotely, manually closed by our bridge operator. We will continue to review our safety systems to consider whether Panuku can provide any further engineering or safety behavioural controls.

Safety concern – A member of the public and cycle advocate raised a concern regarding the safety risk present to cyclists around the tram tracks. Panuku continues to encourage cyclists to use the AT cycle routes available online, which avoid the tram tracks rather than traversing the tram lines. We have improved safety signage and markings in the area and will continue to work closely with the tram operator, MOTAT, NZTA (the regulator) and AT (managing the road corridor) to look at other safety improvements.

Decision paper: Draft Statement of Intent 2021-24

Author: Kingsha Changwai, Planning and Reporting Manager

March 2021

Ngā tūtohunga | Recommendations

That the Panuku Board approve the Panuku Development Auckland draft Statement of Intent 2021-24, subject to any changes requested by the board, for submission to Auckland Council.

Whakarāpopototanga matua | Executive summary

1. The draft Statement of Intent (SOI) is presented to the board for approval. A copy of the draft SOI 2021-24 is included as attachment 1 to this report.
2. The draft SOI aligns with the direction, programmes, activities, and budgets compared to the draft Long-Term Plan (LTP) 2021-31 approved by the council.
3. The approved draft SOI will be submitted to the council 1 April 2021.

Horopaki | Context

4. The SOI is the accountability agreement between Panuku and the council. The SOI publicly states the activities and intentions of Panuku for the next three years and how we contribute to the Auckland Plan.
5. Panuku is required the Local Government Amendment Act 2019, schedule 4 to submit its draft SOI to the shareholder by the end of February each year. The timeframe has been extended this year because of delays related to Covid-19 and the LTP process.

Matapaki | Discussion

Statement of Intent content

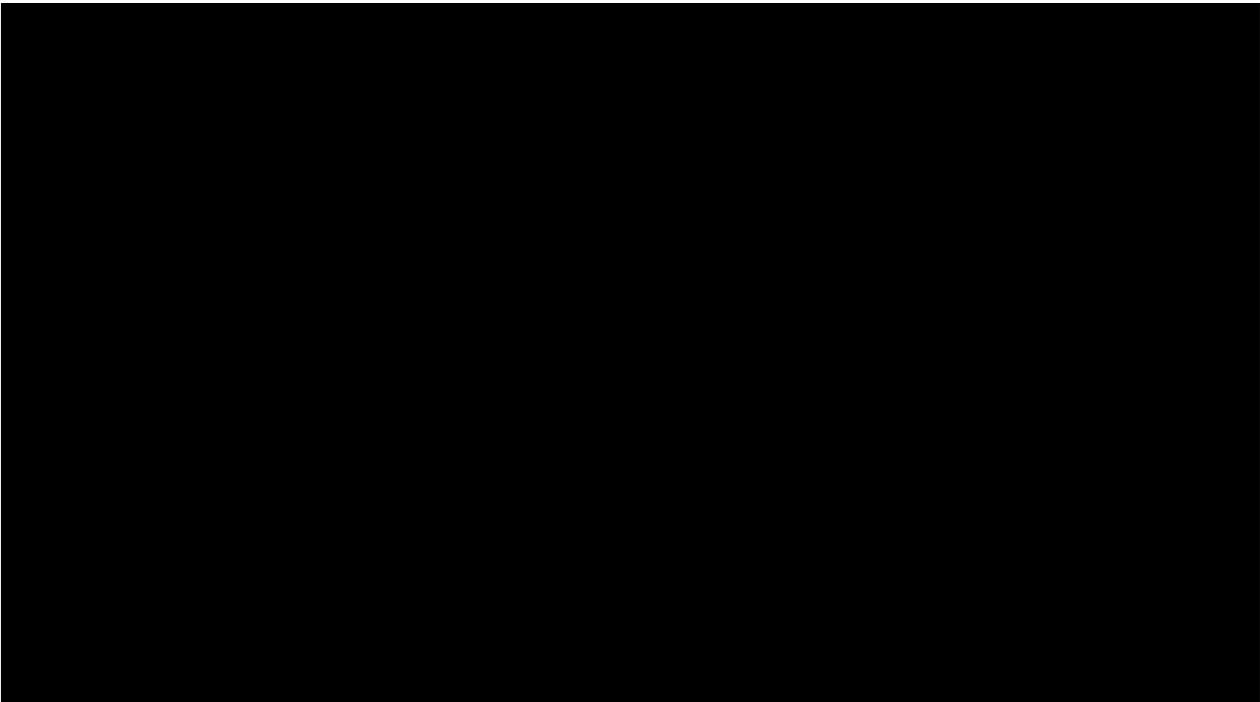
6. As a result of a new template from the shareholder, this draft SOI is divided into two parts. Part one, the strategic section covers our role, how Panuku responds to the Auckland Plan and other strategic objectives of the council and the nature of our activities in the next three years. Part two of the SOI contains annual performance measures and budgets.
7. Based on feedback we have received from the council, the priority location section has been significantly reduced with a focus on telling the overall Panuku story on key

programme and activities for the next 3 years, rather than a detailed story for each of the transform and unlock locations.

- 8. The council has updated the CCO Accountability Policy and a Statement of Expectations is being developed. The content of these two documents is not repeated in the SOI. The Statement of Expectation will apply to all CCOs will have more focus on “how” rather than “what”. We expect to review a draft shortly. The intent is that this will be approved by the CCO Oversight Committee alongside the SOIs in mid-2021.
- 9. The draft SOI is now more succinct, having reduced from 41 to 16 pages as a result of the combined effect of the changes.

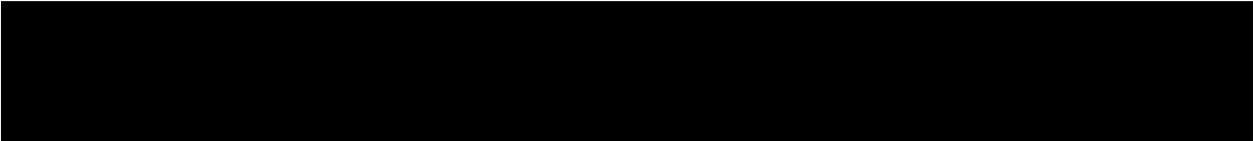
Performance measures and targets

- 10. We have enhanced the link between the performance measures and Panuku investments, addressing one of the CCO review findings.



- 15. Development of the performance measures and targets has involved cross-Panuku engagement. It has drawn on the improved programme pipeline information, project planning and sentient reporting, as well as experience in project delivery and other ongoing business improvements.
- 16. A draft list of capital project milestones is included as attachment 2. The final list of project milestones and other performance targets will be presented to the board in July 2021 for approval together with the final SOI.

SOI 3-year financial information and budgets



Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

18. The SOI does not propose any change to how Panuku is funded.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

19. There are no risks to approving the draft SOI. Risks have been identified in achieving the targets and measures:

- Change to the property market affecting development sales and meeting the asset sale targets. This is mitigated through application of our transaction strategy and monitoring.
- Covid-19 impact on the achievement of our project milestones and our budgeted capital spend. This risk will be managed through the application of our business continuity plans.
- Dependency on council family for delivery will be managed through cross council working groups, cross organisation management meetings and other council forums.
- Internal over-optimism in target setting is managed through a conservative approach being applied to performance target setting for the SOI.

Tauākī whakaaweawe Māori | Māori impact

20. Contribute to achieving objectives in council Māori Outcomes Framework.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

21. Contribute to achieving objectives in the Auckland Plan Development Strategy and regeneration of town centres which is an area of interest to local boards.

Ngā whakaaweawe rauemi | Resourcing impacts

22. Resources are covered through LTP funding for Panuku in the next 3 years.

Tauākī whakaaweawe āhuarangi | Climate change impacts

23. Contribute to achieving objectives in the Auckland Climate Action Plan.

Ngā koringa ā-muri | Next steps

24. Key dates for finalising the SOI:

- Panuku Board approves draft SOI – 24 March 2021
- Submit draft SOI to council by – 1 April 2021
- Review of the draft Statement of Expectation developed by the council.

March 2021

- Council provides SOI feedback by – June 2021
- Panuku Board approves final SOI – July 2021
- Final SOI submitted to council – 30 July 2021

Ngā tāpirihanga | Attachments

Attachment A - draft statement of intent 2021-24

Attachment B - draft performance measure target details

Ngā kaihaina | Signatories

Brenna Waghorn, GM Strategy & Planning

David Rankin, Chief Executive

Decision paper: Responding to CCO review

Author: Carl Gosbee, CFO, Brenna Waghorn, GM Strategy & Planning, Angelika Cutler, GM Community & Stakeholder Relations

March 2021

Ngā tūtohunga | Recommendations

1. That the Panuku Board approves the report as a record of the management response to the CCO Review Recommendation (#12) and the Emergency Budget requirements in relation to FTEs and overheads.
2. That the Panuku Board notes:
 - a. that this material will be shared with the joint council/CCO Chief Executive's Group for confirmation of any further steps in regard to meeting the intent of the recommendation, and
 - b. that presentation of the information to the CCO Oversight Committee is to be confirmed.

Whakarāpopototanga matua | Executive summary

3. This report addresses the CCO review recommendation "That Panuku reduce its overheads and adopts a more focused approach to redevelopment" (recommendation #12). It provides an overview of the programme of work undertaken to review Panuku overheads and the resulting reduction in staff numbers, and it addresses the issue of a more focused approach to redevelopment. The report also addresses the recommendation to consider a sustainable funding source (recommendation #8).
4. Panuku constantly monitors its resource allocations and had been in the process of reviewing the operating model for various parts of the business during the CCO review fact finding process. Panuku also responded to the emergency budget process which reduced available resources significantly. The business has considered the reduction in the capital budgets and the impact on both delivery and back office staff. Panuku has reduced the FTE from 261 to 230, or by 12%. The organisation is now considered to be right-sized, following the detailed reviews of operating models, centralised services, and staff numbers. Any further reduction of FTEs would begin to impact our ability to deliver the core activities of urban regeneration, asset renewals and asset maintenance.
5. In discussion with councillors during the CCO review presentation, the emergency budget and the LTP workshops, it has been clear there is no appetite to reduce the number of transform and unlock locations Panuku is working in, and little appetite for growth at this time. There was a clear preference for keeping the regeneration focus on existing programmes. The asset sales programme has increased.
6. During the LTP workshops and the CCO review presentation, councillors agreed the need to consider a sustainable funding source for Panuku, but agreed it was not an

immediate priority and work could start following the adoption of the impending LTP process, to be complete for inclusion in the next LTP.

Horopaki | Context

| Previous Board / Council engagement and decisions | | |
|---|---|---|
| Date and meeting | Document | Decision / Outcome |
| 31 August 2020 | 4.1 Report of the CCO Review Panel | Shareholder went on to adopt all recommendations. |
| 23 Sept 2020 | 4.1 Long Term Plan FY22/31 4.3 Update on CCO Review and next steps | Panuku Board approved the budget bid. |

Matapaki | Discussion

What did the panel say?

7. Recommendation #12 of the report on the review of the Auckland Council's CCOs is that "Panuku cuts its overheads and adopts a more focused approach to redevelopment". The independent panel's report suggested that Panuku's costs had increased significantly and questioned whether there was a sufficient increase in output. It suggested that staff numbers and general overheads were higher than they need to be, making a comparison with Ōtākaro, Christchurch's regeneration agency. It suggested that Panuku should be a smaller agency pursuing its goals with more determination and urgency. The panel noted that Panuku had already identified savings of \$6.5 million in the next financial year of which \$5.3 will come from staff costs and corporate overheads but suggested that more savings will be necessary.
8. This report sets out how Panuku has responded proactively to this challenge.

Panuku growth and budget context

9. In 2015 Waterfront Auckland and Auckland Council Property Limited were merged to form Panuku but with no additional budget to undertake urban regeneration across the agreed "Priority Locations" known as "Transform and Unlock" locations. In the 2018 LTP, the "reinvestment budget" was approved whereby Panuku was enabled to reinvest the proceeds from property sales in the Transform and Unlock locations back into the regeneration programme, excluding the waterfront. Since establishment, the programme of work has grown, with the agreement of the shareholder, and consequently overall costs have increased. New programmes have been added since the priority locations were agreed in late 2015 and include Avondale, Pukekohe and Uptown (CRL Mt Eden and Karangahape Road) as Unlock locations, the corporate accommodation programme, and Transit Oriented Development work with Auckland Transport.

Resource allocation - ongoing review

10. As we have matured and grown as an organisation Panuku has sought to make changes to the operating model and improve efficiency through an ongoing review of resource allocation including overheads. Along with the annual budget process and response to the emergency budget and LTP, we have also undertaken targeted reviews, summarised below.
11. The aim of the Raranga change process in 2019/2020 was to implement a new operating model to drive delivery. It established a matrix structure and led to a sub-regional grouping of project locations under fewer Priority Location leads. This review focussed on ensuring the right people in right place and prioritising delivery capability and capacity.
12. A review of the Community and Stakeholder Relations directorate was undertaken in 2020. This included a review of the staffing levels and the operating model for stakeholder engagement, corporate affairs, and place-making. The resulting consolidation of the stakeholder engagement within the communications and marketing team saw a reduction of four FTE roles and three contractor roles. Our experience over the past three years has indicated that the provision of public information and early, transparent stakeholder engagement and place-making is a core function of urban regeneration. The approach taken by Panuku to listen, understand and incorporate the community voice into our plans and activities is a specialist function that has a direct link to our ability to maintain momentum in our programme.
13. Panuku has a small People & Culture team of two FTE and one contractor delivering mostly organisational development work and targeted advisory support and training programmes. Council shared service is used for recruitment, payroll, employment law, remuneration etc. As a result of the emergency budget process and an opportunity arising from resignations, we have reduced the team by two FTEs and a contractor role. Also, an internal communications role that was in People & Culture has moved to Community & Stakeholder Relations.
14. A recently completed resource review focused on the Governance, Planning, Assurance, Reporting and Compliance activities of Panuku (GPARC review). This review analysed business needs and workflows for the different teams specifically looking for overlaps, duplication, and opportunities to streamline functions. No significant FTE savings were identified, however the opportunity to further optimise existing skills in order to plug resource and activity gaps. This has been incorporated in an ongoing business improvement programme.
15. Panuku has made strategic and efficiency gains and built the platform on which to facilitate urban regeneration across a dozen town centres and to increasingly deliver at pace and scale. Panuku has developed a strong culture, expertise, and IP in urban regeneration tools such as masterplanning, programme management and economic analysis, as well as the necessary integrated multi-disciplinary skill set. We have also seen an increase in shareholder expectations in areas such as climate change, sustainable quality design, Māori outcomes, place making and community engagement. We have built a leadership role in delivering to these expectations.

Results

16. As a result of these reviews plus emergency budget and LTP, Panuku approved staff numbers (FTE) has been reduced by 12%, from 261 to 230. This reduction, in conjunction with the salary sacrifice and annual pay increase freeze, provides \$4.1m of savings.

17. Each year during the budget review process Panuku management have reviewed the allocation of staff resources to ensure we have sufficient resources to deliver our programme of work. This year the normal review was given a much sharper focus due to the financial impact of Covid-19 and the resulting emergency budget and more recently the extension of this into the Long-term Plan (LTP).
18. The back office teams, or overhead reductions were 11 FTE roles which was 25% of the initial back office team of 41 staff.

Comparison with Ōtākaro

19. We do not consider that comparison with Ōtākaro is particularly meaningful. Ōtākaro is a Crown-owned company delivering the central city Anchor Projects that the Government committed to following the Canterbury earthquakes. A desk-top review of the Ōtākaro annual report indicates some key differences in role, mandate, operating model, and context.
20. Panuku has an urban regeneration programme across a dozen locations, plus a number of regional programmes across Auckland. We also manage a complex \$3b property portfolio including marinas, housing for the elderly, forestry, quarries, and landfill partnerships. In Auckland we have a larger number of stakeholders including Mana Whenua Iwi (19 versus One), local boards (we directly engage with ten) and council CCOs. Panuku uses a number of council shared services.
21. Ōtākaro is facilitating fewer but larger projects in a single location (Christchurch CBD). The property management portfolio (\$600m) is much smaller, made up of largely vacant sites for development, not residential, commercial, and business tenants, like those that Panuku manages. It also does not deal with property acquisitions and disposals to the same degree as Panuku. The Project Management Office is contracted out and many development-related activities.

A focused urban regeneration programme

22. The panel raised the idea that Panuku opt to concentrate on fewer redevelopment areas, but also noted that this was for Governing Body to determine.
23. The Panuku urban regeneration programme has been approved by the shareholder, including every change, such as new locations or regional programmes, e.g., corporate accommodation programme and adding Pukekohe and Unlock Uptown (CRL Mt Eden and Karangahape Rd) to the programme. Expectations have been set for the foreseeable future that programmes will be delivered.
24. With a third of the country's population and more than a third of the growth, as well as the huge sunk and planned investment in transport infrastructure and services, there is a need to tackle growth in a different way including responding to the climate emergency. Encouraging more people, jobs, and business into town centres, is critical.
25. A reduced urban regeneration programme would decrease council influence and impact in delivering the Auckland Plan.
26. Panuku is leading urban regeneration activity in only 10 of the 24 spatial areas identified for growth in the Auckland Plan Development Strategy. Given all the strategic drivers, the scale of growth, the investment in transport and the core intensification strategy, it is difficult to see the benefits of a smaller programme.

27. Through discussion during the preparation of the draft LTP it has been agreed that Panuku will continue to focus on the current urban regeneration and regional programmes, all agreed by the shareholder. The future programme and a sustainable funding model for Panuku will be discussed at the next LTP in 3 years' time. It is anticipated that there will continue to be ongoing demand to extend the urban regeneration programme, from councillors, local boards, and communities.

Increasing expectations going forward

28. Many of the other recommendations of the CCO review encourage increased engagement with Mana Whenua, IMSB, local boards and communities, increased joint planning and alignment between CCOs and council, and improved accountability mechanisms, including increased political engagement on strategic matters. All of these require sufficient staff resources. With a focus on enhancing relationships, it is not practical to meet these needs with contractors. A further push down on FTEs will reduce our ability to implement other recommendations of the panel.

Future opportunities - shared services

29. Panuku is a "high" user of council group shared services, as shown in the table below.

Across the Group, Core Council delivers a wide and variable range of back-office services to some but not all entities



| Service | Group entity receiving services from Core Council | | | | |
|----------------------------|---|-----------|----------------------------|--------------------------|--------|
| | AT | Watercare | Auckland Unlimited (ATEED) | Auckland Unlimited (RFA) | Panuku |
| People & Culture (HR) | ✘ | ✘ | ! | ! | ! |
| Finance | ! | ! | ! | ! | ! |
| Procurement | ✘ | ✘ | ✘ | ! | ✓ |
| ICT | ✘ | ✘ | ! | ! | ! |
| Corporate Support Services | ! | ✘ | ! | ! | ! |
| Corporate Property | ✘ | ✘ | ✘ | ✘ | ✘ |
| Communications | ✘ | ✘ | ! | ! | ! |
| Legal | ✘ | ✘ | ! | ✓ | ✓ |
| Risk & Assurance | ! | ! | ! | ! | ! |

Key

✘ Core council does not provide ! Core council partially provides ✓ Core council provides

30. Auckland Council has a team working on the question of extending the use of Shared Services (recommendation #61 of the CCO review panel). We have been working closely with them to understand better the options to further refine our use and the overall service level of these services. The following are areas where there may be opportunities in the future to increase our use of shared services:

- Uniform sourcing (procurement)

- Corporate Property - use council owned office space and facilities management / storage, rather than current leased office site
- Security - We currently use a different supplier to council (procurement).

31. Panuku continues to make use of the improved Auckland Transport design studio for the design and production of public information materials for efficiency and cost savings.

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

32. We are working within agreed budgets and we will continue to review resource allocations. The impact of urban regeneration on Auckland's suburban areas has been reduced by the emergency budget and LTP.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

33. Not enough staff resource. Mitigation includes using contractors in key areas.

34. Reputational risk due to loss of momentum and impact (delivering existing programmes from reduced budgets). Mitigation includes proactive communications and expectations management.

Tauākī whakaaweawe Māori | Māori impact

35. The Māori Outcomes team of three FTE is focussed on enhancing our relationships with mana whenua, supporting the organisation to deliver on the Māori Outcomes Framework and to develop engagement with mataawaka. Not only is Panuku required to undertake Māori engagement by the shareholder, Panuku believes that the involvement of mana whenua in our operations is a core function of urban regeneration. The current headcount is adequate to engage effectively with Mana Whenua Iwi and achieve agreed outcomes although feedback from mana whenua is that they would like more resource and support.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

36. We have sufficient resource to effectively engage with stakeholders including local boards, the development sector and council family. Our stakeholder relationships survey to be held in the first half of 2021 and the results will be reported to the board in August. This research will identify our strengths and any issues.

37. CCO review recommendations to improve collaborative engagement and implementation of local projects will create an additional draw on resources that will need to be managed within current headcount.

Ngā whakaaweawe rauemi | Resourcing impacts

38. Not applicable.

Tauākī whakaaweawe āhuarangi | Climate change impacts

39. We have a Corporate Responsibility Team of three FTEs to deliver our sustainability and climate change outcomes. This is core business. While there is significant engagement with the wider council group and opportunity to share resources, information, and tools, we are focussed on facilitating low carbon and climate resilient communities in our locations.

Ngā koringa ā-muri | Next steps

40. Following approval by the Panuku Board, this material will be presented to the Joint CEs CCO Review Implementation Group and/or CCO Oversight Committee.

41. We will seek direction from the council CFO and Joint CEs Group on any further steps and in particular, whether a further "external" peer review should be undertaken to meet the intent of the CCO review recommendations.

42. Panuku will continue to participate in the review of shared services, looking for opportunities to make savings across the group.

43. We will continue to manage Panuku FTEs within the budgeted 230 FTEs, with ongoing review of resource and capability requirements and opportunity for efficiencies and cost savings.

Ngā kaihaina | Signatories

Carl Gosbee, Chief Financial Officer

Brenna Waghorn, GM Strategy & Planning

Angelika Cutler, GM Community & Stakeholder Relations

David Rankin, Chief Executive

Decision paper: Delegated Authority Policy

Author: Michele Harpham, Finance Manager

March 2021

Ngā tūtohunga | Recommendations

That the Panuku Board approve the revised Board Delegated Authority Policy.

Whakarāpopototanga matua | Executive summary

1. The Board Delegated Authority Policy was substantially rewritten in March 2020 and is due for annual review. A marked-up version of the policy is included as Attachment A.
2. Changes are relatively minor and are recommended to conform with current practice. They reflect the continuing maturity of our organisation including improvements made in the last two years on the annual planning cycle and programme management.

Horopaki | Context

| Previous Board / Council engagement and decisions | | |
|---|--------------------------------------|---|
| Date and meeting | Document | Decision / Outcome |
| 18 March 2020 Board Meeting | Board Delegations to Chief Executive | <p>Following the conclusion of the discussions and subject to the adding compliance with shareholder procurement policies, the Panuku Board:</p> <ol style="list-style-type: none"> a. Approved the Delegated Authority Policy and Delegated Authority Standard. b. Noted the previous Board Delegated Authority Policy has been superseded by the Delegated Authority Policy and Delegated Authority Standard. <p>Noted the Chief Executive will make sub-delegations within the authority provided by the Delegated Authority Standard.</p> |

Matapaki | Discussion

3. The policy being reviewed covers delegations from the Panuku Board to the Chief Executive and indicates whether sub-delegation is possible from the Chief Executive to the business. The policy is backed up by a separate operational standard which sets out requirements for the business and sub-delegated limits.
4. Some changes in the policy have been made as the organisation's annual planning cycle is now better established. The Annual Business Plan, to be approved by the Panuku Board, will now contain key items which were previously provided separately to the board, such as annual portfolio overview, funding profile and annual optimisation and rationalisation programme.

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

5. There are no financial implications in approving the policy.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

6. There are no risks identified in approving the policy.

Tauākī whakaaweawe Māori | Māori impact

7. There is no impact on Māori by approving the policy.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

8. The revised policy will be provided to Panuku staff via the Info Hub intranet along with the separate standard setting out delegations from the Chief Executive to the business.

Ngā whakaaweawe rauemi | Resourcing impacts

9. There are no resourcing impacts.

Tauākī whakaaweawe āhuarangi | Climate change impacts

10. There are no climate change impacts.

Ngā koringa ā-muri | Next steps

11. Once the policy is approved, the policy and standard will be effective immediately and the Chief Executive will be bound by them. Staff will be notified of the updated policy.
12. The Chief Executive will sub-delegate as he deems appropriate.
13. The policy will be reviewed annually.

March 2021

Ngā tāpirihanga | Attachments

Attachment A - Board Delegated Authority Policy and Standard

Ngā kaihaina | Signatories

Jenni Carden, Executive Officer/Company Secretary

David Rankin, Chief Executive

Delegated Authority Policy

1. Policy purpose

- 1.1. The purpose of this policy is to outline the delegations from the Board of Directors of Panuku Development Auckland Limited (Panuku) to the Chief Executive of Panuku.
- 1.2. For this policy, delegated authority (DA) is both financial and non-financial delegations from the Board of Directors of Panuku to the Chief Executive of Panuku.
- 1.3. Delegations are a key element in effective governance and management of Panuku and provide formal authority to the Chief Executive of Panuku to act on behalf of Panuku.
- 1.4. Ultimate authority for the conduct of the business rests with the Board of Directors. The Board delegates authority, within prescribed parameters, to the Chief Executive to enable effective and efficient management of Panuku.

2. Application of this policy

- 2.1. The Board delegations to the Chief Executive apply to the Chief Executive of Panuku, and any person that has been delegated to act as the "Acting Chief Executive" by the Chief Executive or the Board.
- 2.2. This policy applies to all staff employed/engaged by Panuku. This includes fulltime or part-time permanent and fixed-term employees, casual employees, contractors and temporary contingent workers.
- 2.3. Delegation instruments exist whereby the Auckland Council Chief Executive delegates his powers and duties under the Public Works Act (PWA) and Local Government Act (LGA) to Panuku, in order to acquire and dispose of property on behalf of Auckland Council and/or Auckland Transport, or while acting within its urban renewal mandate. These delegations (and the conditions therein) underpin and empower the parts of this policy relating to acquisition and disposal activity.

3. Objectives

- 3.1. The objectives of this policy are to ensure that:
 - The delegations to the Chief Executive are appropriate to enable the Chief Executive to run the business in an efficient and effective manner
 - Governance approvals and decisions are made at the appropriate level
 - Decisions are approved by the appropriate person, considering all risks
 - The Chief Executive has the flexibility to grant appropriate DA to staff as needed
 - There is effective control, transparency and accountability
 - Individuals have clarity about their responsibility for complying with the terms of their DA.

4. Policy

- 4.1. The delegations and notification requirements from the Board of Directors of Panuku are set out in the Delegated Authority Standard (“standard”), attached to this policy.
- 4.2. The Chief Executive can delegate authority where indicated in the standard to the Executive Leadership Team (ELT) and can approve sub-delegation to those who need to make decisions and commitments, as required, according to the business rules.
- 4.3. DA must be tied to positions.
- 4.4. [DA Delegation](#) decisions should be within delegators’ span of accountability, and in accordance with all other applicable policies of Panuku and Auckland Council.
- 4.5. No employee has authority to make commitments or decisions on behalf of Panuku unless authority is explicitly delegated.
- 4.6. [Delegators/Delegates](#) are responsible for understanding and accountable for adhering to their DA limits.
- 4.7. Breaches of this policy will be reported to the Panuku Board. Any infringement or non-compliance with this policy, or other Panuku and Auckland Council, policy may be regarded as serious misconduct and may result in disciplinary action.

5. Policy review and approvals

- 5.1. This policy will be reviewed at least annually and approved by the Board of Directors of Panuku.

6. Attachments

- 6.1. Delegated Authority Standard.

| | | |
|--|---------------------------------------|---|
| Business Owner | Executive Officer / Company Secretary | |
| Original policy date | 1 September 2015 | |
| Review and substantial rewrite-Last review | 18 March 2020 | |
| Frequency of review | Annually | |
| Approved by Date of this review and approved by | Board of Directors of Panuku | Date: 18 24 March 2020 2021 |

Decision paper: Panuku Town Centre Guidelines: proposed scope and approach

Author: Naomi Craymer, Senior Policy Advisor, Strategy & Planning; Duncan Ecob, Head of Design, Design & Place.

March 2021

Ngā tūtohunga | Recommendations

1. That the Panuku Board endorses the development of Town Centre Guidelines to provide strategic level guidance for both internal and external audiences on how Panuku will undertake urban regeneration activity to enable town centres to thrive.
2. That the Panuku Board endorses the proposed scope and approach to develop Panuku Town Centre Guidelines. This will include engagement with stakeholders including local boards, mana whenua, IMSB, Auckland Council departments, CCOs, community housing providers and development partners.
3. That the Panuku Board notes that the Guidance on Housing Mix for Precincts and Panuku Sites will be replaced by the Town Centre Guidelines once prepared. In the meantime, housing mix will be considered alongside wider urban regeneration outcomes set out in the relevant High Level Project Plans and Programme Business Cases, and in consultation with development partners.

Whakarāpopototanga matua | Executive summary

4. The development of Town Centre Guidelines builds on work undertaken during 2019 and 2020 to support Panuku's role as the council's urban regeneration agency in priority development locations across Tāmaki Makaurau. The Guidelines are the next phase of work following the town centre research compiled in 2019 and Panuku's approach to design presented to the Panuku Board in June 2020.
5. Engagement with a range of stakeholders is proposed including local boards, mana whenua, IMSB, council departments and CCOs. Input from our main development partners, including Kāinga Ora and community housing providers, will also be sought.
6. It is intended that the Town Centre Guidelines will replace the existing Guidance on Housing Mix for Precincts and Panuku Sites to reflect an evolution of Panuku's approach to facilitating residential choices in town centres.
7. A workshop on the draft guidelines will be facilitated with the board in June or July 2021 prior to seeking approval of the guidelines at a subsequent meeting. We will suggest a workshop is offered to the council Planning Committee following Panuku Board approval.

Horopaki | Context

- 8. Panuku is Auckland Council's urban regeneration agency with a mandate to deliver quality town centre regeneration. Panuku's programme helps implement the Auckland Plan, contributing to the six Auckland Plan outcomes and Development Strategy's quality compact approach. Urban regeneration activity involves a careful balance of strategic and commercial outcomes. Panuku uses its three levers - commercial strategy, public realm and placemaking to create a catalyst for positive change in these urban neighbourhoods.
- 9. Work in 2019/2020 included research into the role of town centres - economic, social, cultural, environmental - trends impacting town centres and success factors. This research followed board discussions around the wider role of mixed-use town centres through urban regeneration master-planning.
- 10. In June 2020, Panuku's approach to design and place was presented to the board. Further discussion has led to the proposal for Town Centre Guidelines which was included into the Corporate Business Plan for this financial year. The guidelines will help communicate Panuku's vision and strategy with a strong implementation focus and provide a coherent, integrated approach across locations. This supports a recommendation of the CCO review in July 2020 which highlighted the need for greater clarity on Panuku's purpose and role.

| Previous Board / Council engagement and decisions | | |
|---|---|--|
| Date and meeting | Document | Decision / Outcome |
| 17 June 2020 | Presentation: Panuku's Design Strategy - Our approach to design | Information paper |
| 28 July 2020 (extraordinary meeting) | Corporate Business Plan 2020/21 | Approved CBP which includes the preparation of best practice guidance for town centres as a 2020/21 initiative |

Matapaki | Discussion

- 11. The following context is a starting point for the scope of the Town Centre Guidelines. This is likely to evolve through discussions with stakeholders and analysis of research and empirical information. Early feedback and advice from the board is welcomed on the proposed scope and approach.

Purpose

- 12. The purpose of the Town Centre Guidelines is to enable town centres to thrive - contributing to vibrant, successful town centres that enhance community & economic wellbeing. It is intended that the Town Centre Guidelines will also reflect the evolution of Panuku's approach to housing in mixed use town centres and replace the Guidance on Housing Mix for Precincts and Panuku Sites (updated May 2020).

13. The guidelines will provide an integrated overview to Panuku's regeneration approach within Town Centres. It will cover a place-led approach to regeneration that calls on the in-house expertise of the organisation and our diverse and collaborative skill sets, co-led by the Design & Place and Strategy & Planning directorates.
14. It will discuss how we work with the communities of a town centre, the people that live, work, play and learn within it. It is not intended as detailed design guidance but as principles and success factors for a thriving centre based on social, environmental, economic and cultural values.
15. The development of Town Centre Guidelines will help Panuku achieve the following objectives:
 - Integrate a range of approaches, standards and processes developed over the last five years into a cohesive single guidance document
 - Increase understanding of our role amongst stakeholders, partners and community and clarify the scope and limitations of our role
 - Place town centre regeneration and the work Panuku does at the heart of climate action (mitigation and adaptation) and Covid-19 rebuild and recovery
 - Update our approach to facilitating residential choices on surplus council land
 - Guide our teams and provide consistency of approach and tools.

Proposed scope

- Why are town centres important and defining what urban regeneration is
- Panuku's role and mandate, strategic framework, and what Panuku is not
- Principles and success factors for town centres - full range of principles across Panuku programmes including our approach to creating residential choices, transit-oriented development, and place-making
- Help guide and build robustness for urban renewal tests under the public works act.

Implementation tools and approach

- Our three levers - commercial development, investment in public amenity and placemaking
- Council group investment - co-funding opportunities, leverage, joint engagement - refer CCO review implementation actions
- Effective communications, engagement and consultation approaches
- Placemaking approach in line with Panuku placemaking guidelines
- Design principles and design process - independent design review
- Sustainable communities - sustainable building standards, public realm standards, Greenstar communities and Homestar tools

- Social and sustainable procurement.

16. The Town Centre Guidelines will draw on and/or make reference to:

- Auckland Plan 2050 and Local Board Plans
- Panuku-led High Level Project Plans and masterplans
- NPS Urban Development: 2020
- Auckland Transport plans and strategies relating to town centres
- Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan: 2020, Panuku Climate Change Strategy: 2020 and Auckland Council Urban Ngahere Strategy: 2019
- Panuku Mana Whenua Outcomes Framework: 2019
- Auckland Design Manual: online design guidance for developments
- International best practice principles and guidelines.

17. The Town Centre Guidelines will be a public-facing document that will also be used by Panuku staff working in town centres as a reference guide. It is intended to be a highly visual, concise document of approximately 15-20 pages. Background research and information will be compiled in a separate Supporting Information document. Following Panuku Board approval, the guidelines will be designed and made publicly available on Panuku's website.

Proposed approach

18. The following outlines the major milestones and proposed process to develop the Panuku Town Centre Guidelines. This work will build on and further develop concepts, principles and research undertaken since Panuku was established, rather than start from scratch.



19. Panuku will develop a communications and engagement plan to support this project, at this stage it is anticipated that the development of the Guidelines will benefit from involvement and feedback from the following stakeholders - the level of engagement and scope to be confirmed:

- Local Boards
- Mana Whenua
- Independent Māori Statutory Board (IMSB)

- Community Housing Providers
- Development Partners, Design Partners and Technical Advisory Group (TAG)
- CCOs – Auckland Transport, Auckland Unlimited
- Auckland Council departments - Community Facilities, Plans & Places, DPO.
- Planning Committee.

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

20. A budget for any external costs will be sourced from the existing FY21 operational budget in the Strategy & Planning directorate.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

21. A risk management plan will be created as part of the project following board approval. As originally scoped, a more internal-facing document was anticipated. The scope of proposed engagement now means that the timeframes are quite challenging. External resource will be used where required.

Tauākī whakaaweawe Māori | Māori impact

22. Development of the Town Centre Guidelines will include engagement with Mana Whenua as well as IMSB.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

23. A communications and engagement plan will be developed as part of the project to identify the relevant stakeholders and appropriate engagement approach.

Ngā whakaaweawe rauemi | Resourcing impacts

24. The core team will be resourced from Design & Place and Strategy & Planning directorates with additional resources drawn in from across the business, for example Community & Stakeholder Relations, Priority Location teams, Retail Property Manager. Resource has also been offered from the council planning team.

Tauākī whakaaweawe āhuarangi | Climate change impacts

25. The guidelines will reference Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan and Panuku's Climate Change Strategy and support objectives to establish low carbon, climate resilient communities. Both mitigation and adaptation strategies will be covered.

Ngā koringa ā-muri | Next steps

26. Following Panuku Board approval, the next steps are to complete the communications and engagement plan and commence early engagement during April-May 2021. Work will also commence to develop presentation material and an outline of contents for the draft guidelines to identify and then fill any research/information gaps.

Ngā kaihaina | Signatories

Brenna Waghorn, GM Strategy & Planning

Gyles Bendall, GM Design & Place

David Rankin, Chief Executive

Decision paper: Transform Manukau Programme Business Case

Author: Richard Davison, Priority Location Director - South

March 2021

Ngā tūtohunga | Recommendations

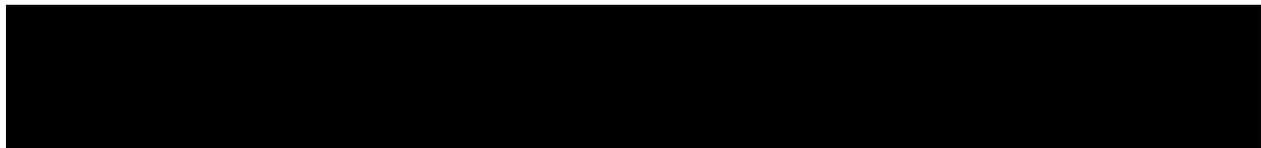
That the Panuku Board...

a. Approve:

- i. The revised Programme Business Case for the Transform Manukau priority location programme into Financial Year 2022 (FY22) identifying an overall \$134m in total site sales and \$123m in total forecast capital spend to FY31.
- ii. In principle, to the ongoing investment of \$10.3m CAPEX in FY22 into the programme, noting that this is subject to Auckland Council Long-term Plan and confirmation of ongoing funding through reinvestment.

b. Approve the following related projects and initiatives for the next twelve months:

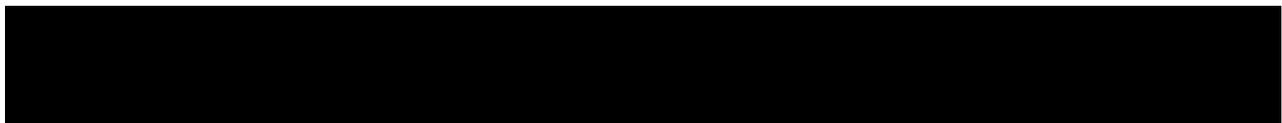
- i. Site disposals, subject to Panuku Board approval of proposed Development Agreement outcomes sought;



ii. Public realm investment

- Wiri Bridge Capital Works - Design
- Hayman Park Playground Works Stage 2 - Design and delivery
- Osterley Way Streetscape Works Stage 1 at Civic - Design
- Puhinui Stage 1: Ratavine Reserve Works - Design
- Puhinui Stage 2: CMDHB Walkway Works - Acquisition and design
- Hayman Park Wetland Works - Design
- Manukau Square and Pavilion - Design

iii. Placemaking, engagement and partnering



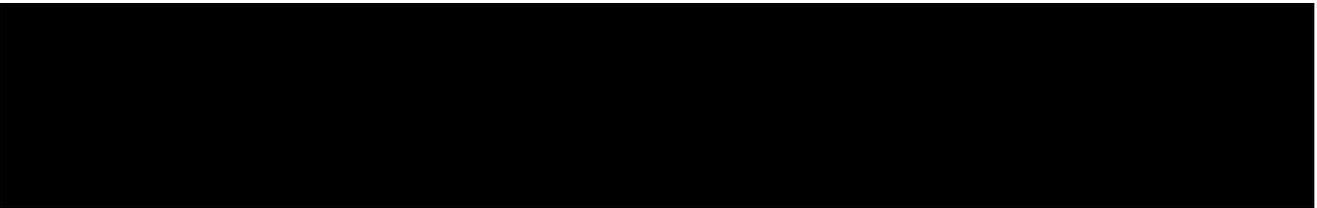


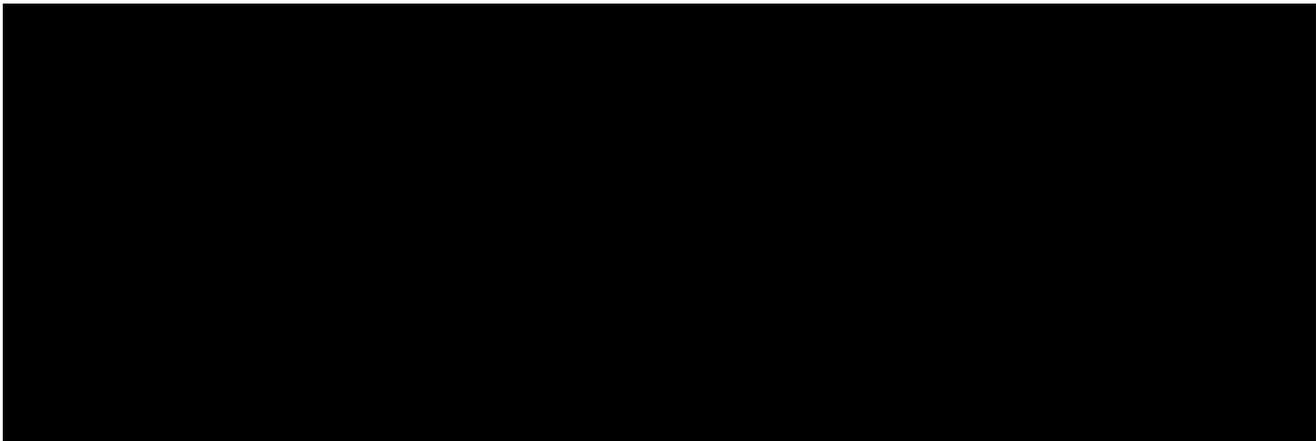
c. Notes the Transform Manukau Programme is subject to the following:

- Confirmation of annual programme funding and the programme milestones in June 2021, as part the Annual Business Plan.
- Auckland Council Long-term Plan funding decisions for the FY22-24 period.
- Panuku Board review of the programme in 12 months.
- Panuku Board decisions on proposed transactional terms for individual property transactions, as per delegations.

d. Notes the Programme Business Case Overview (PBCO) which is included as attachment 1.

Whakarāpopototanga matua | Executive summary

1. This paper seeks formal approval of the revised Programme Business Case for the Transform Manukau priority location programme for Financial Year 2022 to enable \$10.3m of capex projects to be progressed.
 2. The Framework Plan of 2017, the evolving masterplan and our current spatial delivery plans have all informed the current scope of the wider transformation programme which has identified over 21 projects with staged delivery of approximately \$123m in forecast capital projects and \$134m in staged total net site sales. The projected end date of this programme is 2031.
 3. The coming Financial Year of 2022 Transform Manukau 'vision' and 'key moves' will remain the same as approved by the Panuku Board through the High Level Project Plan in March 2016 and through the Framework Plan in December 2017. Using our masterplan as the guide, the 2022-2024 programme will focus on key Move 1 the revitalising the Puhinui and Key Move 2 towards creating a vibrant heart by prioritising our capital investment projects that deliver more amenity. These include Hayman Park playground and wetland, while progressing design phases for a range of other projects, including the Osterley-Tuaiwi Street north-south spine and the flagship Puhinui stream corridor programme.
 4. Our development strategy for FY22 which as outlined in paragraph 18 onwards, will continue to evolve and be shaped by the current market conditions. We will focus on exploring ways to enable more site sales to progress in current market conditions without precluding more transformation on key redevelopment sites.
 5. Informed by the masterplan and the Rainbow's End precinct plan, we continue to progress negotiations with Rainbow's End, and this is covered in more detail in a separate information paper in March 2021 Panuku Board pack.
- 



8. A key partnering initiative we are focused on is with Auckland Transport related to progressing a parking management strategy for the centre. The Manukau Parking Management Strategy will influence the masterplan, the capital programme and the site sale sequencing and potentially require capital spend to be re-prioritised if car park redevelopments trigger parking offset mitigations.
9. Te Whakaoratanga I te Puhinui (Puhinui Stream) is a flagship programme within the masterplan, connecting the Botanic Gardens, through Wiri to Hayman park as a 3 kilometre green spine. It focuses on bi-cultural leadership and partnering with Te Waiohau chairs to shape, plan, deliver and maintain te ora (the health) of Te Puhinui – tangata, whenua me taiao (people, place and nature). The Puhinui will become a 'green spine', restoring the mauri of the stream, plus a safe recreation area for surrounding residents and walking and cycling connection from Manukau Central to Auckland Botanical Gardens within the next 10 years.
10. The total anticipated investment in the programme is between \$123m-126m shared with partners. Spend to date on the programme has been approximately \$5.7m.
11. The financial benefits of this programme are projected to be in the region of \$500m and are a direct result of investment generated through the sale of 13 sites for approximately \$134m in a staged sequence to 2028.
12. The intended overall non-financial "opportunity" benefits generated from the masterplan, for this programme are approximately 1000 new houses, 100,000sqm of upgraded or new community space such as Hayman Park, the Puhinui corridor and plaza upgrades, enabling infrastructure such as new links and connections, 13 sites unlocked, several partnerships enabled, two new connections created, social procurement and sustainability initiatives undertaken.

Horopaki | Context

13. Since 2016, Panuku continues to make a strong contribution and influence on development and investment opportunities in Manukau City Centre. Panuku has, with partners, already laid the groundwork with the community. Several projects are already underway, including property sales to achieve attractive development outcomes, public realm upgrades and community building, plus coordination initiatives that focus on building local job skills and employment opportunities.
14. During FY22 the Transform Manukau strategic levers will be set at:

- a. 5/5 for Commercial Strategy - In FY22 development opportunities will strongly influence the scale of success of Transform Manukau. It is critical that the sites identified during FY22 onward are used to their maximum effect to target the goal of a vibrant centre and successful business district. Restrictive covenants, parking matters, airport noise controls also contribute to ongoing challenges to the pace and scale of delivery.
- b. 4/5 for Public Good Investment - Amenity projects, such as Hayman Park playground stage 2 and wetland, will be prioritised to start delivering improved development opportunities, public realm quality and perceptions of Manukau Central during FY22. These projects will help to provide amenity to future residents and attract further private development.
- c. 4/5 for Placemaking - Throughout FY22 we will continue to develop and deliver local activity in collaboration with Manutahi and in support of the greater change taking place in the area. Areas of focus will include Puhinui Stream Regeneration, Hayman Park, Manukau Square, Kororo Court and Pavilion temporary works, plus ongoing connection to the Innovative Streets for People (ISFP) initiative.

| Previous Board / Council engagement and decisions | | |
|---|---|--|
| Date and meeting | Document | Decision / Outcome |
| 30 August 2019 | Transform Manukau Enhanced Programme Business Case (18 08/19) | The Panuku Board approved the Transform Manukau Enhanced Programme Business Case |

Matapaki | Discussion

Progress to date

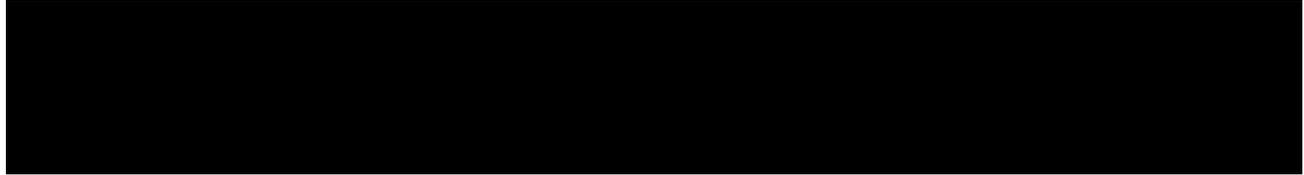
15. To date this programme has delivered:



- Delivery of 270m of streetscape upgrade of Putney Way. The project was successful delivered in partnership with Auckland Transport
- Minor works in the plaza and Karoro court.

16. Projects identified in the spatial delivery plan currently underway include:

- Delivery of the Barrowcliffe Bridge works
- Delivery of the Wiri playground works
- Delivery of the Barrowcliffe pond shared path works



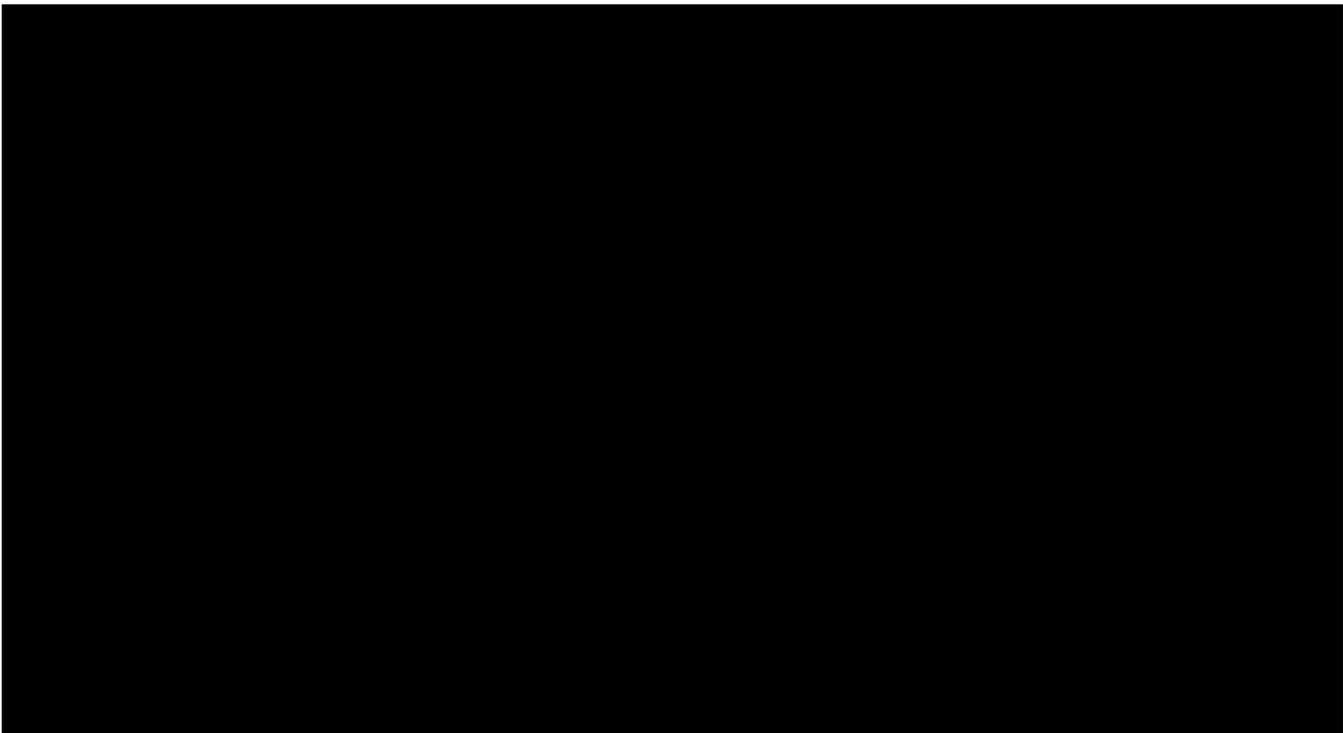
The Transform Manukau Project Scope & Sequencing (attachment 2) identifies all project scope, delivery timelines and funding for the programme in more detail.

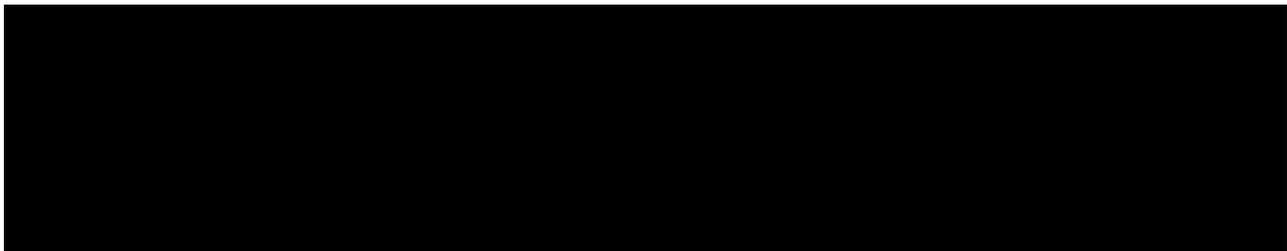
17. Projects delivered or currently underway by others include:

- Lakewood Plaza, a large 15 level investor focused apartment tower
- Sebel Hotel, now a Managed Isolation Quarantine facility
- 405 houses at Wirihana on the District Health Board land
- Ongoing staged development of the Pacific Gardens residential development behind the Vodafone event centre.

Development strategy

18. During the last decade significant market led development of Manukau City Centre has occurred slowly despite extensive planning, identification of Manukau as a metropolitan centre, and liberal zoning. With a large proportion of land in private ownership, it will be private sector investment that will lead a significant change in the city centre.





Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

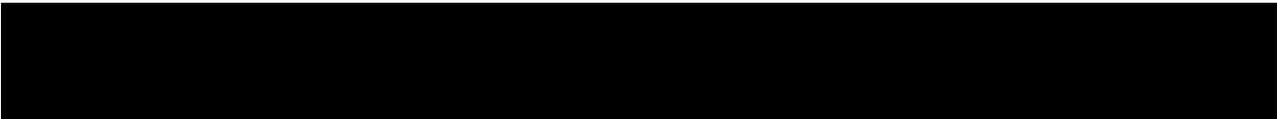
20. The programme makes the following financial assumptions:

- That the property market will support sales of property in a timeframe that supports reinvestment, and that sufficient capital funds through reinvestment remain available.
- That the Strategic Development Fund remains available for strategic acquisitions.
- That there is sufficient operational expenditure (opex) available to support ongoing change initiatives in the location.
- Partner funding from Auckland Transport, Healthy Waters, Community Facilities, Kāinga Ora and other supporting agencies is available to support Walking and Cycling, stream enhancements, housing regeneration, and amenity initiatives.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

21. Key risks to the programme are:

- The phased release of current carpark sites - a significant risk to the delivery of the programme. This is being led by the Executive Leadership team to progress and remedy.
- Milestone Delivery - all projects face challenges that impact delivery and milestone timeframes. This is actively managed through the risk register and monitoring of projects.
- Reputation and stakeholder expectations - this will be mitigated by regularly engaging with stakeholders to understand priorities and communicate constraints and manage expectations.

- 
- Legal action - the Restrictive Covenants High court case is still active in the programme and relates to parking and retail on the plaza and in Manukau Central. We are currently waiting for court hearing date.

22. A register is in place to monitor ongoing risks related to market conditions, resourcing and funding.

Tauākī whakaaweawe Māori | Māori impact

23. In FY22, Panuku is focused on continuing to progress our relationship with Mana Whenua and the iwi chairs of Te Waiohua (Te Ākitai Waiohua, Ngāti Te Ata Waiohua, and Ngāti Tamaoho) to explore potential capital delivery and site sale opportunities. These could cover areas such as cultural narrative and design, commercial options, procurement and contracting, tikanga, and governance.
24. Te Whakaoratanga I te Puhinui is a flagship project that focuses on bi-cultural leadership and partnering with Te Waiohua chairs to shape, plan, deliver and maintain te ora (the health) of Te Puhinui – tangata, whenua me taiao (people, place, and nature).
25. Panuku intends to continue to work with Te Waiohua and mana whenua katoa throughout the delivery of this project. This will include working with mana whenua and appointing Māori subject matter experts that have been supporting and advising, allowing a Mātauranga Māori view to be embedded in all our projects.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

26. Manukau continues to be a complex stakeholder environment as there is a limited residential community in the centre and most stakeholders are larger businesses or community and crown organisations.
27. There are project specific stakeholders that are being managed, well maintained and informed. This includes site sale monitoring and developer interface and support.
28. Through our placemaking workstream, Panuku created "Manutahi" group (local placemakers). It continues to develop and is the forerunner of a wider Manutahi network to be developed across Panuku south Priority Locations. Manutahi meetings continue to be a space to socialise Panuku projects and to build channels into a disenfranchised community which we can tap into for feedback as well as continue to build capacity.
29. Te whakaoratanga I te Puhinui (The Puhinui Regeneration Strategy) represents a significant collaborative programme of work with many of our key partners and stakeholders in Manukau. The collaborative approach and partnerships are recognised in the proposed Charter and stand to influence and benefit wider stakeholder relationships across Manukau.
30. Transform Manukau is facilitating capacity building in the community to enable compliance around Council procurement and regulations. Consequently, the programme is piloting capacity training with a community contractor around event permitting and site management via activations which complies with Council process.

Ngā whakaaweawe rauemi | Resourcing impacts

31. The programme anticipates 10 FTE of internal resource over the next 12 months, comprising development and project managers, and expertise from Panuku's centres of excellence.
32. This is supplemented by leveraging and making good use of our partners resourcing capacity on several projects to help ensure credible progress towards delivery continues.

Tauākī whakaaweawe āhuarangi | Climate change impacts

33. Manukau Central is deemed a climate vulnerability hotspot with its very high exposure and sensitivity to climate impacts, coupled with very low adaptive capacity. Manukau has been identified as one of the most vulnerable areas of Auckland to climate change impacts due to factors such as the socio-economic context and low levels of existing tree cover.
34. Opportunities within Transform Manukau projects such as Hayman Park wetland works, streetscapes works and upgrades to the Puhinui stream corridor to increase greenspace, canopy cover and shade, and mitigate flooding, can be scoped further as part of programme delivery to strengthen the area's climate resilience.
35. Projects like the Kotuitui housing development, Barrowcliffe Bridge works and walking and cycling networks which are part of Transform Manukau, seek to reduce emissions and enable low carbon lifestyles by providing efficient and resilient homes. They also connect the community with the town centre to foster active transport modes.
36. Te Whakaoratanga I te Puhinui (the Puhinui Regeneration Strategy) is a pilot project in the Auckland Climate Action Plan, supporting the action to 'build the resilience of Auckland's indigenous biodiversity, habitats and ecosystems to the impacts of climate change'. Lessons learnt from this project will be shared to support the further creation of green infrastructure and climate resilience in Auckland.

Ngā koringa ā-muri | Next steps

37. The programme will continue to refine the masterplan and spatial delivery plan to respond to change and align further with partners. The programme will progress the initiation of new pipeline projects, progress design phases and work towards staged delivery of public good projects and facilitating site sales for strategic development outcomes. The transformation of Manukau is a collaborative effort with our key partners and stakeholders as Panuku alone is not able to delivery complete end to end regeneration on its own.
38. FY22 site sales, public good projects and placemaking are being prepared for the Long-term Plan budget process so that the transformation of Manukau can continue.

Ngā tāpirihanga | Attachments

Attachment A: Transform Manukau Programme Business Case Overview Summary

Attachment B: Transform Manukau Project Scope & Sequencing

Ngā kaihaina | Signatories

Ian Wheeler, Chief Operating Officer

David Rankin, Chief Executive

Transform Manukau

Programme Business Case
Overview

March 2021

Manukau is the thriving heart and soul for the south

Manukau Central as the gateway to affordable and sustainable urban living, a meeting place and a hub for learning, leisure, cultural experiences; surrounded by healthy neighbourhoods.

Strategic Case

Location Context

Manukau is a Panuku 'transform' priority location, with the aim of creating a thriving city centre, connected to healthy and sustainable neighbourhoods.

The Manukau area is home to a young, diverse and growing population, rich in Pacific and Māori culture with strong community networks. Manukau is located at the centre of the growing South Auckland region only eight kilometres from the Auckland International Airport and well linked to the Auckland CBD by rail and bus. It has a civic and academic centre, a retail focus and several Auckland-wide attractions.

Since 2016, Eke Panuku and our partners have laid the groundwork with the community. Several projects already underway, including property sales to achieve attractive development outcomes, public realm upgrades, community building and coordination with initiatives that focus on building local job skills and employment opportunities.

What we've achieved so far:



RAMADA SUITES



HAYMAN PARK STAGE 1



REGULAR COMMUNITY ACTIVATIONS



MIT TECH PARK



BARROWCLIFFE BRIDGE



KOTUITUI DEVELOPMENT WIRI (BARROWCLIFFE)



PUTNEY WAY UPGRADE

Strategic Case

Problem Definition

ILM overview

Manukau Central lacks strong sense of place

Local communities describe Manukau Central as a place to shop, work or study – a transactional place – rather than a meeting place that celebrates the diversity of South Auckland.



Underwhelming civic amenity and open space

Poor perceptions of safety

The city centre fails to provide a day/night economy and active street life



Puhinui Stream has been significantly degraded and hidden by urbanisation



Walking and cycling feels challenging, inconvenient and restricted



Limited PT services that connect surrounding neighbourhoods to Manukau Central



Excessive at-grade parking



High speed streets discourage walking and cycling within Manukau Central and to & from surrounding neighbourhoods



Limited access to more and a greater diversity of quality jobs



Underutilised open space/ reserve land to support sport and recreational needs



The Wiri neighbourhoods suffer a high level of social and economic deprivation

Manukau residents having high rates of victimisation and offending



Minimal affordable and high-density market housing with a range of typologies and tenures, for both existing and new residents, including student housing.

Fragmented urban form and PT connectivity to surrounding neighbourhoods

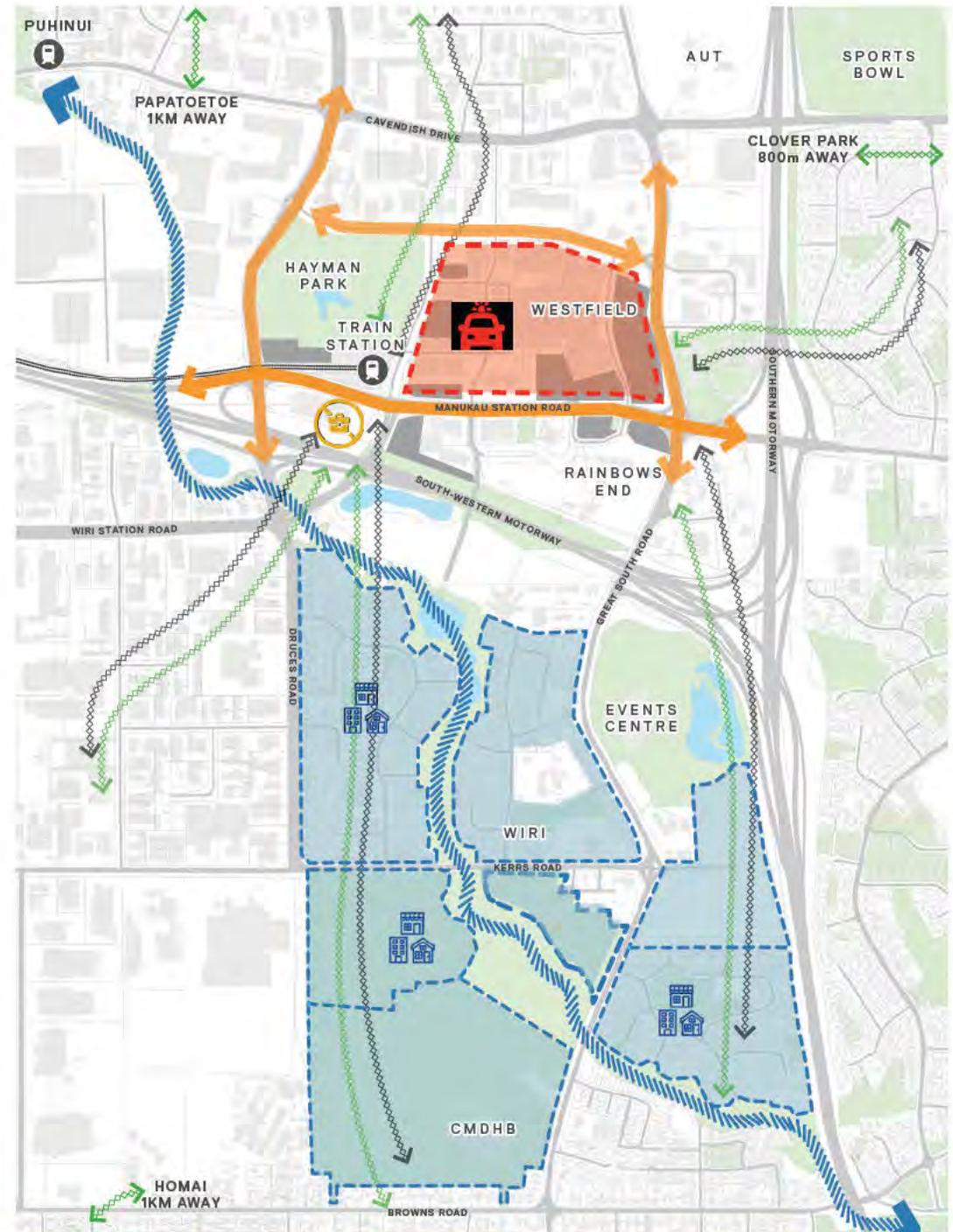
Manukau Central is car dominated and lacks cohesion, with large regional roads dominating at the expense of the local network, making the area unfriendly at a human scale.

High unemployment and social needs

Surrounding communities have high rates of unemployment, low proportion of post school qualifications and a high rate of youth not in the labour force.

Limited housing diversity and growing unaffordability

Manukau has low rates of home ownership, and high rates of overcrowding. Poor health and education outcomes are in part driven by sub-standard housing and overcrowding.



Strategic Case

Regeneration Approach

Key Moves

Realising the potential of the Puhinui Stream



Creating a vibrant heart



The Wiri healthy neighbourhood



Harnessing Learning and innovation opportunities



Enhancing Community Connectivity



Initiatives

Puhinui Stream and Hayman Park will serve as a connector, recreational open space, and social place for surrounding local neighbourhoods

Consolidate and improve existing civic facilities and a 'next-generation' mall that provides for community life as well as retail, entertainment and food offer

Encourage new high-quality and medium and high-rise apartments with a mix of tenure and typologies to increase and diversify the residential population in Manukau Central

Expand and diversify retail offerings by having a thriving and safe night-time economy

Work with community to co-design public spaces in Manukau Central

Continue to foster relationships with community partners via placemaking workstream.

Enable mana whenua to practice kaitiakitanga where possible to enhance ecological, cultural, social and economic outcomes

Support Kāinga Ora deliver affordable ownership and market-attractive homes, plus new and improved social housing

Support the development of new commercial office space in Manukau Central, including government and council offices consolidated in new buildings, close to transport.

Facilitate development that positively contributes to better learning opportunities for children, young people and tertiary students

Create procurement policies that encourage contractors to use local enterprise, resources and people

Partner with Auckland Council to deliver an improved ecological environment, plus sport, recreational and community service needs.

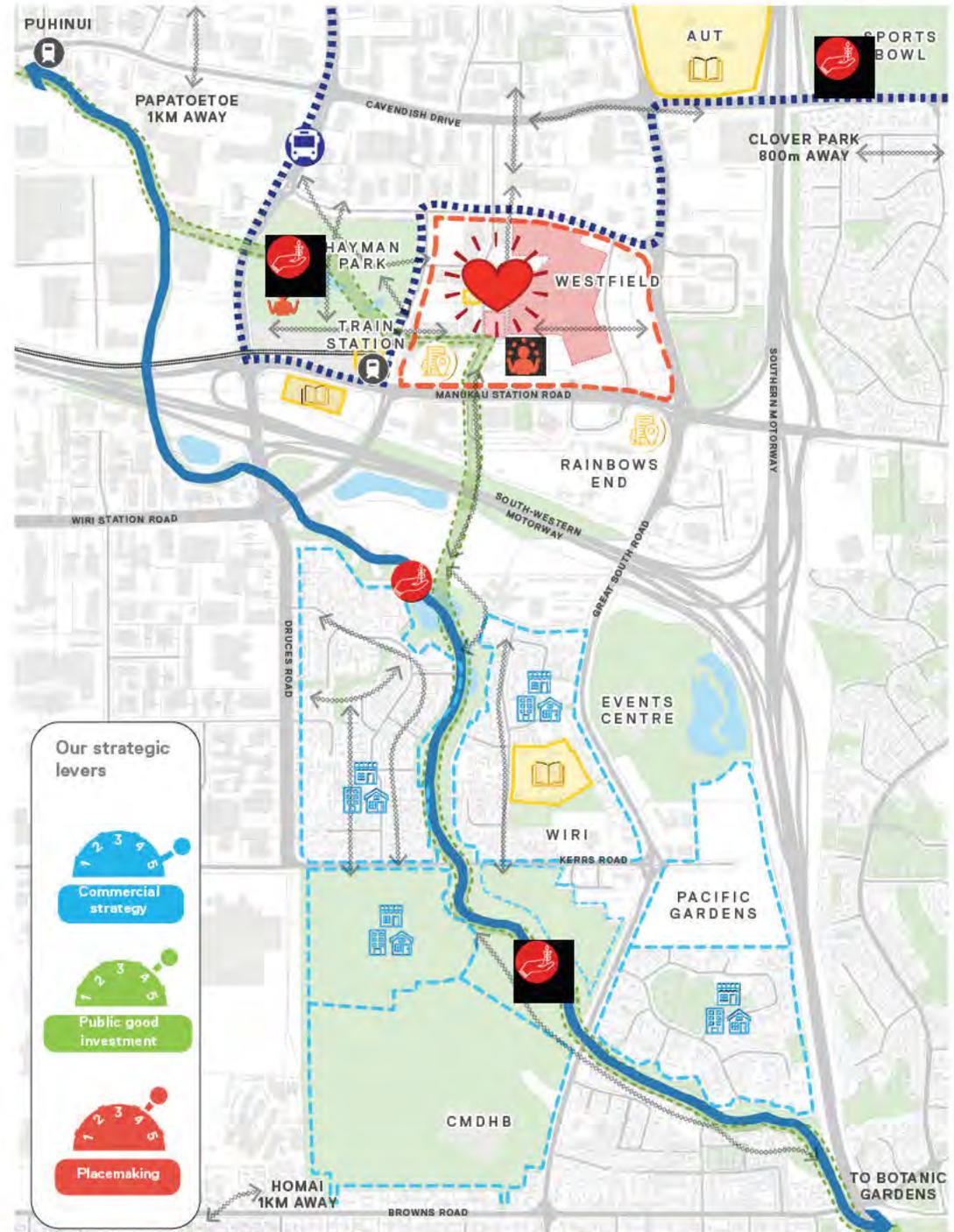
Promote walkability by managing vehicle speeds, making intersection improvements and filling in missing links to the walking network

Support AT deliver a comprehensive cycle network that provides attractive and safe cycling connections to its surrounding local neighborhoods

Deliver a parking strategy that concentrates parking within multi-level buildings in partnership with AT

Support mass-transit route from Airport to Manukau Central and onward to Botany in partnership with AT

Deliver increased levels of tree cover to assist with attractive streets and additional pedestrian and cyclist shade, plus shelter.



Masterplan - City Centre Spatial delivery plan

HLPP AREA

CITY CENTRE

Projects completed & underway

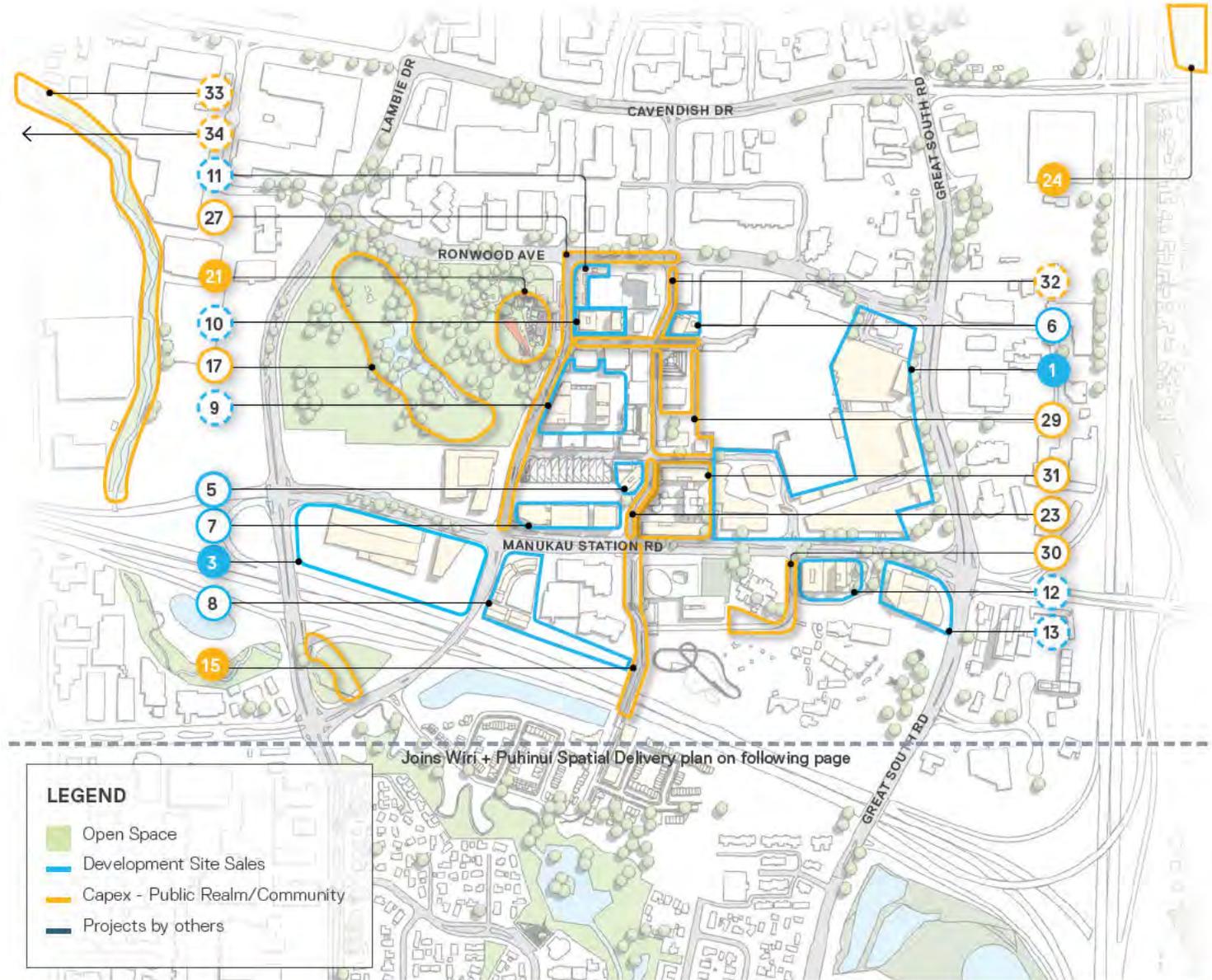
- 1 Westfield M II Carpark Site Sale
- 3 52-54 Manukau Station Rd (MIT) Site Sale
- 16 Barrowcliffe Bridge Works
- 20 Walking and Cycling Network Works (across the programme)
- 21 Hayman Park Playground Works
- 24 Manukau Sports Bowl Investment

Short-term projects (FY22-24)

- 5 10 Putney Way Site Sale
- 6 9 Osterley Way Site Sale
- 7 Lot 1 of 31-33 Manukau Station Road Site Sale
- 8 50 Wiri Station Road Site Sale
- 17 Hayman Park Wetland Works and Contribution
- 23 Osterley Way at Civic Streetscape Works
- 25 Manukau Public Art Contribution
- 26 Parking Management Solutions (overall programme area)
- 27 A2B Streetscape Contribution
- 29 Manukau Square Works
- 30 Karina Williams Way Extension Works
- 31 Manukau Civic & Putney Way Contribution

Long-term projects (FY25+)

- 9 14 Davies Avenue Site Sale
- 10 8 Davies Avenue Site Sale
- 11 2 Davies Avenue Site Sale
- 12 12 Manukau Station Road carpark Site Sale
- 13 2 Clisby Cres carpark Site Sale
- 32 Osterley + Amesham Way Works
- 33 Puhinui Stage 4 - Manukau Industrial Area Works
- 34 Puhinui Stage 5 - Puhinui Park Works (Plunket Ave)



Masterplan - Wiri + Puhinui Spatial delivery plan

HLPP AREA



Projects completed & underway

- 2 Vodafone Events Centre Carpark (partial sale)
- 4 20 Barrowcliffe Place Site Sale
- 14 Barrowcliffe Pond Shared Path
- 15 Barrowcliffe Bridge Works
- 16 Puhinui Wiri playground Works
- 22 Wiri Bridge Capital Works
- 35 Pacific Gardens

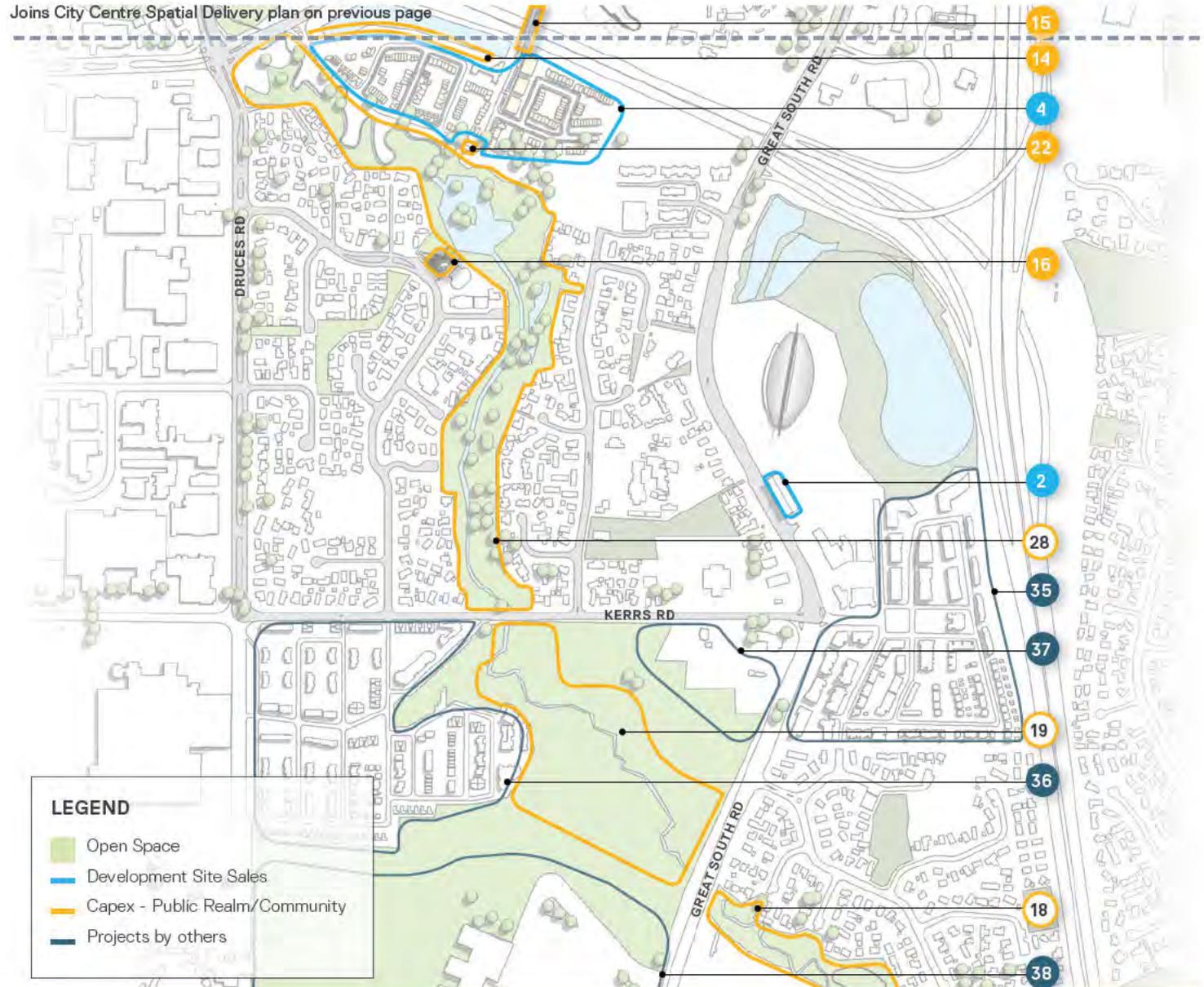
Short-term projects (FY22-24)

- 18 Puhinui Stage 1 - Ratavine Reserve Works
- 19 Puhinui Stage 2 - CMDHB Walkway Works
- 28 Puhinui Stage 3 - Wiri Reserve Works
- 36 Kāinga Ora Wirihana

Long-term projects (FY25+)

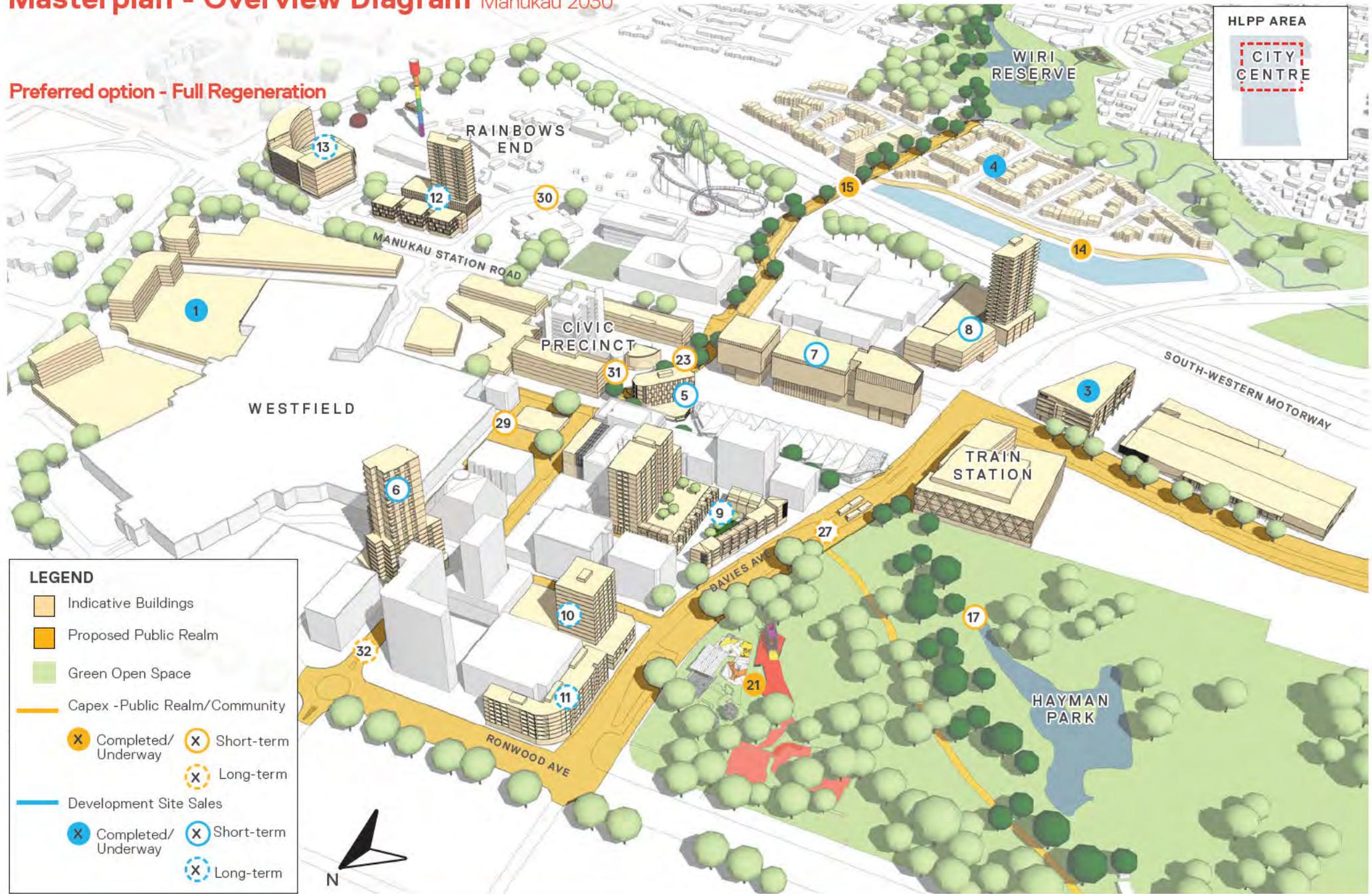
- 37 Kāinga Ora Investigations
- 38 Manukau Health Park development

Joins City Centre Spatial Delivery plan on previous page



Masterplan - Overview Diagram Manukau 2030

Preferred option - Full Regeneration



Masterplan - Overview Diagram Manukau 2030

Preferred option Full Regeneration



Delivery plan



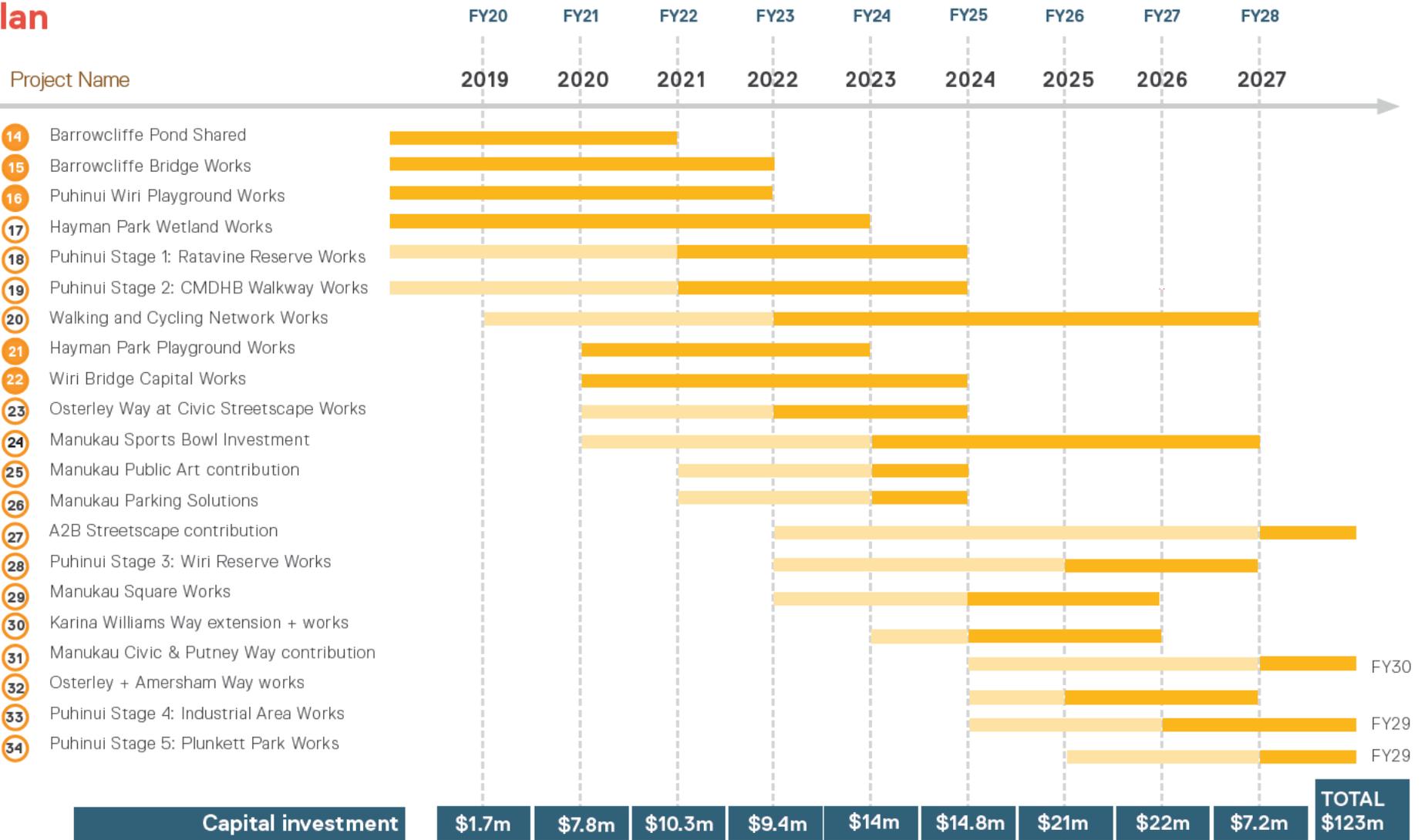
Project Name

- 1 Westfield mall carpark
- 2 Vodafone events centre carpark (partial sale)
- 3 52-54 Manukau Station Road (MIT) Site Sale
- 4 20 Barrowcliffe Place Site Sale
- 5 10 Putney Way Site Sale
- 6 9 Osterley Way Site Sale
- 7 Lot 1 of 31-33 Manukau Station Road Site Sale
- 8 50 Wiri Station Road Site Sale
- 9 14 Davies Avenue Site Sale
- 10 8 Davies Avenue Site Sale
- 11 2 Davies Avenue Sale
- 12 12 Manukau Station Road carpark Site Sale
- 13 2 Clist Crescent carpark Site Sale



■ Initiate/plan
■ Unconditional

Delivery plan



Commercial Case

Market Condition

Retail and commercial

The Government Property Group is committed to delivering c.20,000m² of new Grade A commercial office space in Central Manukau. It is expected that the older office spaces will be upgraded before being re-leased as Grade B office space or other adaptive use and meet market demands for the next 5+ years.

Westfield Manukau City effectively supplies any market required retail space. Panuku is focussed on enabling retail in strategic locations that activates & improves the quality of public space.

Residential

Transform Manukau Programme has identified potential for approximately 1000 new homes in Manukau, in addition to those already planned or underway.

Apart from the Crown interests, significant market led development of Manukau City Centre has occurred slowly despite extensive planning, identification of Manukau as a metropolitan centre, and liberal zoning.

There is less need for Panuku to contribute social housing in Manukau Central due to existing Kāinga Ora sites in Wiri, and recent Community Housing Provider social housing developments.

Development approach

1 Short term (years 1-3)

Development opportunities in Manukau Central will explore lower residential mixed-use density development that leverages off pipelined public realm projects and new housing supported by central government.

Transform Manukau will also investigate niche market development opportunities, such as healthcare, education and entertainment.

2 Medium term (years 3 – 6)

Development will primarily focus on accommodating government office, short term accommodation, and niche medium density (terrace and low-rise apartments) residential opportunities.

High-amenity and high-density sites will be held until market conditions are feasible.

3 Long term (7+ years)

High-amenity and high-density residential and commercial sites will be developed that improve choice of quality affordable housing and employment and educational opportunities for local communities.

-  Projects underway or completed
-  Short-term projects (FY22-24)
-  Long-term projects (FY25+)



Financial Case

SDF Acquisitions



Net Site Sales



after costs of sale
and SDF

LTP Capex



LTP Opex



Economic Case

Critical Success Factors

1. Strategic fit

- Improved choice of quality affordable housing
- Accessible, vibrant town centre and neighbourhoods
- Improved quality employment and educational opportunities
- Resilient and empowered community with strong identity
- Supports mana whenua aspirations
- Catalyst for further development

2. Achievability

- Sufficient resources to deliver programme
- Strong interest from suitable development partners
- Public realm initiatives are feasible and supported by Council agencies

3. Optimises value for money

- Optimisation of council owned properties
- Sufficient financial return to invest in public realm projects
- Address critical market dynamic and minimise market associated risks
- Maximise Cost Benefit ratio

4. Affordable

- Funding able to be obtained from Council or other sources
- Council approval of updated Investment Proposals
- Programme managed in accordance with Treasury best practise approaches

5. Service provider capacity and capability

- Delivery on schedule and within budget
- Development partners with proven capability to ensure optimal design and construction of high-quality developments
- Grow local capacity in project procurement

Outcomes & Benefits



References

This programme overview draws on the following detailed supporting information:

1. Auckland Council. Auckland Plan 2050 (2018) <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan>
2. Transform Manukau High Level Project Plan (2016) <https://www.panuku.co.nz/downloads/assets/5307/1/manukau%20high%20level%20project%20plan.pdf>
3. Manukau Framework Plan (2017) [https://www.panuku.co.nz/downloads/assets/5304/1/manukau%20framework%20plan%20\(part%20one\).pdf](https://www.panuku.co.nz/downloads/assets/5304/1/manukau%20framework%20plan%20(part%20one).pdf)
4. Ōtara-Papatoetoe Local Board Plan (2020) <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/local-boards/all-local-boards/otara-papatoetoe-local-board/Documents/otara-papatoetoe-local-board-plan-2020.pdf>
5. Manurewa Local Board Plan (2020) <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/local-boards/all-local-boards/manurewa-local-board/Documents/manurewa-local-board-plan-2020.pdf>
6. Ōtara-Papatoetoe Area Plan (2014) <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/place-based-plans/area-plans/Documents/Otara-papatoetoe-area-plan.pdf>
7. Ōtara-Papatoetoe Greenways Plan (2017) https://www.aucklandcouncil.govt.nz/local-boards/otara_papatoetoe_draft_greenways_plan
8. Community Facilities Network Action Plan (2019) <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/community-social-development-plans/community-facilities-network-action-plan>
9. Parks and Open Spaces Strategic Action Plan (2013) <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/parks-sports-outdoor-plans/Documents/parks-open-spaces-strategic-action-plan>
10. National Policy Statement on Urban Development (2020) <https://www.mfe.govt.nz/publications/towns-and-cities/national-policy-statement-urban-development-2020>
11. Barfoot & Thompson, March 2019 Suburb report <https://www.barfoot.co.nz/market-reports/2019/march/suburb-report>
12. City Rail Link, NZTA (2020) <https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/auckland-package/auckland-rail/>
13. Puhinui Station Interchange (n.d.) <https://at.govt.nz/projects-roadworks/airport-to-botany-rapid-transit/puhinui-station-interchange/>
14. RIMU, REINZ figures (2019) <https://www.reinz.co.nz/residential-property-data-gallery>
15. Statistics New Zealand Census (2018) <https://www.stats.govt.nz/>
16. Auckland Property Market Analysis, CBRE September 2020
17. Auckland Region Climate change projections and impacts, NIWA (2018) <http://www.knowledgeauckland.org.nz/assets/publications/TR2017-030-Auckland-region-climate-change-projections-and-impacts>
18. Green Star Communities Submission Guidelines v1.1 2016
19. Manukau Central Walking and Cycling Area Plan (2017) Panuku & Auckland Transport
20. Airport to Botany Detailed Walking and Cycling Station Access Assessment (2017) Auckland Transport
21. Auckland's Urban Ngahere (Forest) Strategy (2019) <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/Documents/urban-ngahere-forest-strategy.pdf>
22. Te Puhinui Regeneration Strategy Document (2020) Eke Panuku

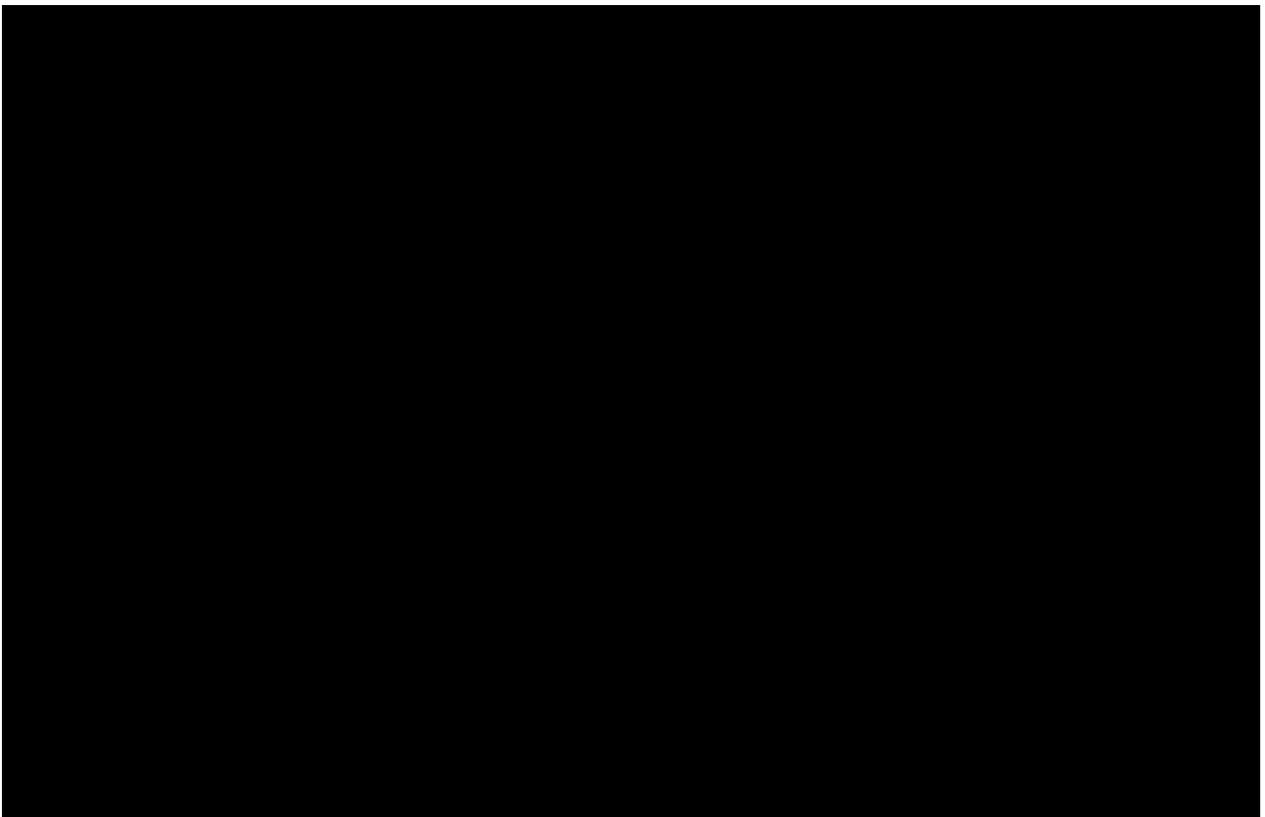
Decision paper: Supports; Sites C & D Totara Ave, New Lynn

Author: Adam Sadgrove, Development Manager

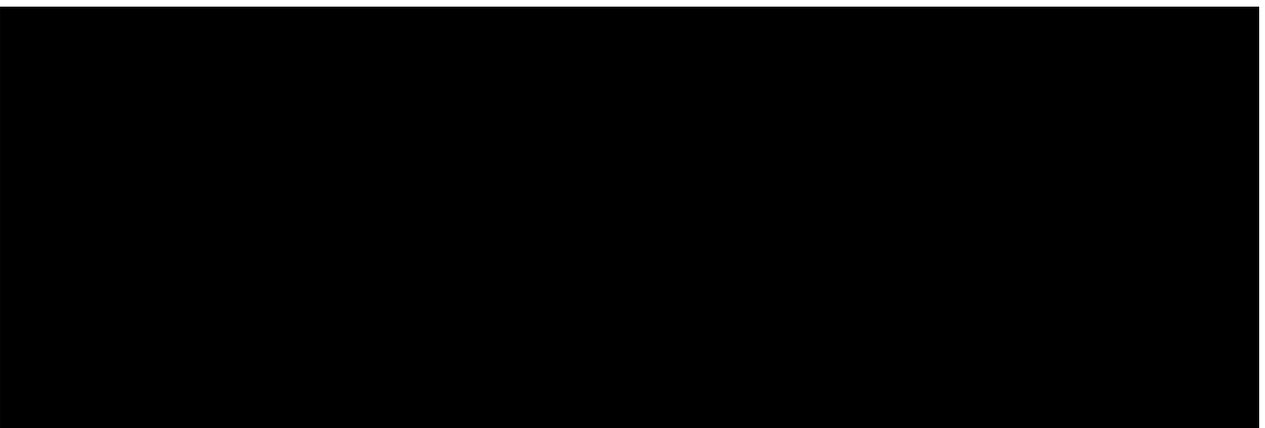
March 2021

Ngā tūtohunga | Recommendations

1. That the Panuku Board...



Whakarāpopototanga matua | Executive summary



Horopaki | Context

Previous Board / Council engagement and decisions

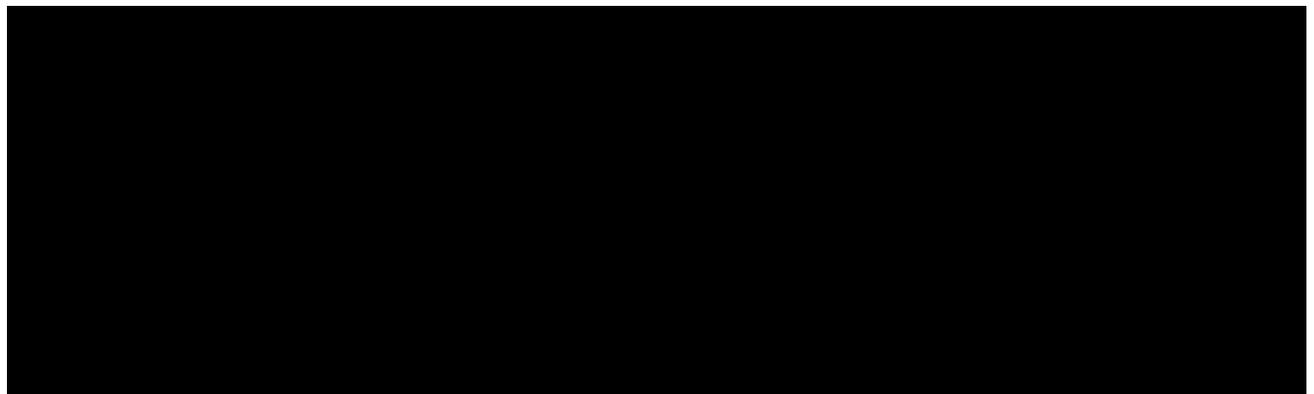
| Date and meeting | Document | Decision / Outcome |
|------------------|--|---|
| 28 October 2010 | Joint Development Agreement | Agreement signed by Waitakere City Council and Infracore Infrastructure Property Limited. Providing the framework for the Development of Merchant Quarter in New Lynn |
| 19 October 2012 | Variation Agreement | Transferring the entity from Waitakere City Council to Auckland Council |
| 21 December 2014 | Finance and Performance Committee minute FIN/2014/79 | Approving 10- 22 Totara Avenue (part site C) land for disposal |
| 23 May 2017 | Finance and Performance Committee minute FIN/2017/57 | Approving 3 Memorial Drive (balance site C and D) land for disposal |
| October 2020 | Decision Paper - Supports Sites C&D Totara Ave, New Lynn | Board Approved Sale to Joint Venture Partner subject to Partner Board Approval and execution of the Sale and Development Agreement |

Matapaki | Discussion



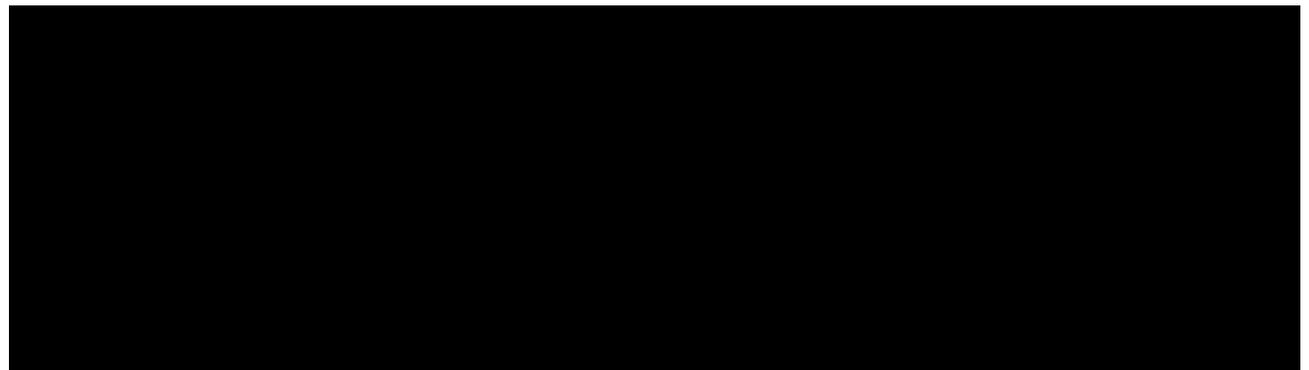
Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications



Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

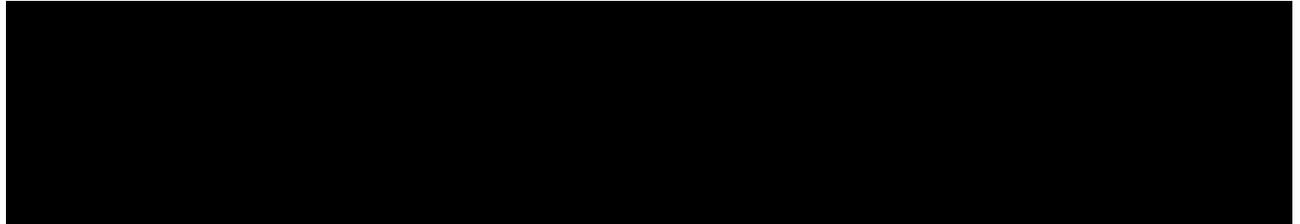
13. Risks will be mitigated against as follows:



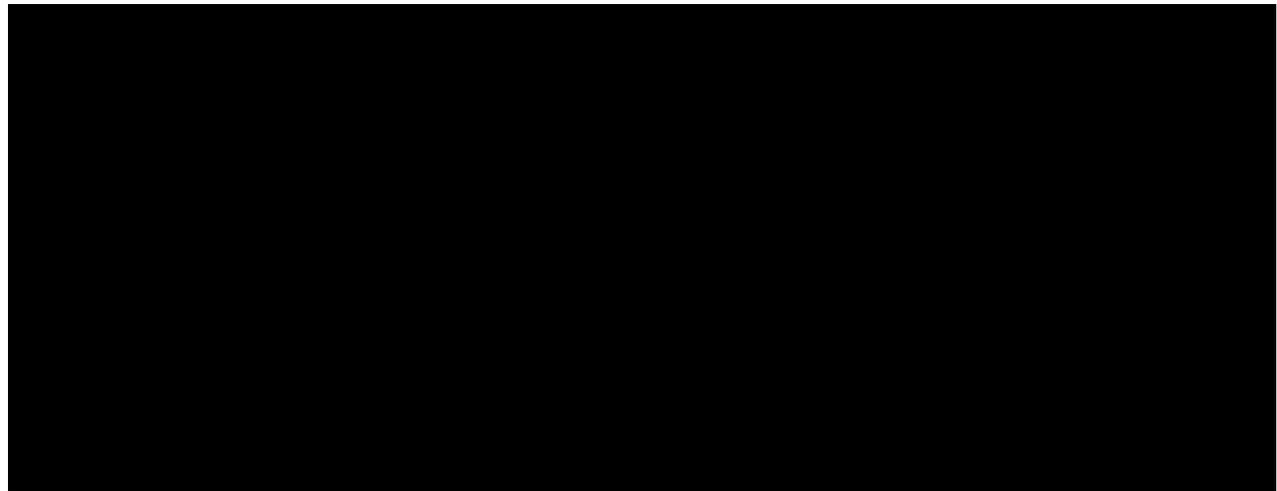
Tauākī whakaaweawe Māori | Māori impact



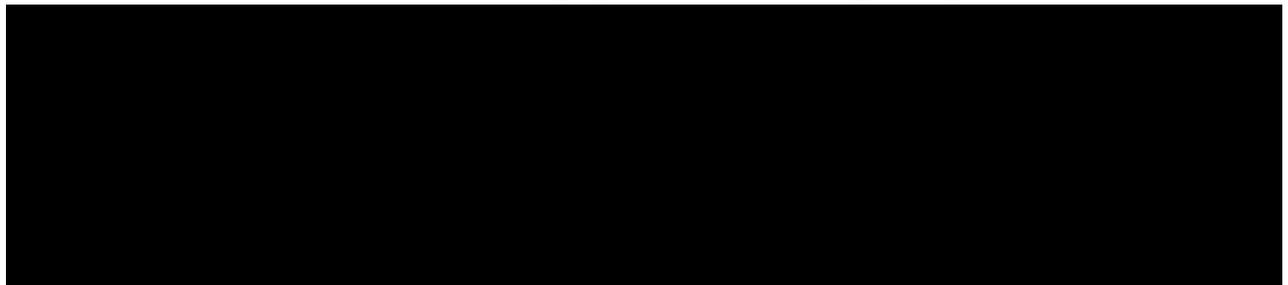
Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts



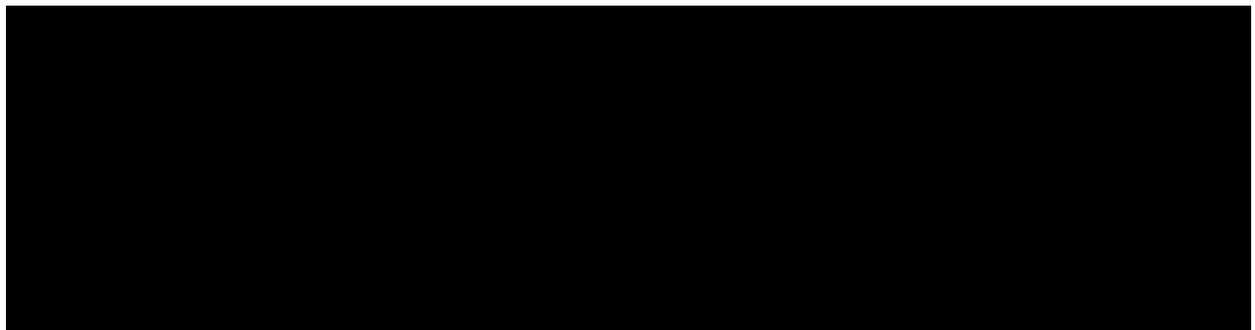
Ngā whakaaweawe rauemi | Resourcing impacts



Tauākī whakaaweawe āhuarangi | Climate change impacts



Ngā koringa ā-muri | Next steps



March 2021

Ngā tāpirihanga | Attachments

Attachment A - Design Brief Feb 2020

Attachment B - Essential outcomes and site plan

Ngā kaihaina | Signatories

Allan Young, GM Development

Marian Webb, GM Assets & Delivery

David Rankin, Chief Executive



New Lynn Merchant Quarter Sites C and D

DESIGN BRIEF
February 2020

Introduction

Sites C and D are two sites located within the Merchant Quarter of the New Lynn centre. They are in close proximity to the train station, community centre and the recently completed apartment tower and car park. They will be a defining part in the ongoing development of the New Lynn centre.

This design brief has been prepared by Panuku Development Auckland to help shape the site development response with guiding design principles presented alongside the essential outcomes.

Document Contents:

- Introduction
- Strategic context
- The site
- The vision
- Site brief - design principles and essential outcomes



McCrae Way



McCrae Way site boundary



Site from McCrae Way



Totara Avenue frontage including OAGS building

Strategic context

Merchant Quarter

The Merchant Quarter is identified in the New Lynn Urban Plan (2010) as the centrepiece of the New Lynn Urban Plan with two major areas of change separated by Great North Road.

The area is seen as the 'Merchant Heart' of New Lynn and the key site to progress change. The goals of the Plan are well advanced - McCrae Way and Totara Ave have been upgraded, and the neighbouring iconic apartment tower and car park building (Site B) are complete with ground floor retail/food and beverage units fully occupied.

The Site A and B developments set a benchmark for quality in the area that any proposal is expected to meet or exceed.

Site C is a key part of delivering the vision of a thriving, active heart in the middle of New Lynn. The New Lynn Urban Plan suggested that Site C may include a new public space. However, following the completion of McCrae Way as a shared space it is now considered that it performs the desired amenity space function. Development on Site C required create a strong edge to the street.

Site D will 'turn the corner' on the northern side of McCrae Way, and become the building block that stitches Great North Road back to the library.



Merchant Quarter, New Lynn

The vision

Sites C and D will contribute to the high quality architecture that is becoming the signature of this vibrant mixed-use Merchant Quarter

AC and IIPL entered a Joint Venture in 2012 to develop the Merchant Quarter but stages 1 and 2 completed. The parties are now seeking to advance the development of Sites C and D in a collaborative approach.

Key overarching aspirations are for:

- development responsive to the unique locality;
- fine grained ground floor retail with a focus on food and beverage use overlooking the streets, with residential and commercial activities above;
- high quality architecture that builds on the new developing character of New Lynn;
- development that retains the frontage of the OAGS building, and carefully considered architecture that responds to its heritage character.



Aspirational imagery

Site Brief

In preparing the site proposal, the development team should address the following design quality principles that govern an appropriate response to this site.

These have been divided into six themes as follows:

- Context
- Movement
- Housing diversity & density
- Built Form
- Landscape
- Sustainability

A set of essential outcomes drawn out of these principles that development proposals will need to fully satisfy are set out on page 7.

Reference Documents

Panuku uses the [Auckland Design Manual](#) as a reference document to guide design quality.

<http://www.aucklanddesignmanual.co.nz/>

All Panuku work also needs to be guided by the [Corporate Responsibility Framework](#) which can be found here:

<https://www.panuku.co.nz/www/pdfs/panuku-corporate-responsibility.pdf>

Note: These principles do not encompass detailed aspects that are otherwise covered through planning consent requirements. It should be noted that the Totara Ave frontage is a Key Retail Frontage, and there is a Historic Protection Overlay on the eastern side of the site.

consent requirements related to the retention of the OAGS facade will apply.

Context

- Development responds to the challenges and respond to the unique context of the site.
- The design proposal will include a context analysis and design response, drawing on the work that has been undertaken in the New Lynn Urban Plan. Key to this will be demonstrating an understanding of the vision for Merchant Quarter and the New Lynn town centre.
- 'Sense of Place' is very important. The development will need to demonstrate how it responds to and adds to the current character of New Lynn - particularly the neighbouring new apartment building and car park. It will also need to acknowledge New Lynn's industrial past.
- The facade of the OAGS building is heritage listed and is an extremely important part of the character of the street and of New Lynn's history. Sensitively incorporating the facade of this building into the new development is critical to the success of the overall proposal.
- The development will need to acknowledge the role of Mana Whenua and incorporate Te Aranga Maori Design Principles.

Movement

- The site is challenging, as it has public fronts on three sides and includes a public open space. Crime Prevention Through Environmental Design (CPTED) principles must form a cornerstone of any design - all streets must be addressed and overlooked by the

buildings. All pedestrian environments must be safe and welcoming.

- **Totara Ave** - Totara Avenue should be built to the edge of the footpath to form a continuous building line with at least 80% active or occupied frontage (unobscured glazing associated with retail, food and rooms). The Totara Avenue frontage should have a continuous verandah at a height and width to align with the OAGS building. The OAGS building forms a key part of this frontage - façades on this street edge will need to demonstrate how they respond to (but not mimic) the qualities of this building.
- The **Oags building** must be retained and the original character maintained. . It would suit retail use or the entrance lobby to the apartments.
- **McCorquindale Lane** - McCorquindale Lane should incorporate some active or occupied frontage, for a minimum of 20% of the facade. There is a space between the edge of the existing OAGS building and the back of the footpath of approximately 4m. The development should explore what options would be possible in this space as public realm, such as outdoor dining.
- **McCrae Way** - McCrae Way should be built to the edge of the footpath to form a continuous active or occupied frontage for 80% of facade (unobscured glazing). The street frontage should have a void to solid ratio of 80% (unobscured glazing) to 20% (solid material). A verandah should be provided along this

Site Brief

street frontage, but this will need to consider the existing trees and furniture.

- Site D will form the northern edge of McCrae Way and will stitch Great North Road back to the Library and Memorial Square. It must provide a positive experience for pedestrians and a well designed retail edge.

- A single point of vehicle access and egress (two way).

It should be no more than 6m wide and with a drop curb crossover designed for universal access. Any car access and servicing should be provided from this lane and needs to be carefully considered and designed. Any on site car parking must be visually concealed from the street (McCrae Way and Totara Avenue).

Housing diversity & density

- The site is suited to a range of retail, food and beverage and residential uses. Active uses should be provided at ground level, and a mix of housing types or commercial uses provided above ground level.

Built form

- Building heights between 4 and 7 storeys is envisaged, however, the building could go higher. The minimum acceptable building height is 4 storeys. Building height and mass must carefully consider shading impacts, particularly on the adjoining public realm.

- Buildings are to be built to back of pavement.
- These are important sites and the architecture will need to be high quality. The development will be highly visible from all sides and will need to be designed 'in the round' and show how all the elevations have been considered together.
- The buildings should consider and respond to the adjacent new development (apartment block and car parking building)
- The development should help to reinforce 'sense of place' - its location in west Auckland and New Lynn's industrial past
- Site C should sensitively consider and respond to the architecture of OAGS building, without mimicking it - there should be a clear distinction between the OAGS building and new development. Development above the OAGS building must be set back so that it clearly reads as a separate element. More detailed heritage requirements are to follow
- Te Aranga Maori Design Principles must be applied to an engagement process with mana whenua.
- The design will need to demonstrate compliance with Crime Prevention Through Environmental Design (CPTED) principles through an independent review.
- The development should consider best practice universal design to allow access for people of all ages and abilities.

Sustainability

- Demonstrate the potential for 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 natural cross ventilation.
- Development must achieve a minimum 6 Homestar rating or equivalent.

Essential Outcomes

- Development to follow a continuous building line to back of footpath (zero setback).
- Target 80% active or occupied frontage (un-obscured glazing associated with retail, food and habitable rooms) required along McCrae Way and Totara Avenue. Target Min 20% active or occupied frontage along McCorquindale Lane.
- Incorporate OAGS heritage façade into ground
The design must clearly show the OAGS building as a separate element.
- Development to be of an urban scale with a minimum 4 storeys to compliment adjoining scale
- Architectural design and the facade materials the character of adjoining buildings and that expressed for the Merchant Quarter in the New Lynn Urban Plan.
- address with preference given to Totara Ave if achievable.
- Vehicle access/egress to on-site car parking/ service areas, if required, should be from McCrae Way (for Site C) with appropriate crossover design that supports universal access principles.
- servicing and needs to be concealed from street

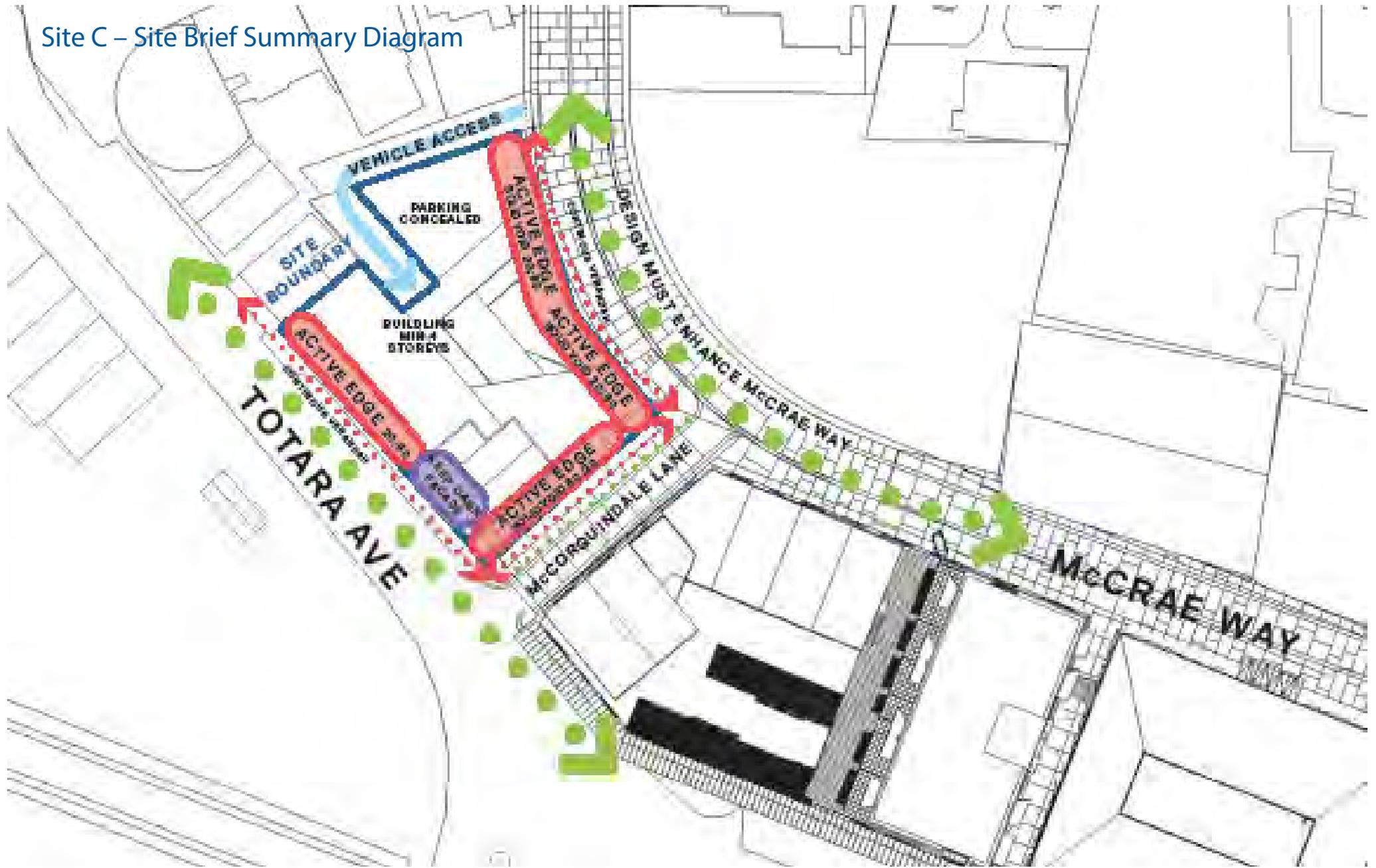
view.

- Development will need to apply Te Aranga engagement process with Mana Whenua
- Development will need to be CPTED compliant
- Developed Design
- Minimum of a Homestar Rating 6.

Review Process

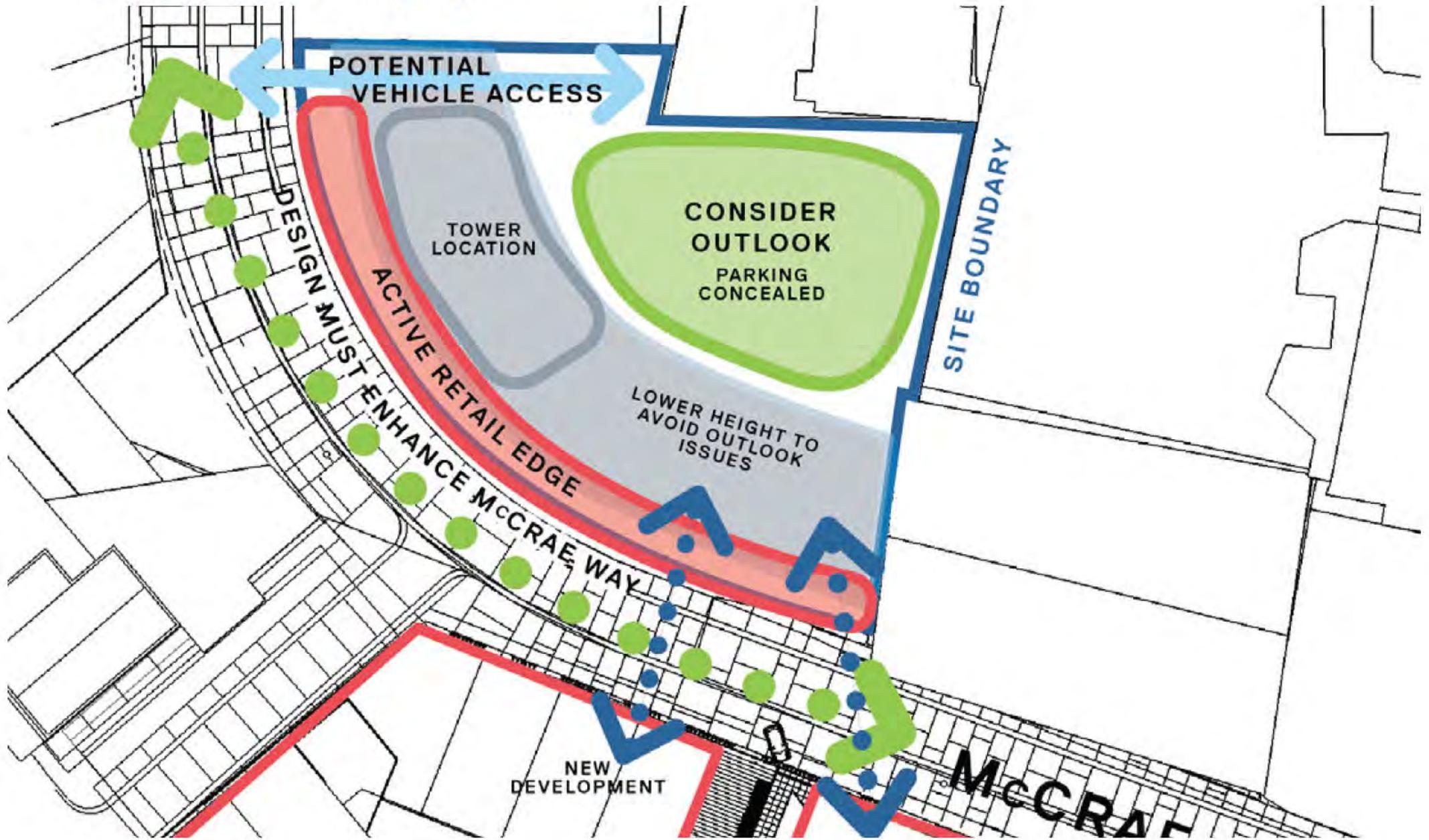
- The parties agree the design will go through a formal review process at Panuku either via Panuku's Technical Advisory Panel (TAG) or through the Auckland Urban Design Panel (AUDP) as part of the resource consent process,
- Any design work that is presented to the AUDP must be given to Panuku to be reviewed prior to it going to Council.
- The design must be given to Panuku prior to lodging Resource Consent, with enough time allowed for review and feedback of up to 2 weeks
- Panuku and IIPL agree to a collaborative approach to design and will require all design consultants to participate in the process.

Site C – Site Brief Summary Diagram



Litemark rating or equivalent.

Site D – Site Brief Summary Diagram



Attachment 2: Essential outcomes and site plan

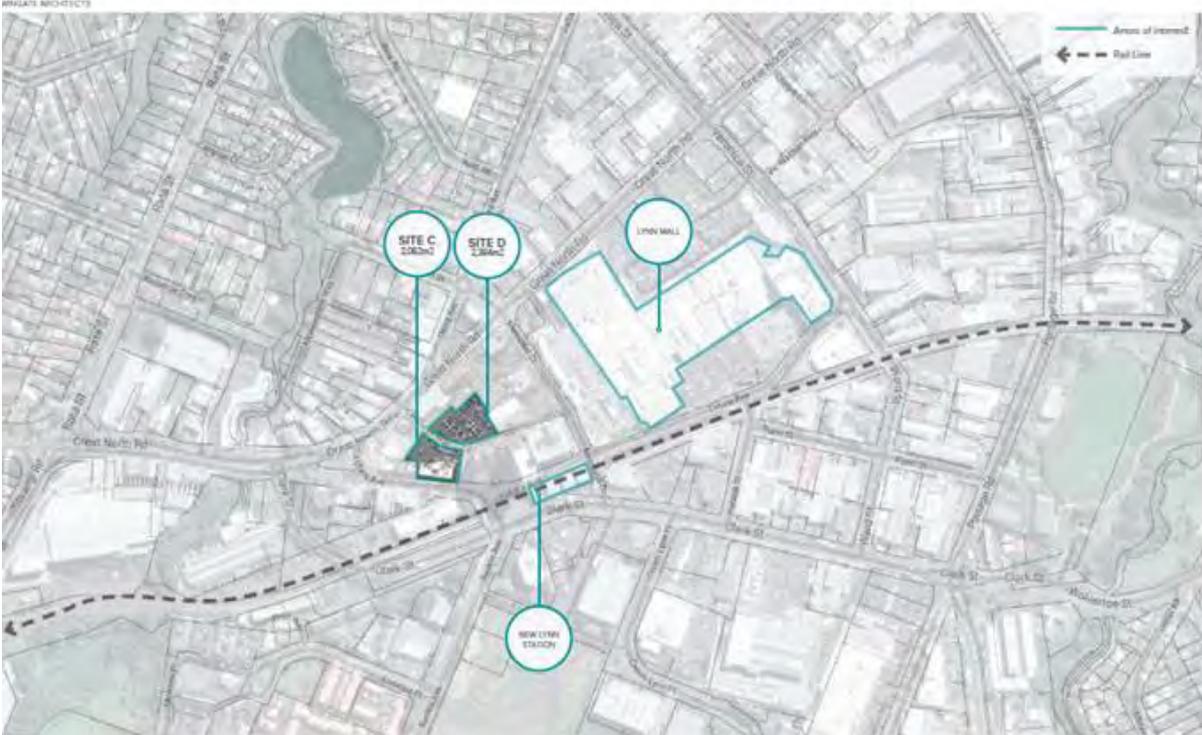
Guiding Principles

- A high quality, sustainable and economically viable redevelopment of the New Lynn Town Centre
- Timely project delivery
- A mix of residential, commercial, and retail land uses within walking distance to the New Lynn town centre
- A pedestrian focused environment within the New Lynn town centre with the pedestrian linkages that are safe and well used
- A sustainable and safe transit interchange oriented within the town centre
- Efficient vehicular and public transport connectivity within the New Lynn town centre
- A cohesive network of public open spaces through the New Lynn town centre
- A unique sense of place and localised identity and community for New Lynn and
- Urban town Centre regeneration for New Lynn.

Essential Outcomes

- Development to provide a minimum of 150 Residential Homes.
- The Residential component of the Development must be designed, built, and certified at a minimum Homestar 6 Rating.
- The Development is to be undertaken in accordance with the "Panuku New Lynn Merchant Quarter sites C & D Design Brief" dated February 2020 with consideration to the following.
- Development to follow a continuous building line to the back of the footpath
- Incorporate the OAG's building into the façade, the design must clearly show the OAG's building as a separate element
- Development to be of urban scale – minimum 4 storeys
- Architectural design and façade materials to be of good quality – reflective of character adjoining buildings and New Lynn Urban Plan
- All buildings should have a defined entry with preference given to Totara Avenue if achievable
- Vehicle access /egress should be from McCrae way and carparking/servicing should be concealed from view
- Development will need to be CPTED compliant through independent review at developed design stage
- Development will need to incorporate Māori Design outcomes as confirmed through an engagement process with Mana Whenua
- "Remedial Works" include the remedial and preservation works in respect of the OAG's façade required to the OAG's building to retain and preserve the OAG's façade (including a not less than 2-meter return) as a part of the Development
- Development of site C and D to be completed within four years of settlement.

Sites C & D: site plan



Information paper: Quarter 2 report to Auckland Council

Document author: Kingsha Changwai, Planning and Reporting Manager

March 2021

Whakarāpopototanga matua | Executive summary

1. The Panuku quarter 2 report covers the company's performance for the quarter and its contents aligns with the Chief Executive monthly reports to the board.
2. The Executive Leadership Team (ELT) approved the report on 23 February, and it was submitted to Auckland Council on 26 February 2021.
3. At end of quarter 2 Panuku is on track with its programme and activity performance targets for the year.

Matapaki | Discussion

4. Some of the highlights and key points noted in the quarter 2 report are:
 - a. Despite the impact of Covid-19, the net surplus on the property portfolio and marinas is \$18 million year to date; \$10.3 million ahead of budget.
 - b. In the Waterfront, we completed projects ahead of the America's Cup including the Silo Park extension, the second stage of Westhaven Promenade, the restoration of the Percy Vos Boat Yard, the Westhaven Marine Village, and a new surface artwork at the Eastern Viaduct.
 - c. In Takapuna, Toka Puia, the new car park built to enable the redevelopment of the Anzac car park site was completed and handed over to Auckland Transport.
 - d. In Northcote, work began on construction of Te Ara Awataha, the new greenway linking 1.5km of reserves.
 - e. In Manukau, construction began on the Barrowcliffe Bridge enhancements, to make a safer connection for people travelling to Manukau town centre from Kotuitui Place.
 - f. In Avondale, Isthmus have been appointed to design the new town square, alongside Athfield Architects which will design the new community facility on behalf of Auckland Council.
 - g. The Statement of Intent performance measures are on track to meet year end targets.

Ngā tāpirihanga | Attachments

Attachment A - Quarter 2 report to Auckland Council

Panuku Development Auckland

Quarter 2 Performance Report

For the period ending 31 December 2020

This report outlines the performance of Panuku which includes regeneration of urban locations and management of Auckland Council's property assets

Panuku Q2 summary

Highlights, issues & risks

Highlights

Despite the impact of COVID-19, the net surplus on the **property portfolio and marinas** is **\$18 million** year to date; \$10.3 million ahead of budget. This is mainly due to rental increases and properties held in the portfolio longer than planned.

Panuku is continuing to build its delivery momentum and completed a number of capital projects in Q2. These deliver urban regeneration outcomes around the region.

- In the **Waterfront**, this includes the Silo Park extension, the second stage of Westhaven Promenade, the restoration of the Percy Vos Boat Yard and the Westhaven Marine Village. A new surface artwork by mana whenua artist Reuben Kirkwood was installed at the Eastern Viaduct. These were all completed ahead of the America's Cup 36 sailing season.
- In **Takapuna**, Toka Puia, the new car park built to enable the redevelopment of the Anzac car park site, was completed and handed over to Auckland Transport. It includes end of journey facilities and bike parking.
- In **Northcote**, work began on construction of Te Ara Awataha, the new greenway linking 1.5km of reserves. It will also daylight and restore a stream.
- In **Manukau**, construction began on the Barrowcliffe Bridge enhancements, to make a safer connection for people travelling to Manukau town centre from the new homes at Kotuitui Place.
- In **Avondale**, Isthmus have been appointed to design the new town square, alongside Athfield Architects which will design the new community facility on behalf of Auckland Council.

Issues/ Risks

- The Wynyard Point and Onehunga Wharf master plan public consultations are deferred until after the Long-Term Plan (LTP) process
- From a risk perspective we continue to monitor COVID-19 level change impact on the organisation.

Financials (\$million)

| | Actual | Budget | Actual vs Budget |
|--|--------|--------|------------------|
| Capital delivery | 44.0 | 55.6 | ↓ 11.6 |
| Strategic Development Fund (revolving credit facility) | 4.7 | 10.8 | ↓ 6.1 |
| Direct revenue* | 34.6 | 32.1 | ↑ 2.5 |
| Direct expenditure* | 34.5 | 43.2 | ↑ 8.7 |
| Net direct expenditure | 0.1 | (11.1) | ↑ 11.2 |

Financial Commentary

Capital delivery:

Capital spend is \$11.6m unfavourable compared to budget. The largest variances include \$3.7m of contamination payments to Waterfront development partners delayed by slower pre-leasing in the property market, a delay of \$1.5m on the Pile Mooring redevelopment due to equipment repairs by the contractor and acquisition of \$2.5m in Avondale delayed by Public Works Act (PWA) process. A further \$3.9m relates to timing issues across other locations. We forecast capital spend will be close to budget in the next half of the year. The strategic development fund (SDF) is a credit facility available to us to take advantage of any acquisition opportunities for town centre regeneration outcomes. The fund is being used this year to purchase properties in Northcote Town Centre. There is a delay as we work through a PWA process on a number of properties, leading to a variance of \$6.1m to date, we are forecasting the spend in year will be close to budget.

Direct revenue:

Direct revenue for the year is \$2.5m favourable compared to budget. Most of the variance relates to COVID-19 related assumptions for reduced income, which have not been fully realised.

Direct expenditure: Direct expenditure is \$8.7m favourable compared to budget, \$1.5m due to staff cost savings and delayed recruitment. Spend in Priority Locations is behind phased budget \$2.6m due to the impact of the August COVID-19 lockdown on placemaking activities coupled with prudent spending in other areas. To date there has been a \$2.6m decrease in Marina expenditure as a result of the COVID-19 impact on the America's Cup regatta. This will be offset in the next quarter with an expected similar reduction in revenue (net effect on surplus expected to be zero).

*Direct revenue and expenditure are made up of Panuku and managed council property portfolio.

| Key performance indicators <i>(Refer to pg. 15 for complete list)</i> | Previous Year | FY 21 Quarter 2 | | Status | Commentary |
|---|---|---|---|------------|--|
| | | Actual | Target | | |
| Achieve total board approved budgeted Transform and Unlock net sales for the financial year through unconditional agreements. | New performance measure | Progressing | Meet \$39m Transform and Unlock annual unconditional sales approved by the Panuku Board. | On Track | There are no Transform and Unlock asset sales this quarter. We are continuing to progress two significant sales. |
| Capital project milestones approved by the board achieved. | New performance measure | Progressing | Achieve 80 per cent or more of project milestones for significant capital projects (as set out in SOI). | On Track | Seven out of 17 project milestone targets have been completed year to date. Two milestones are at risk of being off track. They relate to deferred public consultation on the Onehunga Wharf master plan and finding a development partner for Northcote Town Centre, moving to later in 2021. |
| List of properties recommended for disposal submitted to the council. The disposal target for the next financial period will be agreed with the council in the current financial period. | \$20 million | \$50 million | A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the end of June 2021. | Met Target | The balance of this target was achieved from sixty-one properties with a cumulative capital value of \$50 million cleared for sale as part of the Emergency Budget. |
| The net surplus on the property portfolio achieves the annual budget agreed with the council. | Net surplus is \$8.2 million ahead of budget (actual surplus of \$38.9 million against budget of \$30.7 million). | Net surplus for the quarter is \$10.3 million ahead of YTD budget (actual surplus of \$18 million against YTD budget of \$7.7 million). | Net result achieves budget for 2020/21. | On Track | The favourable variance is due to revenue being ahead of budget and better than COVID-19 assumptions. |
| Achieve total forecast net sales for the financial year through unconditional agreements. Annual actual asset sales may fluctuate between years. (LTP). | Net sales of \$9.9 million for the financial year. \$54.34 million achieved to date of the 3-year target. | \$11.94 million | Achieve the \$24m of asset sales approved by the Panuku Board in addition to the past agreed LTP target and achieve the balance of the three-year LTP asset sales target set at \$72m. | On Track | Four general asset properties have been sold to date for a total value of \$11.94m. |

Strategic focus area – Waterfront development

Key commentary

A total of \$30.5 million was spent on Waterfront development, against a budget of \$38.0 million.

Highlights:

- **America’s Cup Event Preparation** – all completed on-time for the event.
- **Silo Park extension** – additional community space is complete and now open to the public.
- **Percy Vos Shed** – restoration of the historic boatshed is complete and currently being used as a hub for the America’s Cup marina event operations.
- **Westhaven promenade stage 2** is complete. This walking and cycling route completes the promenade and linkage from the harbour bridge to Z pier.
- **Westhaven Marine Village** is now complete. Tenant fitout is underway and tenants beginning to move in.
- **30 Madden Street**, a mixed-use apartment building, is complete with residents moving in soon.
- **Amey Daldy Park** – a new neighbourhood pocket park, delivered in partnership with Auckland Transport

Issues/Risks

- COVID-19 impact on the delivery of future projects and programme.
- Wynyard Point Masterplan – public consultation deferred until after the Long Term Plan (LTP) process

Strategic context

Panuku is leading the realisation of the Waterfront Plan’s five goals, being:

1. A blue-green Waterfront
2. A public Waterfront
3. A smart working Waterfront
4. A connected Waterfront
5. A liveable Waterfront

The work within Transform Waterfront sees Panuku continue to build on the work completed by its predecessor and to progress and enable the desired Transform outcomes within Wynyard Quarter and the surrounding Waterfront precincts.

| Key programme | Status | Description | Outlook |
|---------------------|-----------|--|---|
| AC36 Enabling Works | Completed | <ul style="list-style-type: none"> • Establishment of a new superyacht berthage facility with improved facilities and increased capacity to accommodate larger vessels. • Tenant relocation - temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf. | <p>Wynyard Edge Alliance Works (WEA)</p> <p>Both the physical works by Panuku, for the tenant relocation and the Wynyard Edge Alliance infrastructure works are now complete. Tenants are successfully operating at Wynyard Wharf.</p> <p>All capital works on the waterfront were completed in November 2020 and handed over to Panuku, marking the final and major milestone for the WEA works.</p> <p>Silo Park Extension – The additional community space along the new breakwaters was blessed on 7 December 2020, and the area is now open to the public.</p> <p>The William.C.Daldy has found a permanent home at Victoria Wharf, following approval by the Devonport-Takapuna Local Board. The William.C.Daldy Society will become a tenant of council’s Community Facilities.</p> <p>Superyacht Programme – Impacts of COVID-19 on the new berths (handed over to Panuku in November 2020) has resulted in local vessels taking up occupation, with 94% being booked and the rest under offer.</p> <p>PRADA Christmas Cup – A very successful event was held during December 2020 with a good level of public interest both on the water and at the race village.</p> |

| | | | |
|--------------------|----------|--|--|
| Wynyard Quarter | On track | <ul style="list-style-type: none"> • Wynyard Quarter Masterplan developed. • Ūrunga Plaza – opening of public space adjacent to the Park Hyatt Hotel. • Orams Marine refit facility in Wynyard Quarter. • Completion of Willis Bond's staged residential development in Wynyard Quarter. | <p>Wynyard Point Masterplan – The masterplan was gifted the name Te Ara Tukutuku, meaning “where the land and water meet” during a workshop held in October with mana whenua.</p> <p>30 Madden Street (Stage 2) Construction of the Beaumont Street and Daldy Street Buildings were both completed by development partner Willis Bond during this quarter. These projects provide a mix of apartments and commercial spaces in the heart of Wynyard Quarter. Homeowners are expected to move in from February 2021.</p> <p>Tiramarama Way stage 2 – Works were completed in December 2020. This innovatively designed laneway, which runs between Daldy and Halsey streets, provides a link to new retail offerings and provides beautiful views of Viaduct Harbour.</p> <p>Dockline Tram – The tram will be up and running in early February 2021. Operated by MOTAT, it will give visitors a 1.5km circular tour around Wynyard Quarter.</p> <p>Eastern Viaduct – a new surface artwork between Eastern Viaduct and Te Wero was completed in October 2020 enabling a safer, more attractive public space. The artwork, called Waihape, was designed by mana whenua artist Reuben Kirkwood and installed ahead of the America’s Cup 36.</p> <p>Amey Daldy Park – The pocket park, delivered in partnership with Auckland Transport, opened on 4 December 2020. Events at the park will kick off in February 2021.</p> |
| Other e.g. Marinas | On track | <ul style="list-style-type: none"> • Westhaven Promenade stage 2 – construction completed. • Completion of the Westhaven Marine Village providing a marine related business centre consisting of commercial buildings, public facilities, boardwalk and car parking. • Auckland Harbour Bridge Pathway enabling works completed. | <p>Westhaven Promenade Stage 2 – Was completed in November 2020, and now open to the public. Creating an uninterrupted boardwalk for walking and cycling from the Auckland Harbour Bridge to Wynyard Quarter.</p> <p>Westhaven Marine Village – The marine village opened in November 2020. It provides Auckland’s waterfront with a new home for marine businesses, as well as hospitality offerings. A blessing was held in November with more than 60 people in attendance, including local councillor and local board representatives. Tenants are now in the process of fitting out their spaces and moving in.</p> <p>Percy Vos Shed – Work on the restoration of the historic boatshed, located in the heart of Auckland’s marine precinct, was completed in October 2020. The facility is now being used as hub for AC36 marina event operations.</p> <p>Curran Street upgrade – Works were completed in November 2020, incorporating new wastewater infrastructure and improved safety for people walking and cycling.</p> <p>Auckland Harbour Bridge Park – A project focused on delivering an enhanced public space has been brought forward due to alignment with the Northern Pathway project in Westhaven. Draft design concepts were presented to mana whenua and the Waitemata Local Board in October 2020. Collaboration with other government agencies on this project is ongoing.</p> |

Strategic focus area – other town centres (Transform and Unlock locations)

Key commentary

A total of \$15.7 million was spent towards the urban regeneration of the other town centres that make up the Transform and Unlock programme against a budget of \$23.9 million.

Highlights

- **Takapuna** – Toka Puia carpark is now complete and open to the public.
- **Northcote** – Te Ara Awataha, the new greenway works have commenced.
- **Manukau** – Barrowcliffe Bridge enhancement works to make a safer connection to the town centre have commenced.

Issues/Risks

- COVID-19 impact on the delivery of future projects and programme.
- Onehunga Wharf Master Plan – the public consultation timing for the draft Master Plan has been delayed until after the LTP process.

Strategic context

Panuku plays a significant role in achieving the Homes and Places and Belonging and Participation outcomes in the Auckland Plan.

Panuku leads the redevelopment of town centres, the creation of public spaces for the future, and facilitates housing and commercial development, fundamental elements of comprehensive urban regeneration.

The priority location High Level Project Plans and associated masterplans provide a roadmap for redevelopment.

| Key programme | Status | Description | Outlook |
|-------------------|----------|--|--|
| Transform Manukau | On track | <ul style="list-style-type: none"> • Barrowcliffe Place housing development – Land sold by Panuku with an agreed masterplan in place for approximately 300 new homes. • Barrowcliffe Bridge and place enhancement, capital works being delivered by Panuku for a new cycleway, with improved safety and amenity. • Completion of the Puhinui Regeneration strategy to guide all future projects in the catchment. The project contributes to the council's environmental goals. • New Wiri playground to support the local community. • Activations on Manukau Square, car parks and the Puhinui corridor. | <p>Barrowcliffe housing development – Homes continue to be built, sold and occupied by a growing number of families. Several successful site visits and tours of the development have been held with elected members and senior staff.</p> <p>Barrowcliffe Bridge and Place Enhancement – Construction started in December 2020. This project is an important link for Wiri residents, and new residents moving in to Kotuitui Place (Barrowcliffe development) to connect safely to Manukau town centre.</p> <p>Puhinui regeneration – the final draft strategy was launched at a community engagement event held on 11 November 2020, with stakeholders and key inputters in attendance. This project is in partnership with Healthy Waters and local boards.</p> |

| | | | |
|--------------------|----------|--|--|
| Transform Onehunga | On Track | <ul style="list-style-type: none"> • Dress Smart precinct – facilitate a new commercial space circa 6000m². • Plan change to enable future mixed-use development on the Onehunga wharf that connects the community back to the water and continues to support a working waterfront. • Facilitate a new supermarket and approximately 1000 new homes in Onehunga. | <p>Dress Smart – This is a Panuku site with a development agreement to enable redevelopment of Paynes Lane and improve pedestrian access to Dress Smart mall. Panuku will now amalgamate the stopped road with the adjoining council carpark site, following the issue of title (required as part of its agreement with Lendlease). Lendlease is in the process of obtaining resource consent for its development.</p> <p>Onehunga Wharf – Draft Master Plan preparation is underway. However, the public consultation timing for the draft Master Plan has been delayed until after the LTP process.</p> <p>Waiapu Precinct – The precinct’s first development site, involving a new supermarket, is progressing following the December 2020 approval for an additional piece of land to be included in the development agreement supporting the supermarket development.</p> |
| Unlock Takapuna | On Track | <ul style="list-style-type: none"> • Finalise design of a new town square on part of 40 Anzac Street and 38 Hurstmere Road. • Agree a revised market strategy and commence market processes to seek private sector investment on development opportunities for the site on the corner of Auburn, Northcroft and Huron streets and the site at 14 Huron Street. • Complete the construction of the Gasometer car park which will provide 420 public car spaces supporting the retail and business community in Takapuna. • Design and trial improvements to Huron and Northcroft streets to enhance the journey for people walking between Toka Puia to the town centre and new public town square. | <p>Town Square – Final concept design was approved by the Devonport-Takapuna Local Board in October 2020. Detailed planning is underway with lodgment of resource consent expected in April 2021. Workshops with mana whenua and the local board are also being held to discuss naming opportunities.</p> <p>14 Huron St and Auburn St (balance of Gasometer car park land) – A preferred development partner will be recommended for two mixed use development sites. This is expected to be done in March 2021.</p> <p>Toka Puia car park (Gasometer car park) – The multi-storey carpark was opened to the public on 3 December 2020 following the November blessing by mana whenua. Final works to reinstate Huron and Northcroft streets were completed in December 2020. This allows us to progress development agreements and the town square project on the Anzac Street car park site.</p> <p>Design and trial improvements are underway to Huron and Northcroft streets to enhance the journey for people walking between Toka Puia to the town centre and new public town square. This is part of the Innovating Streets Programme with Waka Kotahi and Auckland Transport.</p> |

| | | | |
|------------------|----------|--|--|
| Unlock Avondale | On Track | <ul style="list-style-type: none"> Finalise the sale of a key site, 1817 Great North Road, to facilitate a high quality Homestar 6 market/affordable housing. Finalise the sale of a key site, 18 Elm Street, for high quality Homestar 6 residential development. Identify development partner/s to deliver a staged development of Avondale Central based on the agreed masterplan, a critical town centre site – complete development agreement. Design a new town square – enlivening the heart of the town centre, adjacent to the new community centre to be facilitated by council. | <p>1817 Great North Road – The 117-unit development, including 47 Kiwibuild homes, was given approval in November 2020. The development has involved some controversy around the removal of a notable Macrocarpa tree.</p> <p>Town square – Concept design work started mid-October with options expected to be presented to the Whau Local Board and community, for their feedback in March/April 2021. Final approval will be sought from the local board towards mid-2021. Isthmus were appointed to design the town square in November 2020.</p> <p>Combined open day sessions with Kāinga Ora were held during the quarter to showcase projects earmarked to start construction in early 2021. A stall was also set up at the Avondale Christmas festival. This engagement has been well received by the community.</p> |
| Unlock Haumaru | On Track | <ul style="list-style-type: none"> Panuku is focusing on redeveloping the next group of properties in the portfolio following the completion of Wilsher Village in Henderson. The homes will be sustainable and accessible. | <p>16 Handley Rd, Narrowneck – A sales agent has been appointed for the site. The proceeds of the sale will be reinvested back in to the Haumaru portfolio.</p> <p>27 - 31 Greenslade Crescent, Northcote (Greenslade Village, Housing for Older People) – The Haumaru Housing Board have approved the lease and management arrangements submitted by Kāinga Ora (who will be developing the new housing units).</p> <p>81A Godley Road, Green Bay (a vacant site) – A resource consent application is currently being prepared by the development partner for a 40, 1-bedroom unit development on the site.</p> |
| Unlock Henderson | On Track | <ul style="list-style-type: none"> Enhancement of Henderson Valley Road – creating safer and more connected area between the town centre, Opanuku stream and the Corban Estate Arts Centre. Low carbon medium density residential development of a key site – reinventing Cities (C40) initiative. An exemplar development that contributes to the council’s climate change goals. Former Auckland Council building at 2-6 Henderson Valley Road – major education hub and integral to revitalisation of Henderson. | <p>Innovating Streets Project – a project to improve safety and connectivity in the town centre is now underway. A stakeholder group has been established and a vacant shop in the main street has been set up as a base for information sharing and to connect with the community.</p> <p>Alderman C40 Site Sale – A council owned site tagged for low carbon, mixed use development. Subdivision consent was granted in December 2020.</p> <p>2-6 Henderson Valley Rd (Laidlaw College site) – Subdivision construction works were completed in December 2020. The Henderson-Massey Local Board have named the road Te Ara Pūheke, a name suggested by Te Kawerau ā Maki which acknowledges the flowing of waters that will be reflected in the flowing of people through this connection point. Payment has been made in full by the purchaser Laidlaw. The site will be transformed into a mixed-use neighbourhood including education and student accommodation.</p> |

| | | | |
|-------------------|----------|--|---|
| Unlock Ormiston | Delayed | <ul style="list-style-type: none"> New houses supplied for urban blocks surrounding the town centre will continue to progress. Support and facilitate the development of library/community centre. | <p>Town centre – Construction is ongoing with completion expected by Easter 2021.</p> <p>Library/community centre – a temporary activation is being explored for this site as the library will be delayed due to funding constraints.</p> |
| Unlock Panmure | On Track | <ul style="list-style-type: none"> Clifton Court – design the public realm upgrade to create a safe and attractive laneway that can be used for local community gatherings and catalyse adjoining private landholdings to be redeveloped for homes and businesses. | <p>Clifton Court – A preferred concept option was presented to the Maungakiekie-Tāmaki Local Board in early December 2020 for the upgrade of the under-used town centre space. A formal recommendation for approval will be made to the local board at its next meeting.</p> <p>Tamaki Regeneration Company – Two workshops were held with the Tāmaki Regeneration Company. Potential collaboration opportunities were identified that could be included in the Unlock Panmure programme. Further work to progress these will be undertaken in 2021.</p> <p>71-79 Queens Road, Panmure – The acquisition of the property was completed in December 2020. This will enable construction of a link from Queens road to local recreation facilities and redevelopment of the site for a mixed-use or integrated community facility.</p> |
| Unlock Papatoetoe | On Track | <ul style="list-style-type: none"> Facilitate the development of the key town centre site, 3 St George Street. | <p>3 St George Street – A preferred development partner has been confirmed with due diligence scheduled for completion in March 2021. This follows the limited contestable process involving four iwi groups to develop the site for new homes.</p> |
| Unlock Northcote | On Track | <ul style="list-style-type: none"> Acquire ground leases in the town centre to enable renewal. Work with council whanau to complete an assessment of the community's needs. | <p>Te Ara Awataha – Construction of Northcote's new greenway started in early October 2020. It will contribute to the 1.5km network of existing and new reserves connecting the town centre, schools and homes. It will also include the daylighting of a stream for large sections of the reserve.</p> <p>There is a strong demand for premises to lease in the town centre across the fifty-six units managed by Panuku, only seven are vacant.</p> <p>Findings of the Auckland Council-funded community needs assessment were received in December 2020. An options analysis will commence shortly. This will help shape what community services and facilities are provided in the town centre.</p> |
| Unlock Pukekohe | On Track | <ul style="list-style-type: none"> Completion of a masterplanning document that sets out the programme of development and public realm projects. | <p>Innovating Streets for People, a project to improve safety and connectivity, held its first co-design workshops during November 2020.</p> <p>Panuku continues to work with the three Waiohua chairs to explore working collaboratively on the Pukekohe programme. We have had an initial hui and hikoi and five meetings are planned in 2021. A close working relationship is also in place with the business association and the farmers market operator to explore how to activate the town square and King St over summer 2021.</p> |

Strategic focus area – Regional development programme

| Key programme | Status | Description | Outlook |
|--|----------|--|---|
| Corporate Property Programme | On Track | Creating a fit-for-purpose and future-proofed corporate property network that will result in a new property portfolio that is better aligned to how council provides services to local communities. Corporate Property sets out the outcomes, Panuku leads the sales process and negotiating development outcomes. | No significant items to report this quarter. |
| Auckland Transport/Panuku Transit Orientated Development Programme | On Track | This is a joint programme between AT and Panuku to identify ways to accommodate both transport service requirements at designated council owned transit orientated development sites to create mixed-use development opportunities. AT's role is to determine the transport function and ongoing operations. Panuku leads the sales process and development outcomes. | No significant items to report this quarter. |
| Service Property Optimisation | On Track | Panuku, Auckland Council Community Services and local boards work together to identify and release value from underperforming service assets in order to fund local services while supporting urban regeneration. Projects must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects. Panuku leads the commercial feasibility and disposal process and negotiating development outcomes. | Two new sites at 19 Jervois Road, Herne Bay (a council service site) and Wyllie Park, Papatoetoe will be progressed as part of the Service Property Optimisation programme. 29 St Johns Road, Meadowbank (Community Centre) – The latest concept design for the community centre shows a reduced footprint. However, it will still meet service level requirements. |
| Supports programme | On Track | The development of strategic sites not within the priority locations. | Three new properties identified as having potential development outcomes will be progressed as part of the Supports programme. A total of 14 sites are actively being progressed. |

CCO review implementation

Panuku is committed to implementing the **recommendations (Rec)** of the CCO Review Panel, working with the council group to strengthen the model and improve accountability and culture. Of the 64 recommendations, there are seven specific to Panuku, some that relate to how we work with specific CCOs like Auckland Transport, and many others that relate to the whole council group.

Q2 implementation progress

Great progress has been made on implementing recommendation #46, *Auckland Transport and Panuku jointly communicate to the public about urban development and transport infrastructure matters*.

Examples include:

- Innovating Streets projects across a number of Panuku priority locations working with Auckland Transport (AT) to engage with local communities
- communications from AT about new pavers in Avondale town centre – addressing a long-standing issue for the local community and with references to Panuku’s role in the town centre
- joint work on the Toka Puia carpark in Takapuna and release of a video which documents the story behind the project and its many special features, including the local cultural narrative in the design, as well as the bike parks, electric bike charging facilities, changing rooms and electric car share vehicles
- the Amey Daldy and Daldy St Linear Park in Wynyard Quarter which was a Panuku project, delivered by AT. The park opened with a mana whenua blessing – the event was hosted by AT and Panuku’s CE spoke on behalf of both organisations.

There has been a strong focus on resetting how CCOs and Local Boards engage (#34). Panuku has been an integral participant in workshops run by Auckland Council.

Outlook

Ongoing implementation according to the council group programme. This will include a focus on alignment, joint planning, engagement and communications, a process for customer complaints and a group remuneration policy.

In the draft SOI, we will seek to more clearly outline how our investments and activities contribute to meeting our performance targets (rec 9).

Other statement of intent focus areas

Local board engagement

Panuku continued to engage with local boards in both priority and non-priority locations. There were 43 interactions with local boards, with delivery of 21 Six-Monthly Local Board reports, attendance at 20 workshops and 11 business meetings.

Several events involving local boards occurred in this quarter. Below is a selection of highlights:

- Waterfront public spaces and development works were completed ahead of the America's Cup events. Each space was blessed by mana whenua at a karakia whakawātea before opening to the public, which the Waitemātā Local Board attended. To celebrate these new spaces, and their stories, an informative and interactive walking tour and app was launched.
- The Toka Puia car park opened in Takapuna, which relocates car parks to make way for a new town square and development at 40 Anzac Street. George Wood from the Devonport-Takapuna Local Board spoke at the blessing ceremony. Approval was also granted by the Devonport-Takapuna Local Board for the design of the new town square.
- Devonport-Takapuna Local Board assisted with feedback and identifying stakeholders to include in the Innovating Streets for People co-design of Huron and Northcroft Streets in Takapuna. This project will use temporary pop-ups to support better walking routes from the new Toka Puia car park to the town square.
- The Devonport-Takapuna Local Board supported and approved the relocation of the William C Daldy heritage tug to Victoria wharf, Devonport. The tug complements the strong maritime character and traditions that is associated with Devonport.
- A karakia whakawātea was conducted to bless Barrowcliffe Bridge ahead of construction. Once completed, the bridge will reconnect the Wiri community with the Manukau town centre, making it safer and easier to access. The design will also celebrate the unique identity of the area. Anne Candy from the Manurewa Local Board spoke at the ceremony.
- The Henderson-Massey Local Board approved the name of a new public road – Te Ara Pūheke. This road forms an important part of the subdivision development of 2-4 Henderson Valley Rd, Henderson and is part of the sales and purchase agreement between Council and Laidlaw College.
- The Innovating Streets for People project in Henderson is being championed by the Henderson-Massey Local Board with two local board members part of the advisory group. This project focuses on improving walking and cycling routes between the Henderson Train Station, through the town centre to the twin streams, along Rainside Ave, Ratanui Street and Great North Road.
- The Whau Local Board engaged early with the architects who will design the concept plans for the Avondale multi-purpose community centre and town square enhancement project. The local board are strong community advocates for this project and the benefits it will bring to their town centre.

Climate change

- The Panuku Climate Change Strategy was adopted by the Panuku Board in November. The strategy guides how Panuku will support the implementation of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.
- In October, the Panuku ELT agreed a work programme of priority actions to help Panuku deliver on the adopted sustainable procurement objectives. Targeting these objectives will help further leverage the economic, social and environmental benefits of Panuku's urban regeneration projects and the products and services we procure as a business. Implementation of these priority projects has commenced.
- In October work commenced on Te Ara Awataha, this significant green infrastructure project is a key part of our response to climate change adaptation for Northcote, providing flood risk mitigation and an enhanced green space that will provide ecological, amenity and health and wellbeing benefits.
- Toka Puia carpark opened in December in Takapuna, replacing an existing carpark building. The new building includes facilities to encourage and facilitate sustainable and active transport including 84 bike parks, changing rooms, electric bike charging facilities, and electric car share vehicles.
- Work has commenced on Barrowcliffe Bridge in Manukau and the Westhaven Promenade stage 2 was completed. These projects are examples of our commitment to improving walking and cycling links and infrastructure within our neighbourhoods which has climate benefits through reducing the need to travel by car and has associated health and wellbeing benefits.

Contribution towards Māori outcomes

Panuku has achieved 36/40 significant initiatives in the 2020-2021 financial year. In late-December, highlights include the numerous whakawātea with our mana whenua partners to celebrate significant milestones to build the stage for the 2021 America's Cup.

Following the Emergency Budget 2020/2021, Panuku is still working with mana whenua to identify potential development and disposal opportunities. Panuku will invite mana whenua to register commercial interests in another tranche of properties coming down the property disposal pipeline that Panuku is preparing to take to our mana whenua partners.

Panuku continues to make progress on the Panuku Mana Whenua Outcomes Framework actions and intends to present a progress report to mana whenua in March 2021.

Panuku is talking to mana whenua and the local board about the joint development with Kāinga Ora of surrounding property around the Maungawhau and Karangahape train stations.

Panuku has started a pilot programme focused on growing the capability of young leaders to enable placemaking activities. The programme, He Pia He Taurira, has hosted several wānanga with taurira to prepare for upcoming activities.

Panuku has undertaken a significant amount of engagement to prepare for the upcoming plan change for Wynyard Point. Mana whenua has gifted this project the name Te Ara Tukutuku.

Working with central government

Panuku continues to work with Kāinga Ora on a number of projects in multiple locations throughout Auckland. These include:

Manukau, 9 Osterley Way Carpark – A development agreement has been submitted to Kāinga Ora which if concluded will see a new residential apartment block being developed.

Avondale Central – Panuku is working with Kāinga Ora on a site it has offered for purchase at 6 and 10 Racecourse Parade. A reference design is currently being prepared. If purchased by Panuku, the site will become part of the Avondale Central development.

Haumarū - Greenslade Crescent, Northcote (Greenslade Village, Housing for Older People) – Panuku is in communication with the Kaipatiki Local Board and Devonport-Takapuna Local Board around Kāinga Ora's redevelopment plans to increase the number of units at the site to 52. Once constructed, the units will be managed by Haumarū Housing Ltd.

Panuku Q2 financials



Direct operating performance

| (\$ million) | Notes | FY 20 | FY 21 Quarter 2 YTD | | | FY 21 |
|-------------------------------------|-------|-------------|---------------------|-------------|--------------|-------------|
| | | Actual | Actual | Budget | Variance | Budget |
| Net direct expenditure | | 21.0 | 7.3 | 7.6 | 0.3 | 15.3 |
| Direct revenue | | 15.2 | 7.6 | 10.2 | (2.6) | 21.0 |
| Fees & user charges | | 0 | 0 | 0 | 0 | 0 |
| Operating grants and subsidies | | - | - | - | - | - |
| Other direct revenue | A | 15.2 | 7.6 | 10.2 | (2.6) | 21.0 |
| Direct expenditure | | 36.2 | 14.9 | 17.8 | 2.9 | 36.3 |
| Employee benefits | B | 29.2 | 12.4 | 13.9 | 1.5 | 28.1 |
| Grants, contributions & sponsorship | | - | - | - | - | - |
| Other direct expenditure | C | 7.0 | 2.5 | 3.9 | 1.4 | 8.2 |
| Other key operating lines | | | | | | |
| AC operating funding | | 21.5 | 7.5 | 7.7 | (0.2) | 15.5 |
| AC capital funding | | 0 | 0 | 0 | 0 | 0 |
| Vested assets | | - | - | - | - | - |
| Depreciation | | 0.3 | 0.2 | 0.1 | (0.1) | 0.2 |
| Net interest expense | | 0 | 0 | 0 | 0 | 0 |



Financial Commentary

Overall, the operating performance of Panuku is on budget, with detailed income and expenditure variations below.

A: Other direct revenue is \$2.6m unfavourable compared to budget. This revenue is generated through Panuku staff charging time to council projects. As part of the emergency budget there was a reduction in staff levels and a reduction in council funding. This has resulted in reduction in the level of recharge and related revenue.

There is a current saving in staff costs of \$1.5m which is in addition to the savings made in the emergency budget.

B: Employee benefits is \$1.5m favourable compared to budget year to date. There are a number of vacancies that have yet to be filled in year and the voluntary salary reductions have added to this saving. People savings are expected to be held until year end.

C: Other direct expenditure is \$1.4m favourable compared to budget. This is over a range of expenditure categories and is a result of prudent spending by Panuku in the first half of the year.

Managed on Behalf of Council Q2 financials

Direct operating performance

| (\$ million) | Notes | FY 20 | FY 21 Quarter 2 YTD | | | FY 21 |
|-------------------------------------|----------|-------------|---------------------|-------------|------------|-------------|
| | | Actual | Actual | Budget | Variance | Budget |
| Net direct revenue | | 14.7 | 7.4 | (3.5) | 10.9 | 2.5 |
| Direct revenue | A | 53.6 | 27.0 | 21.9 | 5.1 | 47.6 |
| Fees & user charges | | 0 | 0 | 0 | 0 | 0 |
| Operating grants and subsidies | | - | - | - | - | - |
| Other direct revenue | | 53.6 | 27.0 | 21.9 | 5.1 | 47.6 |
| Direct expenditure | | 38.9 | 19.6 | 25.4 | 5.8 | 45.1 |
| Employee benefits | | 1.3 | 0.9 | 1.4 | 0.5 | 2.7 |
| Grants, contributions & sponsorship | | - | - | - | - | - |
| Other direct expenditure | B | 37.6 | 18.7 | 24.0 | 5.3 | 42.4 |
| Other key operating lines | | | | | | |
| AC operating funding | | - | - | - | - | - |
| AC capital funding | | - | - | - | - | - |
| Vested assets | | - | - | - | - | - |
| Depreciation | | 12.9 | 7.6 | 7.0 | 0.6 | 11.8 |
| Net interest expense | | 0 | 0 | 0 | 0 | 0 |

Financial Commentary

The numbers in the table represent the Auckland Council Portfolio managed by Panuku. They exclude the net direct revenue of \$2.8m that Panuku have generated for properties managed for Auckland Transport (above budget by \$1.8m). A \$2.6m dividend has been paid to Solid Waste (Council) from the Waste Disposal Services investment, managed by Panuku.

A: Direct revenue is favourable compared to budget by \$5.1m. The material explanations for the variance are:

- As part of the emergency budget a \$5.0m reduction in revenue was made to take into account expected COVID-19 impacts. Only \$0.3m was incurred at the end of the quarter compared to the \$2.9m allocated year to date.
- Unbudgeted rental increases and properties held in the portfolio for longer than budgeted also added an additional \$2.2m to revenue.

B: Direct expenditure is favourable compared to budget by \$5.8m. The material variance relates to:

- Priority Location operational spend is \$2.6m favourable to budget. A slower start to the year caused by the August lockdown reduced placemaking activity and overall prudent spending.
- To date there has been a \$2.6m decrease in Marina cost as a result of COVID-19 impact on the America's Cup regatta. This will be offset in the next quarter with an expected similar reduction in revenue (net effect on surplus expected to be zero).

Panuku Q2 performance measures

| All performance indicators | Previous | FY 21 Quarter 2 | | Status | Commentary |
|---|-------------------------|-----------------|---|----------|--|
| | Year | Actual | Target | | |
| Note: Panuku has a total of 7 LTP measures and 19 SOI measures. | | | | | |
| 1. Achieve total board approved budgeted Transform and Unlock net sales for the financial year through unconditional agreements. | New performance measure | Progressing | Meet \$39m Transform and Unlock annual unconditional sales approved by the Panuku Board. | On Track | There are no Transform and Unlock asset sales this quarter. We are continuing to progress two significant sales. |
| 2. Capital project milestones approved by the board achieved. | New performance measure | Progressing | Achieve 80 per cent or more of project milestones for significant capital projects (as set out in SOI). | On Track | Seven out of 17 project milestone targets have been completed year to date. Two milestones are at risk of being off track. They relate to deferred public consultation on the Onehunga Wharf master plan and finding a development partner for Northcote Town Centre, moving to later in 2021. |
| 3. Climate change mitigation and adaptation considered across Panuku projects. The use of Green House Gas measurement tools will help Panuku measure and reduce the impact of its developments. | New performance measure | Progressing | Pilot the use of a tool to measure the GHG impact of new mixed use and residential development. | On Track | Avondale multi-purpose community facility identified as a pilot. Panuku is working with Auckland Council Community facilities. |
| 4. Climate change mitigation and adaptation considered across Panuku projects. This will ensure development and investment by Panuku and partners is increasingly low carbon and resilient. | New performance measure | Progressing | All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks, vulnerabilities and responses. | On Track | Input being prepared for Pukekohe and Papatoetoe locations. |

| Key performance indicators | Previous Year | FY 21 Quarter 2 | | Status | Commentary |
|--|-----------------------------|-----------------|---------------------|------------------|---|
| | | Actual | Target | | |
| 5. Percentage of attendees surveyed satisfied with key Transform and Unlock place programmes and activities. | 82% (At City Waterfront) | - | Maintain or improve | Not yet measured | Survey will be undertaken in the last quarter. |
| 6. The percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP). | 92% | - | 80% | Not yet measured | Survey will be undertaken in the last quarter. |
| 7. Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP). | 65% | - | 73% | Not yet measured | Survey will be undertaken in the last quarter. |
| 8. The percentage of marina customers surveyed who are satisfied with marina facilities and services (LTP). | 89% | - | 88% | Not yet measured | Survey will be undertaken in the last quarter. |
| 9. The number of significant Māori initiatives implemented per annum (LTP). | 64 | 36 | 40 | On Track | This target was reduced from 52 to 40 initiatives due to Covid-19 impact on budget and resources for planned activities. To date we have achieved 36 initiatives. |
| 10. % mana whenua groups satisfied with quality of engagement | 33% | - | Improve | Not yet measured | Survey will be undertaken in the last quarter. |

| Key performance indicators | Previous Year | FY 21 Quarter 2 | | Status | Commentary |
|--|---|---|--|------------------|---|
| | | Actual | Target | | |
| 11. Written evidence that opportunities have been identified and assessed, to be progressed or not (Housing and urban redevelopment combined). | 128 | 58 | At least 100 opportunities identified and assessed. | On Track | 58 site assessments have been completed to date and 125 are progressing. |
| 12. The net surplus on the property portfolio achieves the annual budget agreed with the council. | Net surplus is \$8.2 million ahead of budget (actual surplus of \$38.9 million against budget of \$30.7 million). | Net surplus for the quarter is \$10.3 million ahead of YTD budget (actual surplus of \$18 million against YTD budget of \$7.7 million). | Net result achieves budget for 2020/21. | On Track | The favourable variance is due to revenue being ahead of budget and better than COVID-19 assumptions. |
| 13. The monthly average occupancy rate for tenatable properties. | 96.9% | - Commercial 95% - Residential 99% | - Commercial 85% - Residential 95% | On Track | |
| 14. The return on investment on like-for-like properties managed for Auckland Transport and Auckland Council (LTP). | 2.37% | - | Greater than or equal to 1.75% | Not yet measured | Calculation will be undertaken at year end. |
| 15. The return on equity on commercial assets and services (LTP). | 8.78% | - | 8.25% | Not yet measured | Calculation will be undertaken at year end. |
| 16. List of properties recommended for disposal submitted to the council The disposal target for the next financial period will be agreed with the council in the current financial period. | \$20 million | \$50 million | A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the end of June 2021 | Met Target | The balance of this target was achieved from sixty-one properties with a cumulative capital value of \$50 million cleared for sale as part of the Emergency Budget. |

| | | | | | |
|--|--|------------------------|---|-----------------|---|
| <p>17. Achieve total forecast net sales for the financial year through unconditional agreements. Annual actual asset sales may fluctuate between years. (LTP).</p> | <p>Net sales of \$9.9 million for the financial year. \$54.34 million achieved to date of the 3-year target.</p> | <p>\$11.94 million</p> | <p>Achieve the \$24m of asset sales approved by the Panuku Board in addition to the past agreed LTP target and achieve the balance of the three-year LTP asset sales target set at \$72m.</p> | <p>On Track</p> | <p>Four general asset properties have been sold to date for a total value of \$11.94m.</p> |
| <p>18. Total value of general asset sales, on average are within independent valuation threshold.</p> | <p>New performance measure</p> | <p>100%</p> | <p>The total value of properties disposed during year on average is above 90% agreed independent valuations.</p> | <p>On Track</p> | <p>General assets sold to date achieved a price above the independent property valuation.</p> |
| <p>19. Acquisitions are delivered within the timeline agreed with Auckland Council.</p> | <p>91%</p> | <p>100%</p> | <p>80% satisfaction against agreed service performance measure</p> | <p>On Track</p> | <p>Six acquisitions have been completed to date and delivered within agreed timeline.</p> |

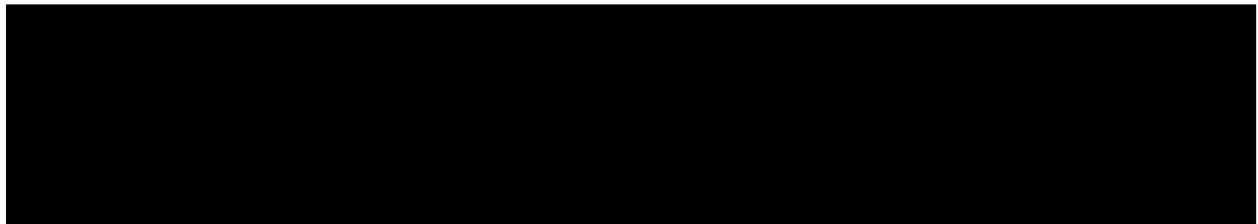
Information paper: Property market overview

Document author: Allan Young, GM Development

March 2021

Whakarāpopototanga matua | Executive summary

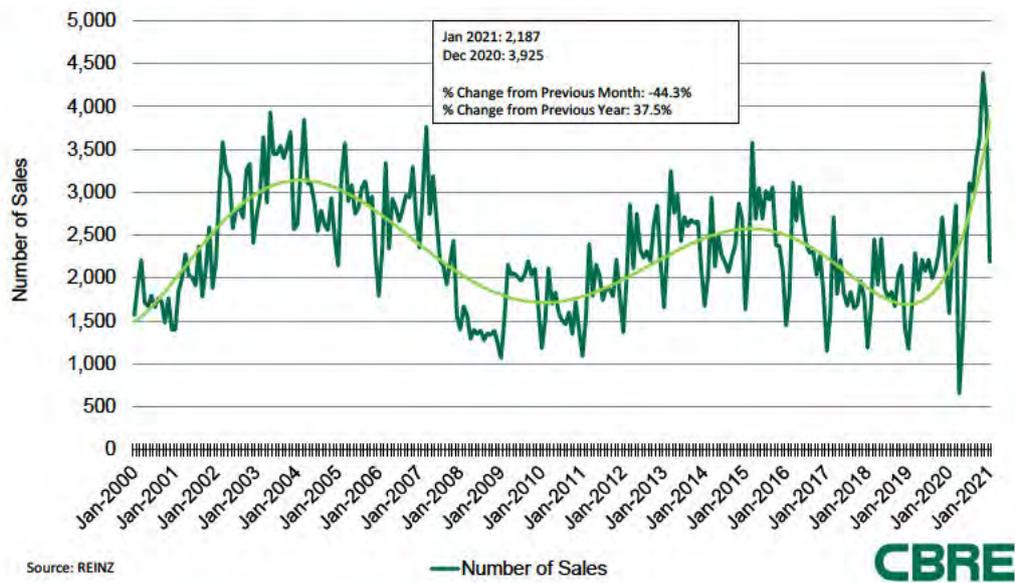
1. The residential market bounced back strongly following the initial Covid lockdown in 2020 and this trend is sustained into 2021. In fact, the market is not just in Covid recovery but is performing at a historically significant level.
2. It is anticipated that residential house price growth will remain strong over the next 12 months.
3. ASB is currently predicting 15% and Westpac 17% growth respectively. Increased LVR requirements and potentially increased lending rates may have a tempering effect on confidence as the year progresses.



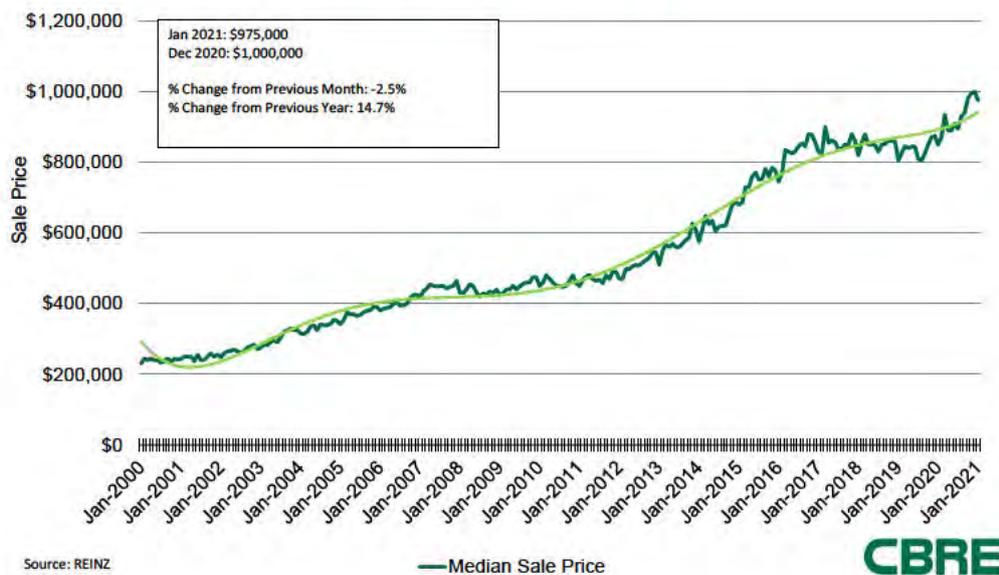
Matapaki | Discussion

5. Although the Auckland sales volumes have fallen from their November/December 2020 peaks of 4,394/3925 to 2,187 in January 2021, January's sales volume was 38% higher than January 2020.
6. The trend line of sales data shows that following subdued conditions during 2016 to 2018, since early 2019 the market has been in a steady upward phase that was only very briefly interrupted by the Covid lockdowns.
7. In this sense, the current buoyant conditions are not a post lockdown phenomenon. They commenced prior, although have been intensified by recent event with prices, sales volumes and development activity all at historic highs.

Number of Dwelling Sales in Auckland Region

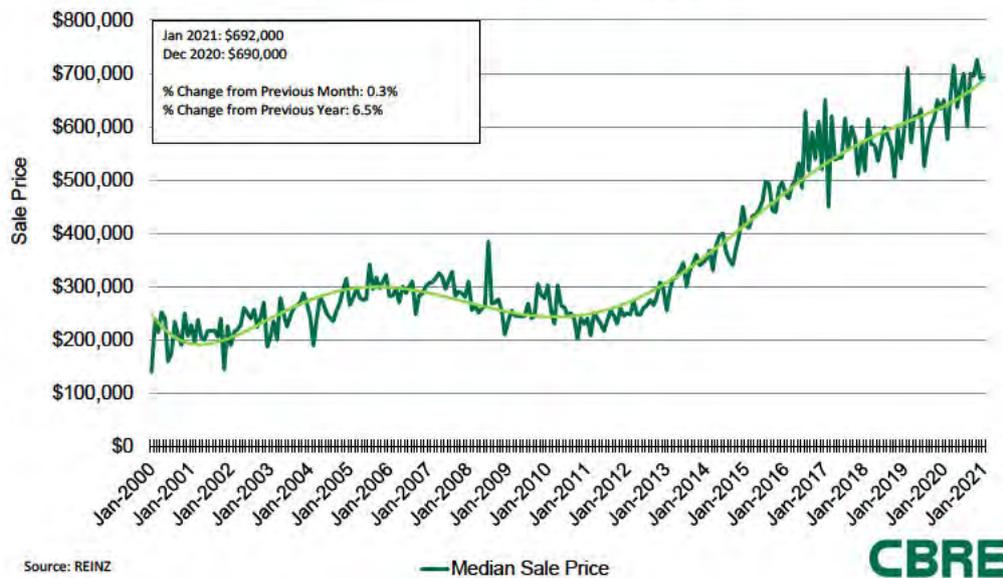


Median Sale Price of Dwellings in Auckland Region

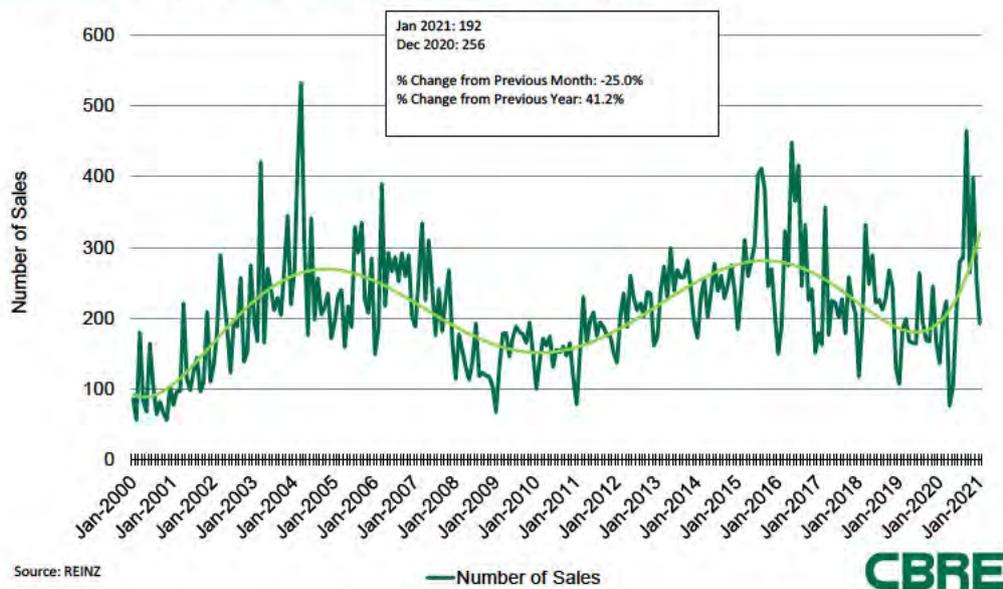


8. Median sale prices for residential dwellings in Auckland increased by 14.7% over the year to Jan 2021, reaching \$1 million in December 2020 and easing slightly to \$975,000 in January. Apartments also showed significant price movement although not to the same extent as houses and increased by 6% for apartments. Apartment prices were up by 6.5% annually to January and also slightly up in January compared to December although monthly trends are less reliable with significant volatility. The median apartment sale price reached \$726,000 in November and sat at \$692,000 in January.
9. As mentioned in previous reports, CBRE believes that apartment price growth data is influenced by new apartment building completions and settlements being picked by the statistics which during periods of high supply can distort overall market movements. With an active supply completion pipeline in the latter part of 2020 this would have contributed to price movements.

Median Sale Price of Apartments in Auckland Region

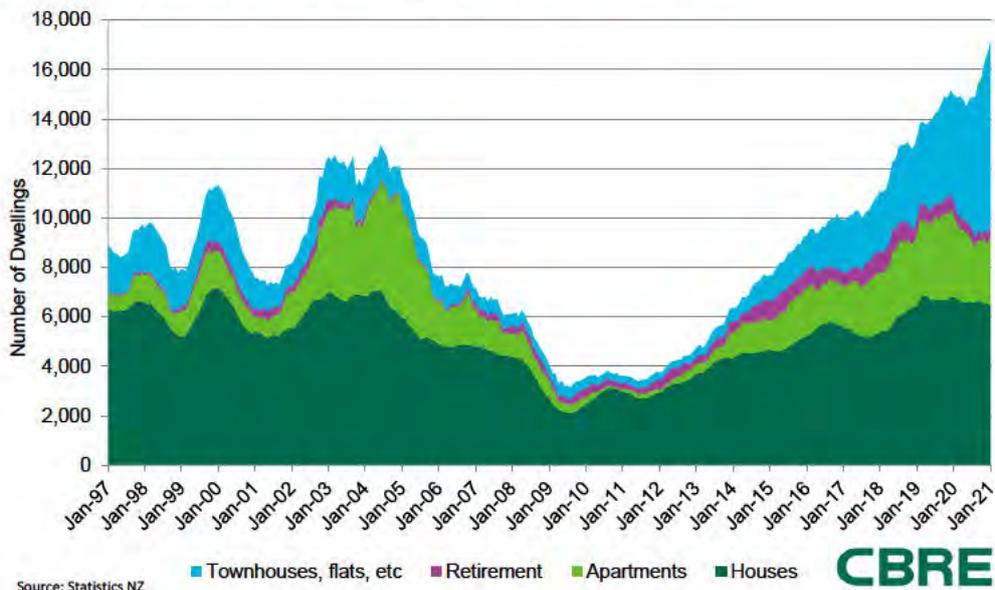


Number of Apartment Sales in Auckland Region



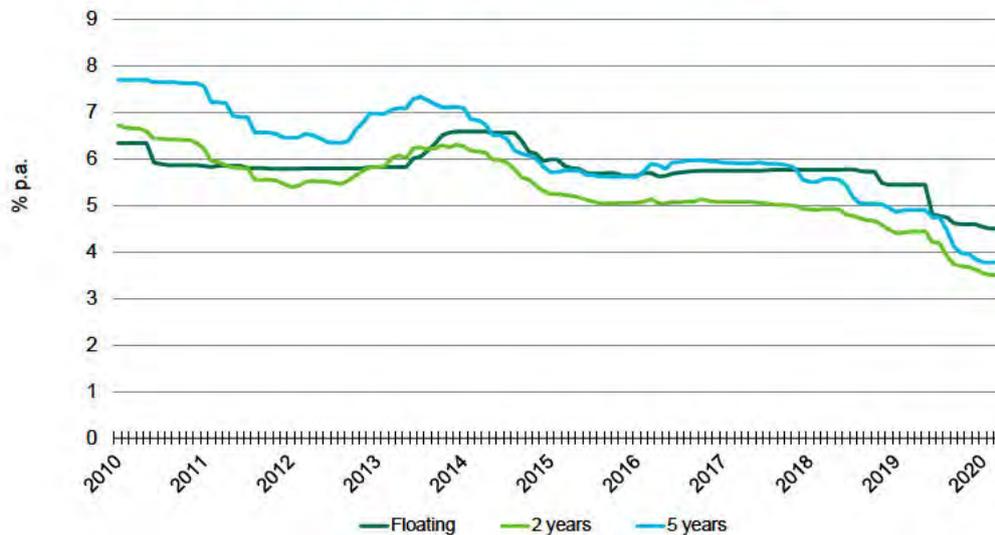
10. Building consents for new dwellings in Auckland reached 17,116 for the year ending January 2021, following a steady increase for the past decade. Over the last year, the growth in the volume of new development was most positively influenced by town and terrace houses. Stand-alone houses account for 38% of new dwelling consents issued in the past year compared to 80% at the start of the last decade. Apartments account for 17% but the biggest gain has been for town and terrace houses which become the largest category at 43% of all new dwelling consents.

Auckland Residential Dwelling Consents - Rolling Annual



11. Average fixed mortgage rates decreased over the past few months. As at December 2020 the RBNZ estimated average effective floating mortgage rate is 4.51%. The 2-year fixed rate is at 3.51%, and the 5-year fixed rate is at 3.78% after decreasing by 1.13% over the last year.

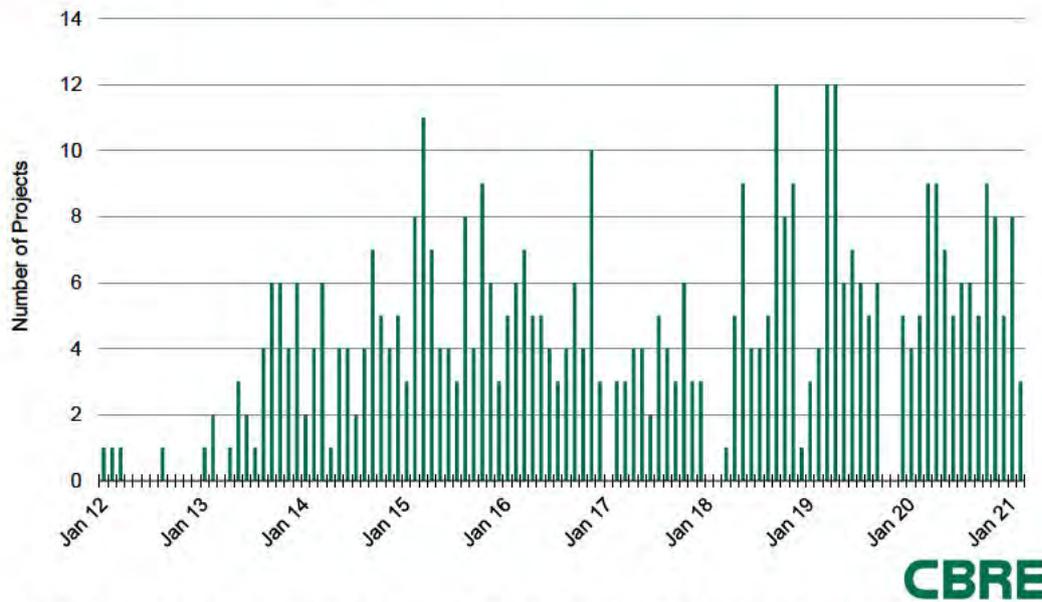
Interest Rates on Housing Lending - to December 2020



Source: Reserve Bank of New Zealand

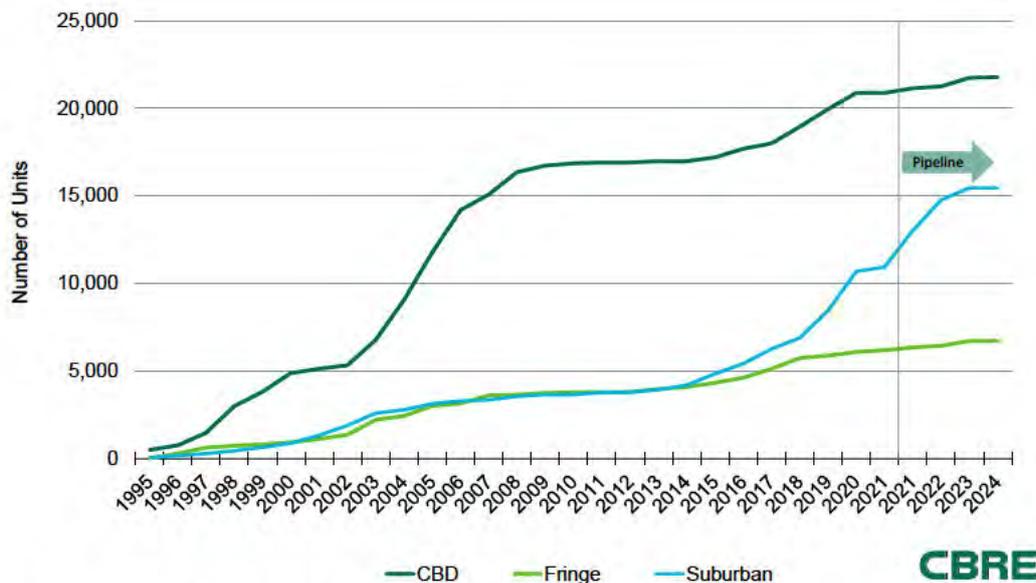
12. While terrace and townhouses show the greatest level of dynamism in terms of recent consenting trends, the apartment market is also active in terms of recent project launches. Since mid 2020, 50 apartment projects have been launched in Auckland (including non market ones by Kainga Ora) comprising 1,620 units. Of these 11 projects comprising 456 units been launched since the beginning of 2021.

Number of Apartment Projects Launched by Month



13. The current active development pipeline indicates a substantial lift in the suburban apartment stock expected to be completed in 2021 and 2022.

Auckland Apartment Supply by Location

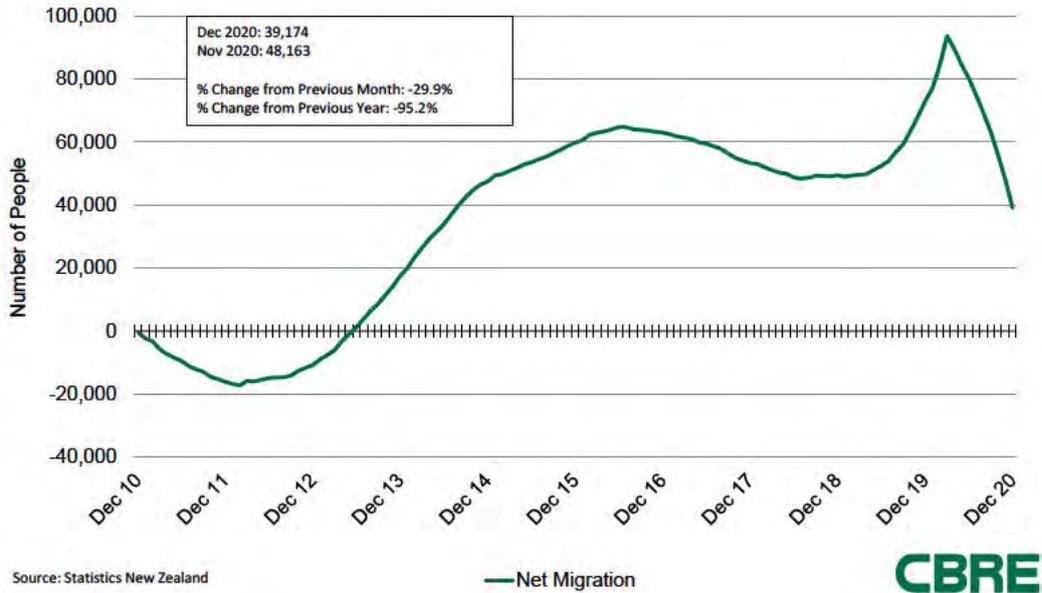


Covid Influences and Migration Trends

14. Globally, housing markets have generally beaten expectations through the Covid-19 crisis, in part due to a policy response that has been large and synchronised. But the New Zealand housing market has been an outlier, which has been underpinned by our successful health response and effective fiscal and monetary policy as well as some specific housing stimulus such as the removal of the LVR. Banks responded to LVRs being dropped for a year in April by allowing a much higher percentage of lending to investors with deposits of less than 30%, but hardly increased the percentage of lending to owner-occupiers with deposits less than 20% (previous chart). It provided a sizeable boost to dwelling sales.

- 15. Relative to history, the recent episode has been different too. Although the current housing upturn shares some similarities with the 2000s, maintaining momentum for such an extended period appears unlikely this time around. While momentum can be self-propelling to some extent, acute housing unaffordability, very high debt levels, macro-prudential policy tightening and credit constraints look set to weigh in time, with a slowing in the rate of housing price inflation expected. However, it may take time for the market to turn and, until that happens, affordability and debt levels could become even more stretched.
- 16. Other housing related policy initiatives are possible this year. Some will help, like more money thrown at first home buyers, while some could hurt dwelling sales, like debt-to-income restrictions, while LVRs may be tweaked. The net result is likely to tilt the field in favour of first home buyers versus investors.
- 17. Border closures had a significant impact on people movement in 2020 but migration remained relatively resilient.

Annual Net Migration to New Zealand

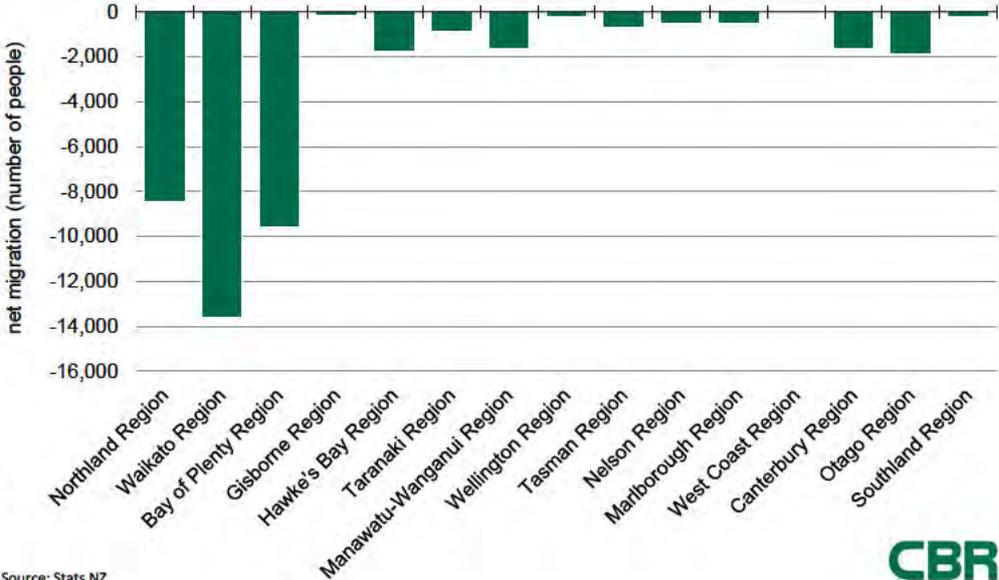


- 18. For the year ended December 2020 (compared with year ended December 2019):
 - migrant arrivals – 85,800, down 48.4 percent
 - migrant departures – 41,600, down 55.4 percent
 - annual net migration gain – 44,100, down from 73,100

19. For migrant arrivals in the December 2020 year, New Zealand citizens were the largest group with 33,500 arrivals. For migrant departures, New Zealand citizens were also the largest group with 11,700 departures for a net gain of circa 22,000 people. (Note that due to Stats NZ methodological issues there are discrepancies between the data in the text above and the chart which shows 39,174 net migration gain)

20. Considering internal migration, between the 2013 and 2018 Census, Auckland had a net internal migration loss of 41,871 people. It lost people to all other regions, with Northland, Waikato and Bay of Plenty being the main beneficiaries of the internal flight away Auckland.

Net Migration Loss from Auckland to Other Regions 2013-2018



Source: Stats NZ



Information paper: Waterfront Transitional Use Strategy

Document authors: Fiona Knox, Priority Location Direction - Waterfront; Tracey Ryan, Senior Strategic Project Manager

March 2021

Whakarāpopototanga matua | Executive summary

1. The significant investment from Auckland Council and the Crown for the 36th America's Cup Event (AC36) has seen a transformational change in the City Waterfront since 2017. For the Wynyard and Viaduct Precincts the changes have created new legacy land and water space with Hobson Wharf Extension, Halsey Wharf Extension and Wynyard Point. The relocation and exit of tenants also means that Panuku now has more flexibility to manage these spaces. Given the rate of change, we have been reviewing and updating our thinking about the balance and focus of activities on the land and water against the Waterfront Plan Goals.
2. The America's Cup resource consent, granted in 2018 has a duration of 10 years and allows for public access, marine related activity, and events. This presents Panuku with the challenge to manage the remaining seven years in a transitional way on both the land and the water.
3. At Wynyard Point, Stolthaven is nearly complete with the demolition of its terminal. The subsequent remediation by Shell needs to be completed by 30 September 2022. From late 2022, in addition to the AC36 bases, this exit will open up large amounts of new land for Panuku to secure, manage, develop, and activate. A significant portion of this land will be future public park. It will take time for this park to fully develop due to the staged renewal and development required alongside the funding availability. Panuku will need to start preparing for the design of the park in advance of the completion of the Wynyard Point masterplan in mid-2022. However, Panuku is limited in how far it can progress this work ahead of the revised masterplan and supporting plan change process.
4. The land created through the new AC36 infrastructure and the Stolthaven/Shell site presents a range of opportunities and challenges for Panuku to manage during transitional periods. We have instigated a process that will prepare for and deliver a transitional approach to the use of the AC36 infrastructure and development of the new public park. This is the Transitional Use Strategy outlined in this paper, which in essence outlines:
 - A review on the allocation and function of spaces that have been created
 - Capital works and programming on the new legacy spaces, after AC36 for the next 1-3 years
 - A process to prepare for the design of the new park on Wynyard Point, in advance of the availability of Long-term Plan (LTP) funding, a politically endorsed masterplan and the supporting plan change.

5. We still do not have complete clarity around how negotiations will unfold after the AC36 event. This will depend on a win-lose scenario and further negotiations between the Crown and Council. The High Court Appeal between Mana Whenua also creates challenges around committing to design processes for specific projects, particularly over 2021.

Matapaki | Discussion

Background

6. Recent Council and Crown investment on the waterfront has seen a transformational change since 2018. For the Wynyard and Viaduct Precincts the changes have created new legacy spaces. In addition, we are starting to see the exit of major tenants from Wynyard Point.
7. Panuku now has more flexibility to manage land and water space than previously. There is a high expectation from the public about the legacy uses of the new spaces that have been created. It has been timely, therefore, to review and update our thinking about the balance and focus of activities on the land and water against the Waterfront Plan Goals.
8. We have also focused on deliberately transitioning of these spaces and places towards the desired and permanent approach established in the Wynyard Point Masterplan. The Transitional Use Strategy focuses on two key strands:
 - The Transitional Strategy post AC36 event: Addressing the immediate challenge post AC36, specific to the bases and water space of Hobson Wharf Extension, Halsey Wharf Extension and Wynyard Point
 - The Transitional Strategy for a public park on Wynyard Point: Acknowledging that it will take time and there will be a gap from when this site is cleared of existing uses (tanks) until when the park is fully developed. This is due to a number of factors including the planning process, the staged renewal and development required and the availability of funding.
9. Supporting information is provided as an attachment to this paper.

Review of allocation of spaces against the Waterfront Plan Goals

10. In developing an updated strategy, a review of current uses and allocation of spaces has been undertaken across the waterfront (Westhaven to Viaduct). This has informed an updated view on the allocation of land and waterside activities. The strategy has been to balance outcomes associated with the Waterfront Plan Goals. In particular, we are focused on continuing to provide for a public, liveable, connected and smart-working waterfront.
11. The review was undertaken to ensure that across the waterfront, development will:
 - Preserve the waterfront axis and viewshafts;
 - Maintain good synergy between the working waterfront and the public who enjoy the space;
 - Create new areas for public interest and engagement;
 - Catalyse flexible spaces for a diverse mix of activities.

Water space

12. Existing occupation consents, licences and commercial agreements dictate the use of the water space from Westhaven to Queens Wharf. There has been a prevalence of usage of water space to berth white boats (recreational vessels, superyachts), working boats (fishing fleet, construction barges) and other commercial uses including SeaLink Ferry and the Auckland Seaplane.
13. Our strategy, particularly in the new water space is deliberately for greater public connection to the water and to avoid replication or competition with what is already provided for at Westhaven and Silo marinas. Specifically:
 - The water space between Wynyard Wharf and Halsey Wharf, will become more public facing. This water space will be used for other public facing vessels – waka and tourism related activity. The space will host community scale water-based events.
 - The water space in Hobson Wharf will also be more public facing. Discussions are underway with the Maritime Museum to consolidate character vessels in one space and create a new attraction next to the Maritime Museum and Eastern Viaduct.

Landside

14. The new infrastructure has created new publicly accessible breakwaters and higher levels of access over Wynyard Point than ever before. This will add to the range of spaces that we already manage on the waterfront. Our design response for public space will reflect the variety and complexity of the spaces we are working in.

Transitional Strategy post AC36 event

15. After AC36, it is unclear exactly what will happen if Emirates Team New Zealand (ETNZ) win or lose. What is clear is that there is a political and public expectation, given the level of investment that has occurred, that there is a safe, accessible, authentic, and vibrant waterfront destination for Aucklanders and visitors.
16. The consent has a duration of 10 years (from 2018) and allows for public access, marine related activity, and events. There is no provision for any permanent development under this consent. The expectation, established through the consent process, is that these sites remain available for major marine related events.
17. This means that the bases and water spaces will need to be managed in a flexible way in between event times. This will require curation and capital investment. As a response to this challenge, the Transitional Use Strategy will focus in detail on 1-3 years and in concept for 4-7 years. To achieve this, we will:
 - a. Continue our place-led approach and implementation, including planning for and staging of key community and social events and large scale marine related events. We will look for opportunities to collaborate with council whānau and key stakeholders and to work in partnership with Mana Whenua to achieve shared outcomes and deliver a safe, accessible, authentic, and vibrant waterfront destination
 - b. Scope up and deliver the capex works required to bring the Wynyard and Viaduct Precincts back to business as usual (non-event mode) starting from the end of April 2021.

18. Through all of our work and approaches over the next 1-3 years, we will be focused on testing ideas and opportunities and importing learnings into the design and development of the future park on Wynyard Point.

Place Led Approach

19. In order to best continue with the momentum and reputation we have built over the last decade across the waterfront we will be following our four basic building blocks in considering transitional uses for the sites.
 - a. Place by Design - delivers passive infrastructure (seating, shade), sports/active infrastructure (basketball courts) and interim users (e.g., Sustainable Coastlines).
 - b. Place by Programme will tap into existing Placemaking programming and key activities (e.g., Matariki, Wynyard Quarter Birthday, Workshops on the Wharf), existing and future major events (e.g., Marathon, Sail GP, Auckland Anniversary Weekend), commercial events (e.g., Auckland on Water Boat Show, Dinner en Blanc), medium and small-scale events and activations (e.g., Kids Gone Fishing).
 - c. Place by Activation - will include input from the He Pia He Tauira rangatahi pilot programme, aligning with our existing Placemaking process for the creation of interventions and creative activations (e.g., North Wharf Piano).
 - d. Do-Learn-Do principles will utilise the new spaces, especially Bases E, F & G to stage activities and interventions that are designed to foreshadow the future park and supported with access to Base C for "backstage" activities.
20. An emerging idea, which was also raised by the external challenge panel, is testing the potential of a Waterfront Fresh Produce Market. This would look to support the growing community with access to authentic fresh healthy sustainable food and act as a reliable activity over Friday-Sunday.
21. As well as growing relationships in place that enable Mana Whenua to have a living presence on the waterfront, the place led approach will help us test and pivot for these places, as we respond to the immediate "post Cup" environment, as well as support the journey towards the creation of a new park for the city. In these spaces we will undertake a pilot design process in collaboration with Mana Whenua, to investigate how to give expression to the Waterfront Plan Goals and Te Ara Tukutuku project cultural narratives.
22. We will be working with Auckland Unlimited to support the events industry of Auckland in the utilisation of these spaces in a way that is safe, inclusive, innovative and (where possible) generate commercial return for Panuku.

Capex works scope and timing

23. We are currently working through the business cases for capex works. Work on the land and the water will involve:
 - a. The removal of event infrastructure to bring the Wynyard and Viaduct precincts back to business as usual
 - b. Making new spaces safe and secure
 - c. Creation of a waterfront 'kit of parts' this will allow for flexible 'plug and play' approach to moving furniture around to curate spaces
 - d. Opening up the spaces for their transitional uses

- e. Exploring which syndicate bases can be retained to support ongoing activation on what will be a large, open concrete space.
24. The programme of works will start at the end April and be completed in September 2021.
25. Note that the scope of the capex works does not cover:

- Additional opex costs for providing an enhanced placemaking programme, attracting and hosting major events and compensation for moving tenants out in advance of events.

Transitional Strategy towards the design of the public park on Wynyard Point

26. On Wynyard Point, the Stolthaven/Shell site will be cleared of tanks by June 2021, it will then be remediated by Shell and revert back to Panuku to manage in late 2022. This will open up large amounts of new land (in addition to the AC36 bases) for Panuku to secure, manage, develop, and activate. A significant portion of this land will be future public park.
27. Panuku has planned for the staged development of the new public park on this site, starting in 2023, with it being fully completed around 2029-33. This will include the upgrade of wharf and seawalls, infrastructure renewals, design and development of the park land and development sites. We are aware that there will be a gap between the exit of the Shell and the time required to fully realise the vision for the new park. This gap is a function of:
- The availability of LTP funding
 - The timing of the Wynyard Point Masterplan, political endorsement of this masterplan and formal public consultation (completed mid 2022)
 - The completion of Wynyard Precinct Plan Change process which will enable completion of Wynyard Point redevelopment. The plan change will be lodged in June 2022 and is expected to take 12-18 months.
28. Early engagement on design expertise was a key recommendation from the Technical Advisory Group (TAG) - driven from the External Challenge process. TAG members have recommended the preparation of a design vision brief and a collaborative design visioning process. This will involve inputs from design practitioners, with experience and capability to test conceptual scenarios. This timing should be in advance of the plan change process.
29. This approach is supported by the Panuku Executive. Panuku is starting to develop a procurement strategy for professional services. Advancement of the concept design for Wynyard Point will allow us to shape up and refine the scope, timing and costs of the development. This will enable us to better assess:
- The current LTP funding bid and whether this is sufficient and correctly phased to meet preliminary project scope, budget and timelines
 - What funding would be needed to accelerate the project or if funding is reduced how this would slow down development of the park.

March 2021

30. Panuku has allowed for \$1.5m in FY22 for the concept design work. However, there are constraints to how fast we can advance this work as it needs to align with, and be informed by, the politically endorsed Wynyard Point Master Plan, a public consultation process and the plan change.
31. In addition, the High Court Appeal between Mana Whenua creates challenges around committing to designers and advancing design work on specific projects before the court has resolved matters of primacy. We have been working very well with Mana Whenua on the development of Te Ara Tukutuku plans. We want to ensure that our relationships and trust can continue to grow on this project and across Panuku. This is likely to constrain the pace we can advance this work.

Ngā tāpirihanga | Attachments

Attachment A - Transitional Uses Strategy Presentation: Land and Water Space March 2021

Waterfront

Transitional Use Strategy
Supporting Information for
Board Paper. March 2021



- Recent Council and Crown investment on the waterfront has seen a transformational change since 2018
- For the Wynyard and Viaduct Precincts the changes have created new legacy spaces - specifically the breakwaters, the bases and water space of Hobson Wharf Extension, Halsey Wharf Extension and Wynyard Point
- Our work is responding in a number of ways:
 1. Review of allocation of spaces and function of the new spaces that have been created
 2. A transitional strategy post AC36 event: Addressing the immediate challenge post AC36 to activate the new legacy spaces and working with others to get there
 3. The transitional strategy for a public park on Wynyard Point: Outlining a process for planning and procuring services to start the design process for the park in advance of the site reverting back to Panuku in late 2022

1. Review of our strategic approach and allocation



- Our waterfront is changing and growing
- In light of these changes and our 'new normal' we have reviewed the current uses and allocation of spaces from Westhaven to the Viaduct
- We are proposing changes that seek to balance outcome associated with the Waterfront Plan goals
- These changes are outlined at a high level in this presentation

Waterfront Goals

Blue-green waterfront + Climate change resilience
+ Environmental improvement



Smart working waterfront + Supporting marine industry
+ Supporting tourism and development



Liveable waterfront + Identity and character
+ Activity and events



Public waterfront

+ Engagement with the water
+ Places for people



Connected waterfront

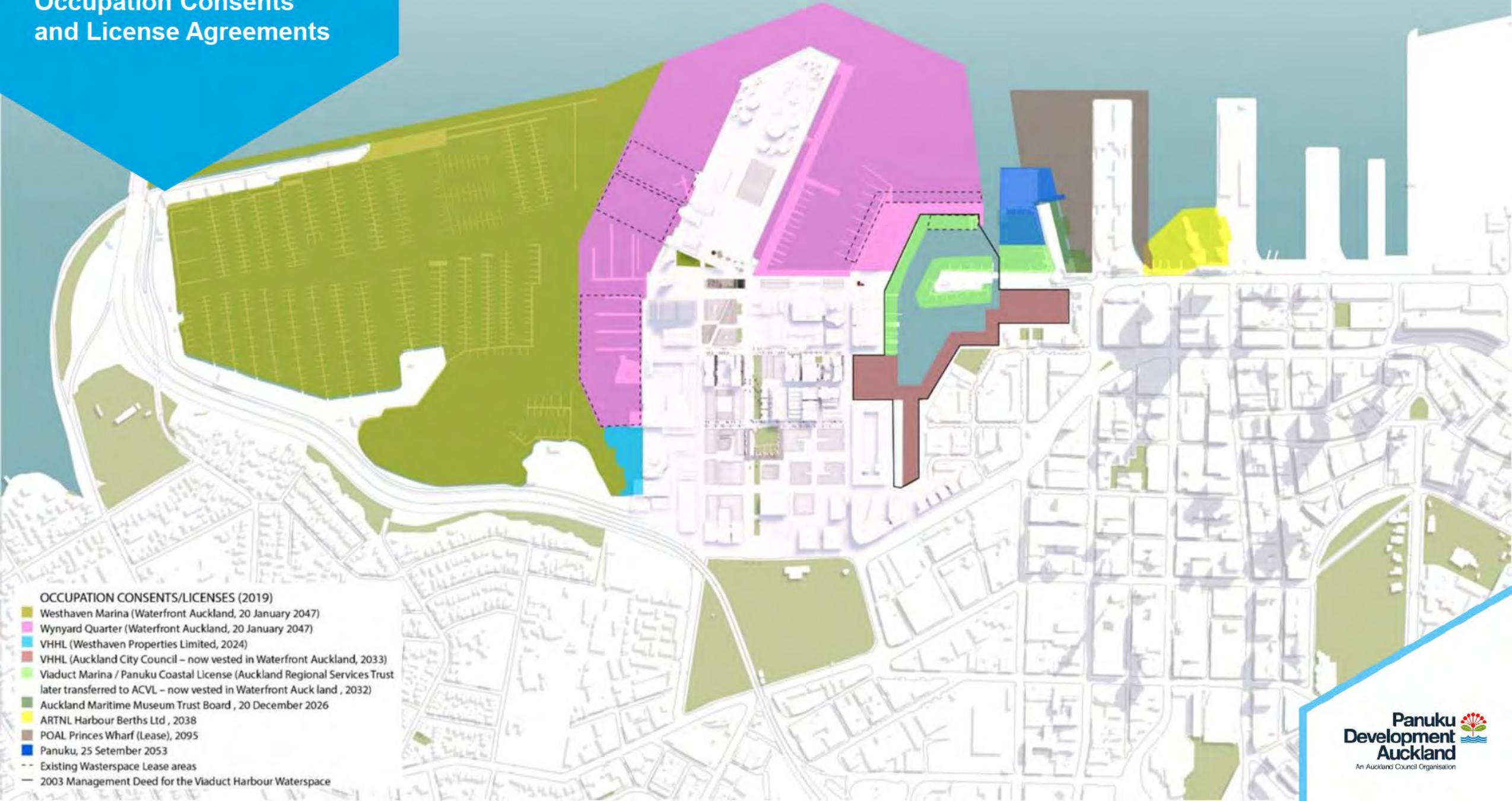
+ Legibility
+ Movement



Balance of activity across the waterfront



Occupation Consents and License Agreements



OCCUPATION CONSENTS/LICENSES (2019)

- Westhaven Marina (Waterfront Auckland, 20 January 2047)
- Wynyard Quarter (Waterfront Auckland, 20 January 2047)
- VHHL (Westhaven Properties Limited, 2024)
- VHHL (Auckland City Council – now vested in Waterfront Auckland, 2033)
- Viaduct Marina / Panuku Coastal License (Auckland Regional Services Trust later transferred to ACVL – now vested in Waterfront Auckland, 2032)
- Auckland Maritime Museum Trust Board, 20 December 2026
- ARTNL Harbour Berths Ltd, 2038
- POAL Princes Wharf (Lease), 2095
- Panuku, 25 September 2053
- Existing Wastewater Lease areas
- 2003 Management Deed for the Viaduct Harbour Waterspace



WHITE BOATS



WORKING BOATS



VIEWSHAFTS ACROSS THE WATER

We need to balance uses across the waterfront



WORKING BOATS



TOUCHING THE WATER



ON THE WATER



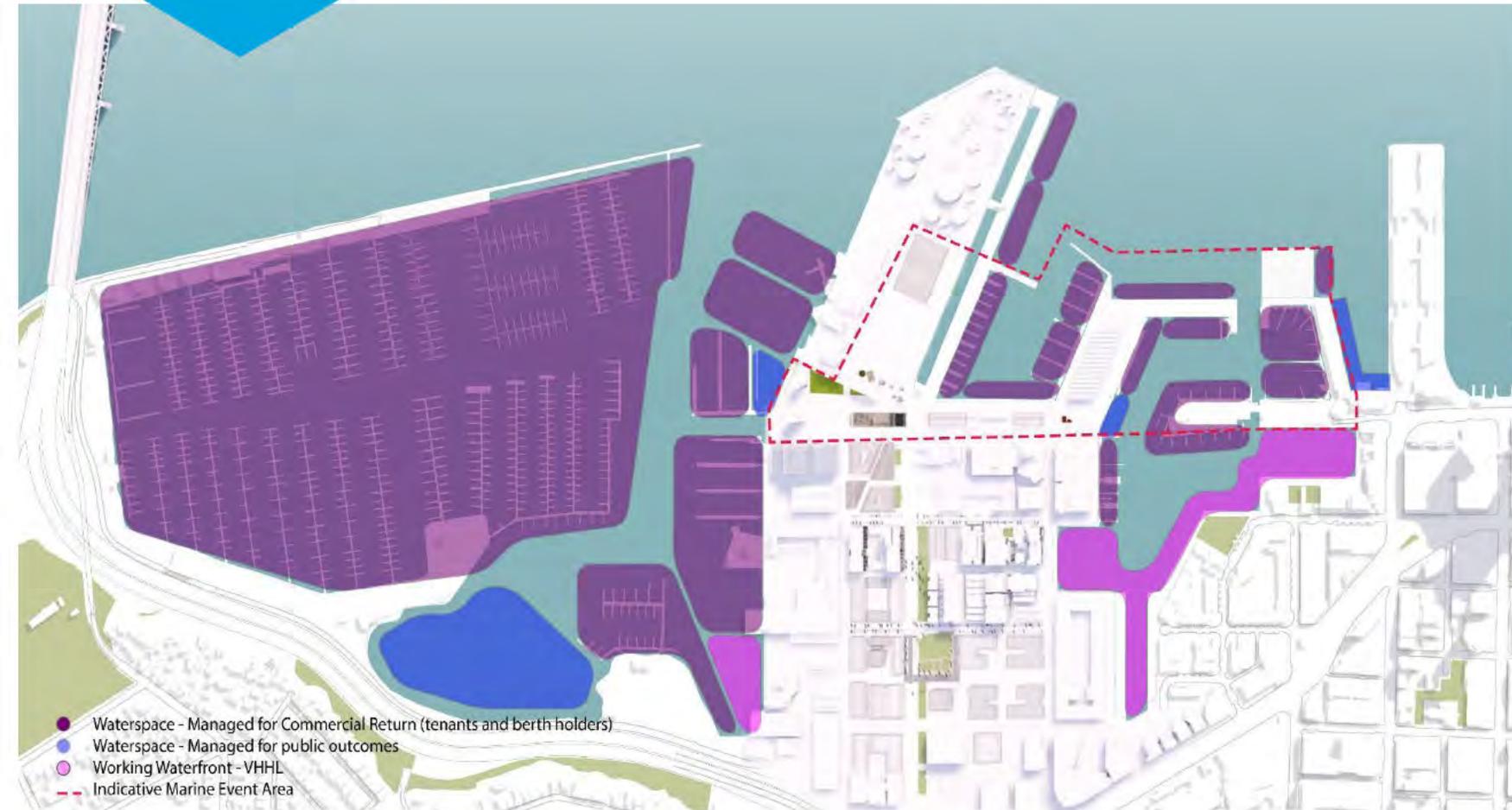
PUBLIC BOATS



Our design treatments should continue to define different public spaces and appropriate activities



Water Space Management Current Arrangements



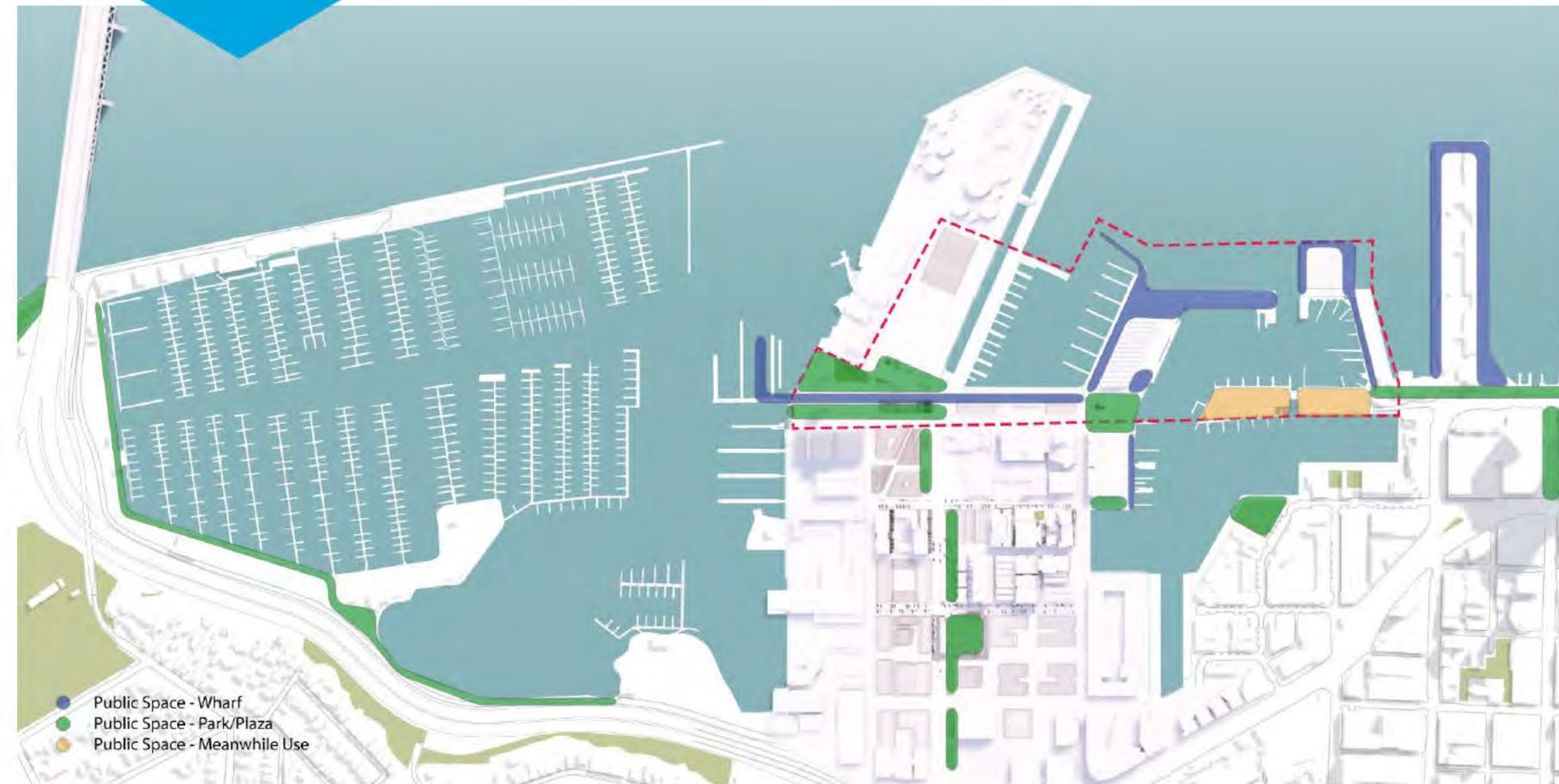
- Our use of the waterspace has traditionally been for white or working boats
- The model in the Silo & Viaduct Marinas, and on Wynyard Wharf has been to provide commercial berths for rent
- There are limited spaces for the public to access and to 'touch' the water - or access public boats to get out on the boat to the Waitemata

Water Space Management New Arrangements



- Our proposed change, particularly for Wynyard Basin and the Hobson Basin is to make it more public facing
- This water space will be used for other public facing vessels – e.g. waka; heritage and tourism related activity
- It will move away from commercial berths for rent
- The space will remain flexible to host community scale water-based events.

Public Space Management Current Arrangements



- On land we have balanced a range of publicly accessible spaces through design and materials
- The wharf spaces are publicly accessible and also support adjacent marine use
- The plaza and park spaces are primarily for public activity

Public Space Management New Arrangements



- We will continue with the current public space management approach
- We will move from a “race village” to a place that will be flexible and functional for day to day use and be ready for a significant event
- We will make greater use of a Kit of Parts, to define spaces and edges to direct and encourage safe public use

2. Transitional Strategy for the AC36 infrastructure



Geographic Scope for capital Works (land and water) FY21



We are preparing for physical works **on land** – including:

- Remove and relocation infrastructure
- Make safe base areas for public access
- Dressing the spaces
- Creating a kit of parts that can be used across all spaces
- Co-ordination with Silo Park extn works (Stage 2)

We are preparing for physical works **in water** – including:

- Remove and relocate pontoons and gangways to align with the waterspace strategy

We will deliver through our Place Programme



Place by Design

- We will use:
 - Passive infrastructure e.g. seating, shade
 - Sports/active infrastructure e.g. basketball courts
 - Interim structures e.g. concepts such as Sustainable Coastlines Flagship



Place by Programme

- We will use
 - Existing Placemaking Programming and key activities e.g. Matariki, Wynyard Quarter Birthday, Workshops on the Wharf
 - Existing and future Major Events e.g. Auckland on Water Boat Show, Marathon, Sail GP, Auckland Anniversary Weekend
 - Commercial events e.g. Taste, Dinner en Blanc
 - Medium and small-scale events and activations e.g Kids Gone Fishing

We will deliver through our Place Programme



Place by Activation

- We will draw on:
 - He Pia He Taurira rangatahi pilot programme and output
 - Existing Placemaking interventions and creative activations e.g. North Wharf Piano



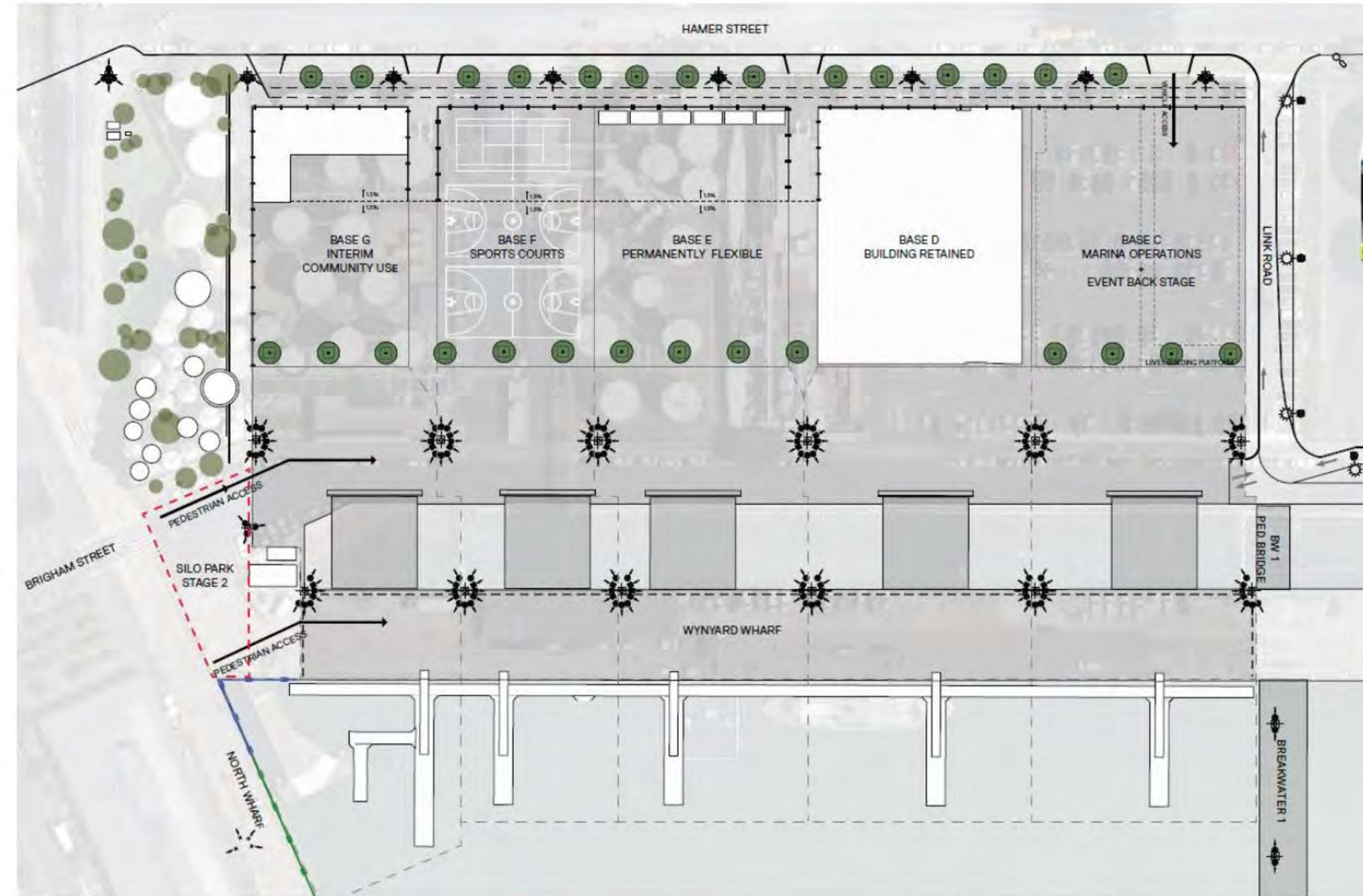
- We will do-learn- do- to:
 - Utilise the new spaces, especially Bases E, F & G to stage activities and interventions that are designed to foreshadow future headland plans, as well as growing relationships in place that enable mana whenua to have a living presence on the waterfront.

We will deliver
through He Pia
Te Taurira

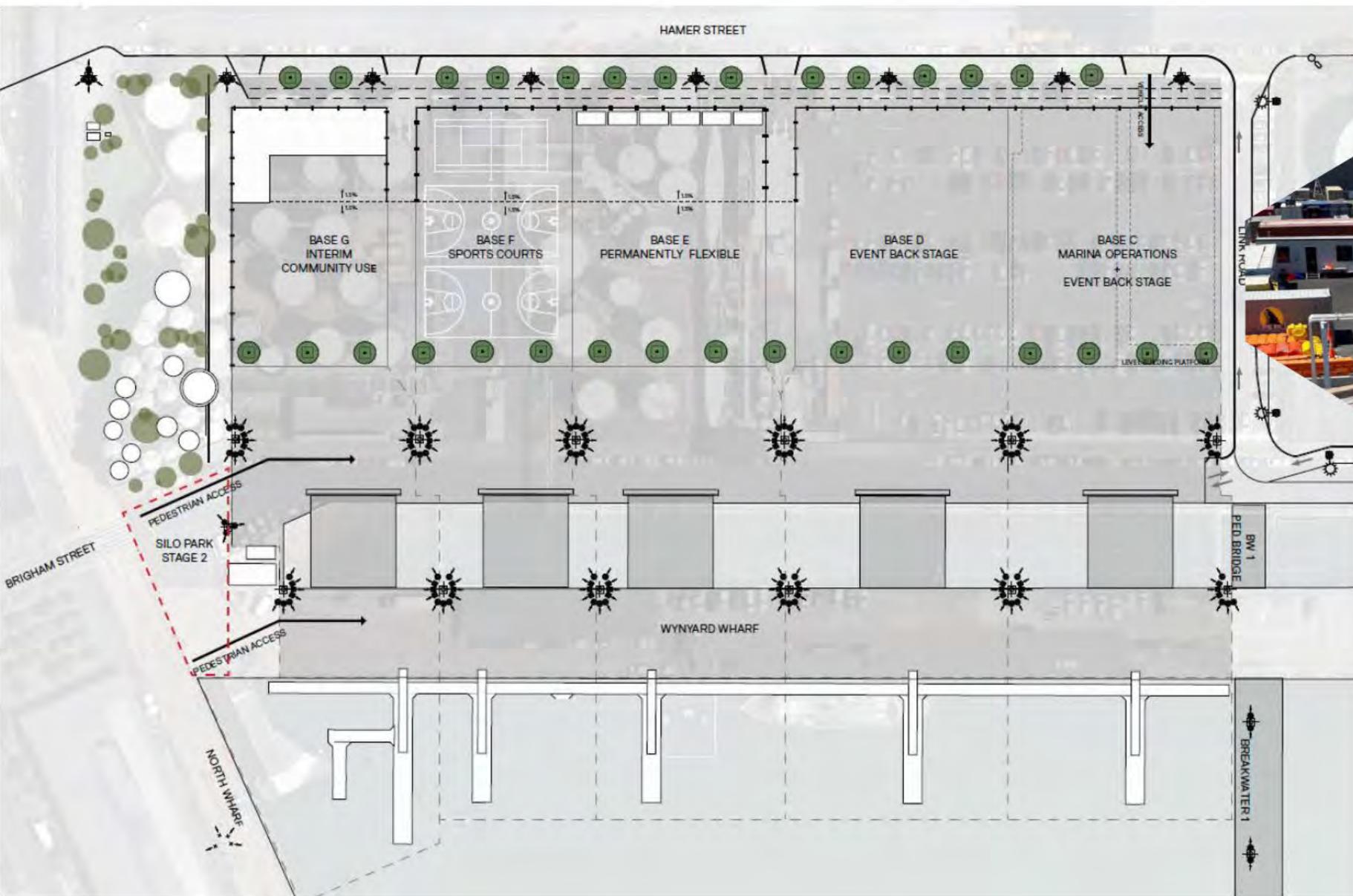


- He Pia He Taurira will play a strong contribution to our 'do-learn-do'

Transitional Use Wynyard Point Option A



Transitional Use Wynyard Point Option B



Transitional Use Hobson Wharf Extension



3. Transitional Strategy for Wynyard Point

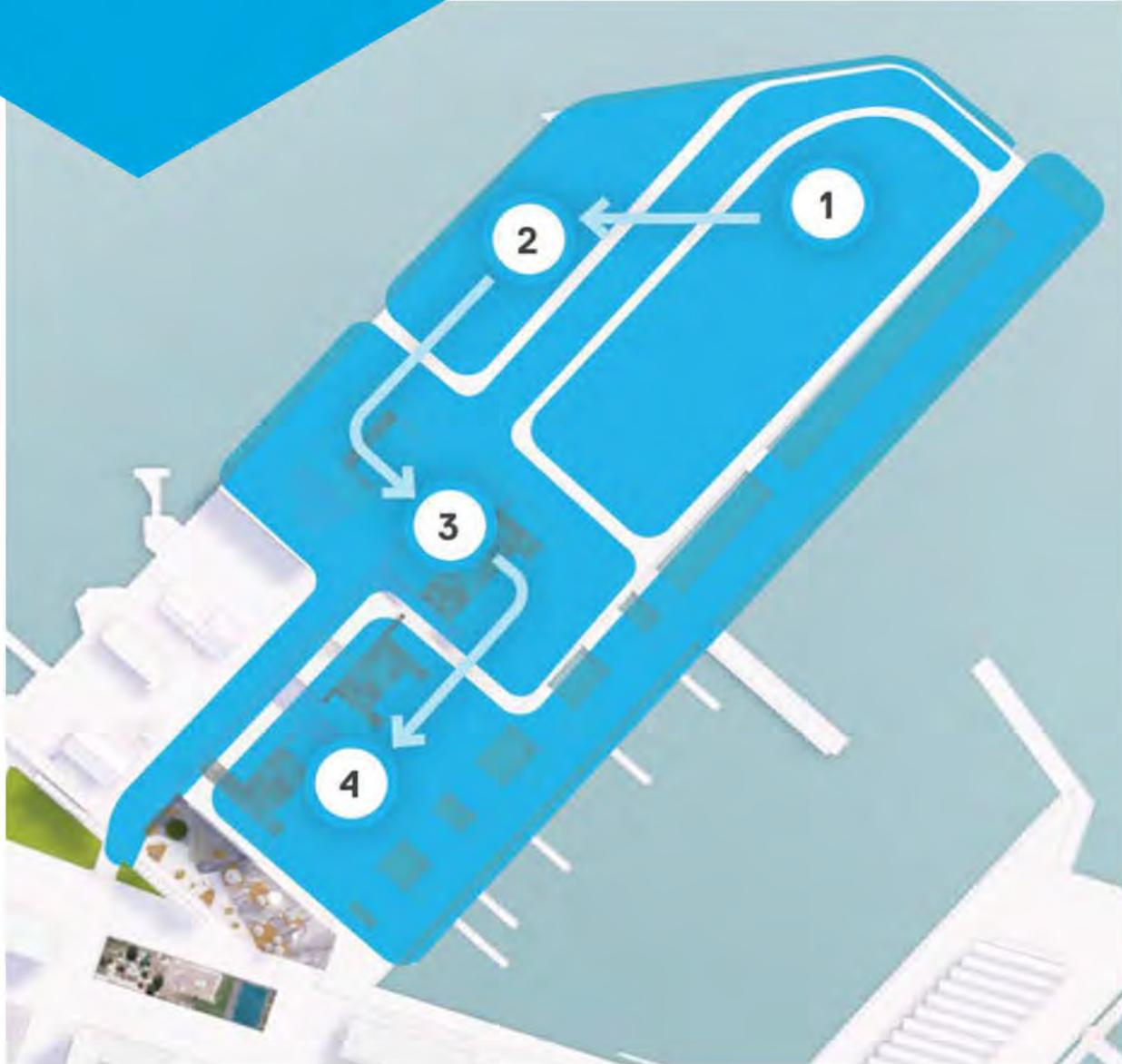


Transitional Strategy for Wynyard Point



- At Wynyard Point, Stolthaven are near complete with the demolition of their terminal.
- The subsequent remediation by Shell needs to be completed by 30 September 2022.
- Therefore, from late 2022, in addition to the AC36 bases, the exit of this major tenant will open up an additional 3 ha for Panuku to secure, manage, develop and activate.
- We are aware that there will be a gap between the exit of the Shell and the time required to fully realise the vision for the new park.

Transitional Strategy for Wynyard Point



- We have planned for the staged development of the new public park on this site, starting in 2023, with it being fully completed around 2029-33
- This includes staged upgrades of wharf and seawalls, infrastructure renewals, design and development of the park land and development sites.
- It will take time for this park to fully develop due to the staged renewal and development required alongside the funding availability.
- Panuku therefore needs to start preparing for the design of the park. There are limitations on how far this work can progress this work ahead of the revised master plan and supporting plan change process

Transitional Strategy for Wynyard Point



- Early engagement on design expertise was a key recommendation from the Technical Advisory Group & External Challenge Panellists
- We are starting to develop a procurement strategy for professional services
- Advancement of the concept design for Wynyard Point will allow us to shape up and refine the scope, timing and costs of the development
- Political communication on this issue is ongoing

Information paper: Transform Manukau; Rainbow's End tenure

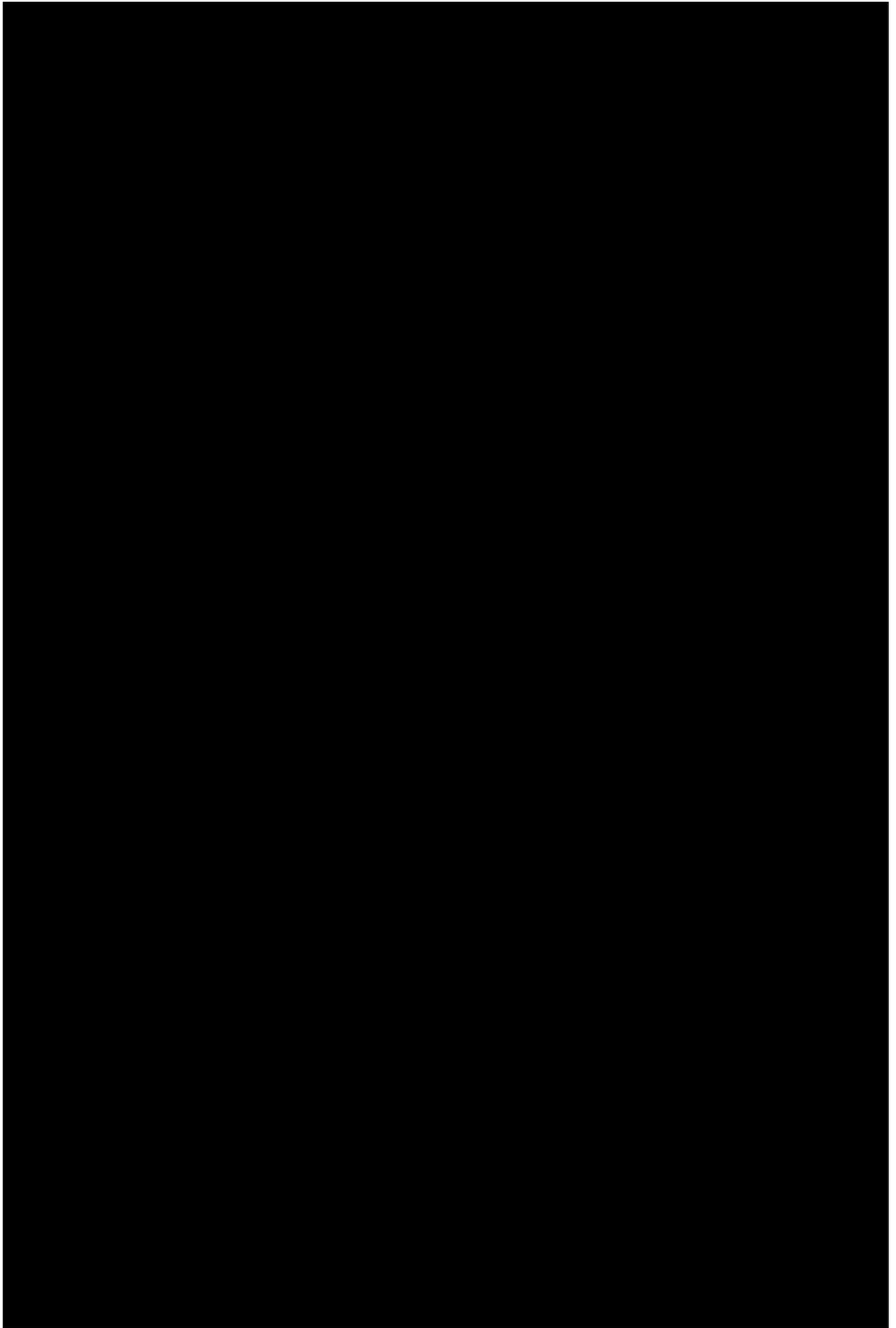
Document author: Gavin Peebles, Head of Development and Lori Butterworth, Alternative Assets Portfolio Manager

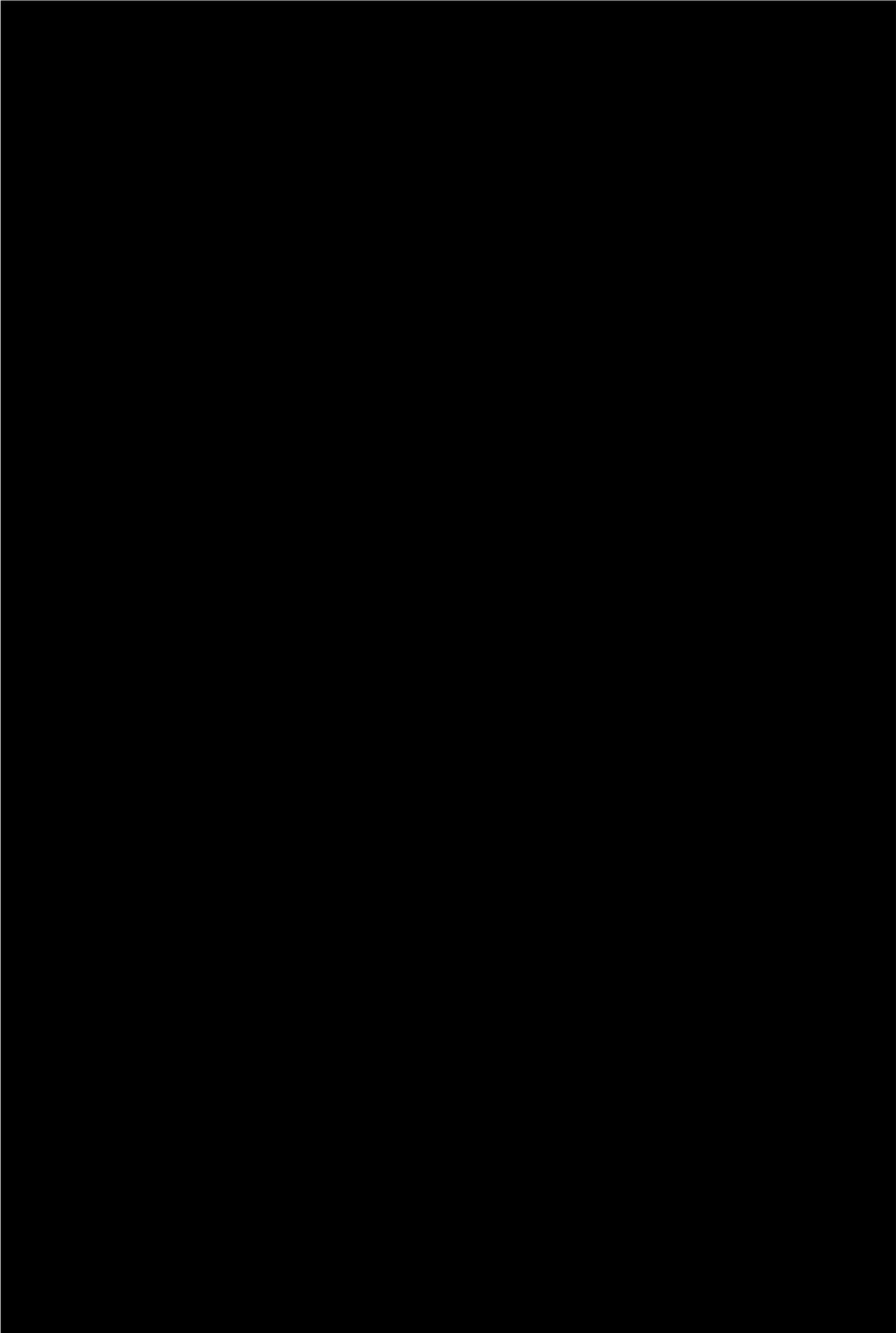
March 2021

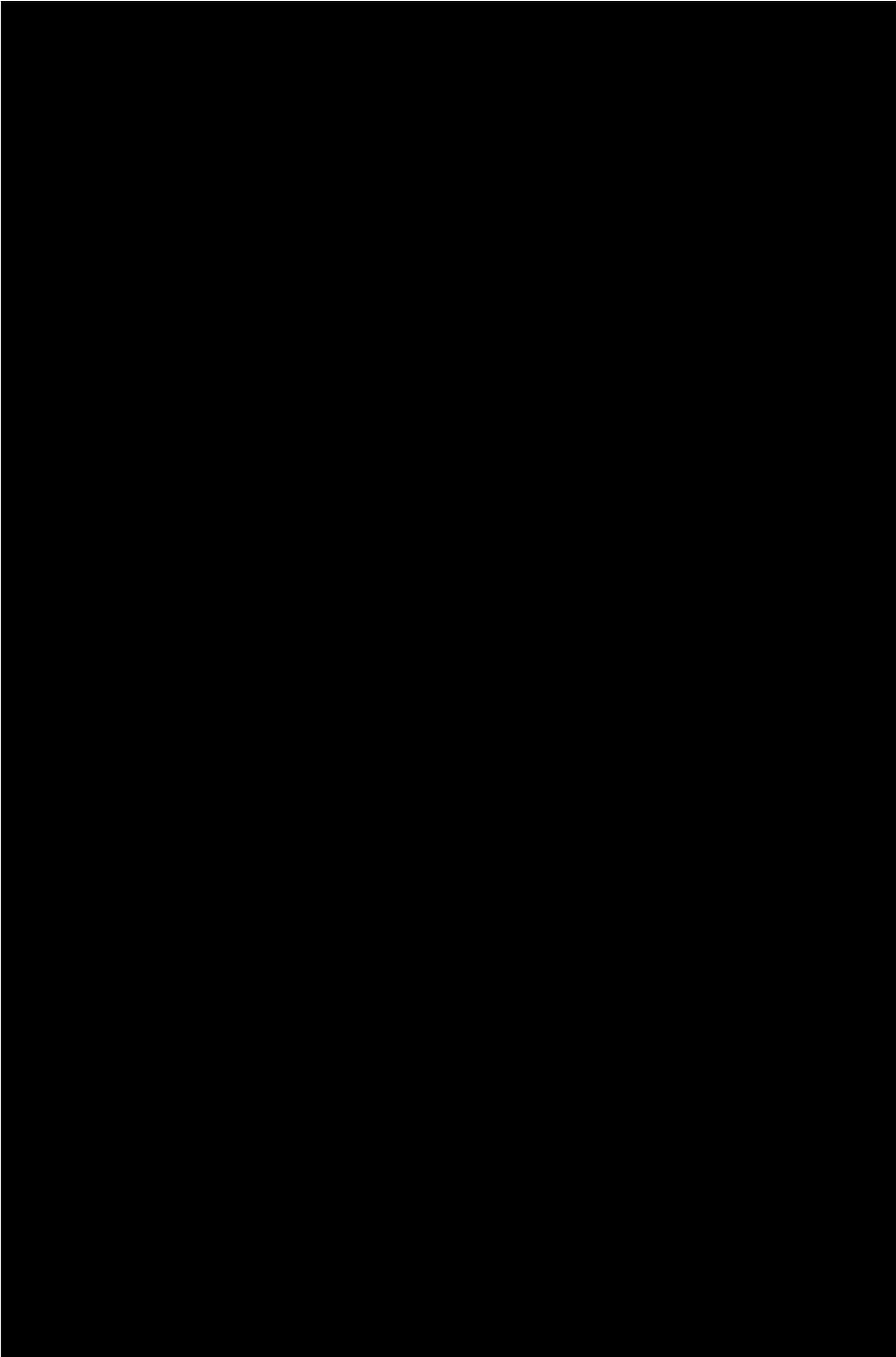
This information paper should be considered as confidential to protect commercial negotiations in accordance with Section 7 (2) (h) of that Act, namely to 'enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.

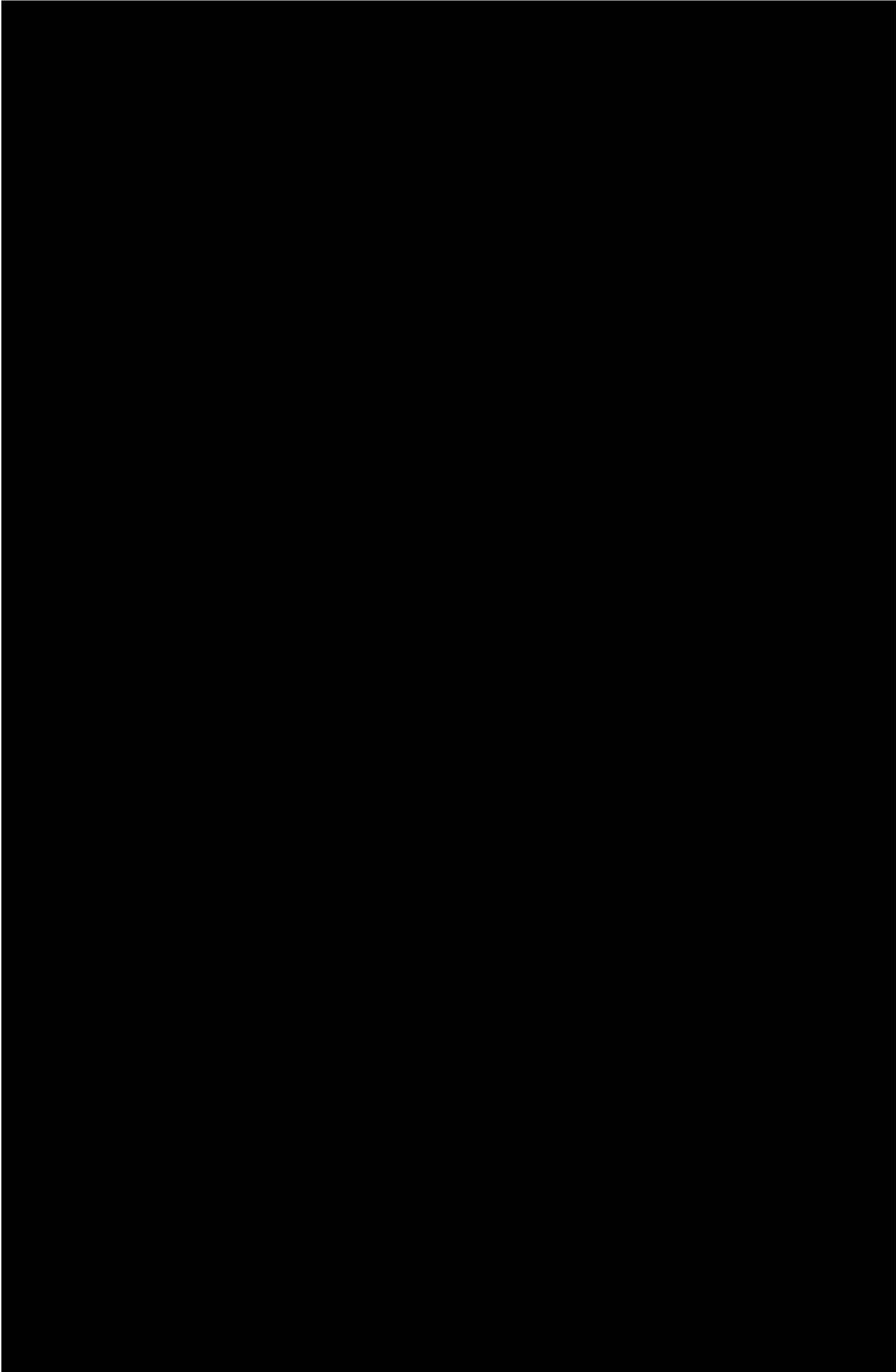
Whakarāpopototanga matua | Executive summary

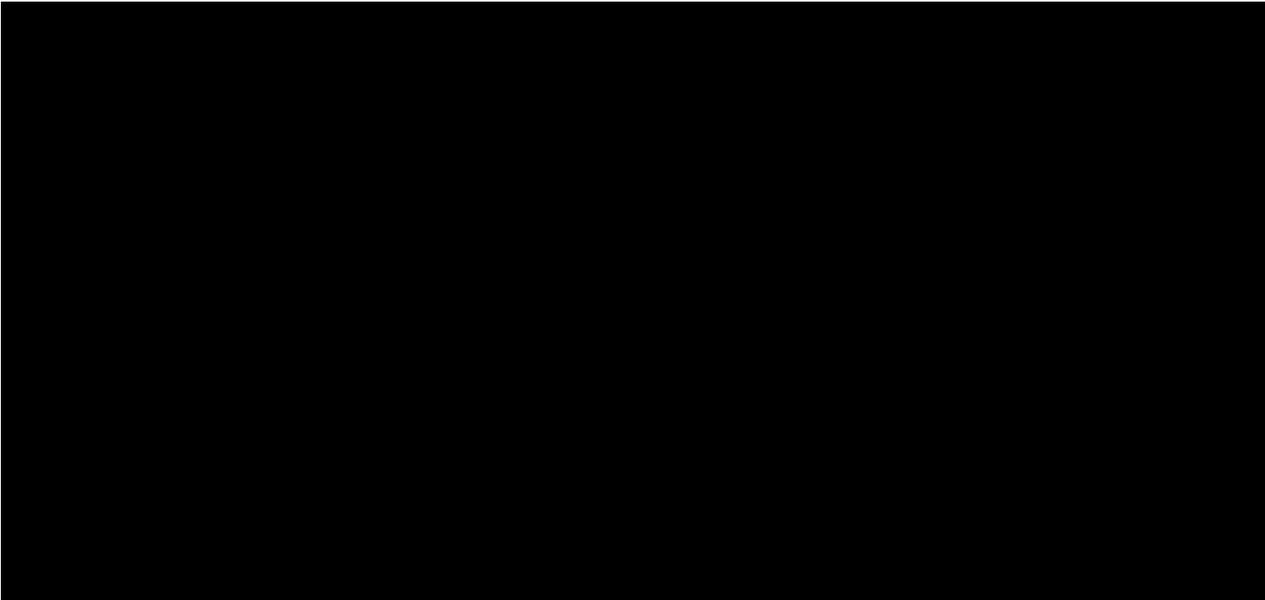
1. Rangitira Investments, the owner of Rainbow's End theme park, is seeking to extend its tenure of the current site either through a long-term lease or freehold purchase. This report assesses the key options relating to the request and summarises Panuku executive preferred approach. The approach will also be shared via the next quarterly report to the council, with relevant southern councillors and local boards being updated directly.
2. Rainbow's End is the only theme park of this scale in New Zealand, the facility is a major regional attraction and an iconic Manukau landmark.











Director interests at 18 February 2021

| Member | Interest | Company / Entity | Conflicts pre-identified? |
|------------------------|-------------------------------|---|---------------------------|
| Paul F. MAJUREY | Chair | Panuku Development Auckland Limited | |
| | Director | Arcus Property Limited | |
| | Director | Atkins Holm Majurey Limited | |
| | Trustee | Crown Forestry Rental Trust | |
| | Director | Hāpai Housing General Partner Limited | |
| | Director | Hāpai Commercial General Partner Limited | |
| | Chair | Hauraki Collective (12 iwi collective) | |
| | Trustee | Hauraki Fishing Group (Pare Hauraki Kaimoana) | |
| | Tangata Whenua Representative | Hauraki Gulf Forum | |
| | Director | Homai General Partner Limited | |
| | Chair | Impact Enterprise Partnership GP Limited | |
| | Director | Koau Property General Partner Limited | |
| | Chair | Marutūāhu Collective (5 iwi collective) | Possible |
| | Chair | Marutūāhu Rōpū General Partner Limited | |
| | Director | MO5 Properties Limited | |
| | Director | MRLP Group Limited | |
| | Chair | Ngāti Maru Limited | Possible |
| | Director | Pare Hauraki Asset Holdings Limited | |
| | Director | Pouarua Farm General Partner Limited | |
| | Chair | Puhinui Park GP Limited | |
| | Co-Chair | Sea Change Tai Timu Tai Pari Ministerial Advisory Committee | |
| | Chair | Tamaki Makaurau Community Housing Limited | |
| | Director | Tapora Avocados GP Limited | |
| | Chair | Te Pūia Tāpapa GP Limited | |
| | Director | Tikapa Moana Enterprises Limited | |
| | Chair | Tūpuna Taonga o Tāmaki Makaurau Trust Limited (Tūpuna Maunga Authority) | |
| | Chair | Whenuapai Housing GP Limited | |
| | Director | Westhaven Marina Limited | |

| | | | |
|------------------|---------------------------------|-------------------------------------|----------|
| John COOP | Director | Panuku Development Auckland Limited | |
| | Managing Director and Principal | Warren and Mahoney | Possible |

| | | | |
|-------------------------|----------|-------------------------------------|--|
| David I. KENNEDY | Director | Panuku Development Auckland Limited | |
| | Director | Cathedral Property Limited | |
| | Director | Grantley Holdings 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 | Possible |
| | Director | Winter Games New Zealand | |
| | Panel Member | NZ Markets Disciplinary Tribunal | |
| | Member | Union Cycliste Internationale Ethics Commission | |
| | Director | Westhaven Marina Limited | |

Director meeting attendance register – 2020 / 2021

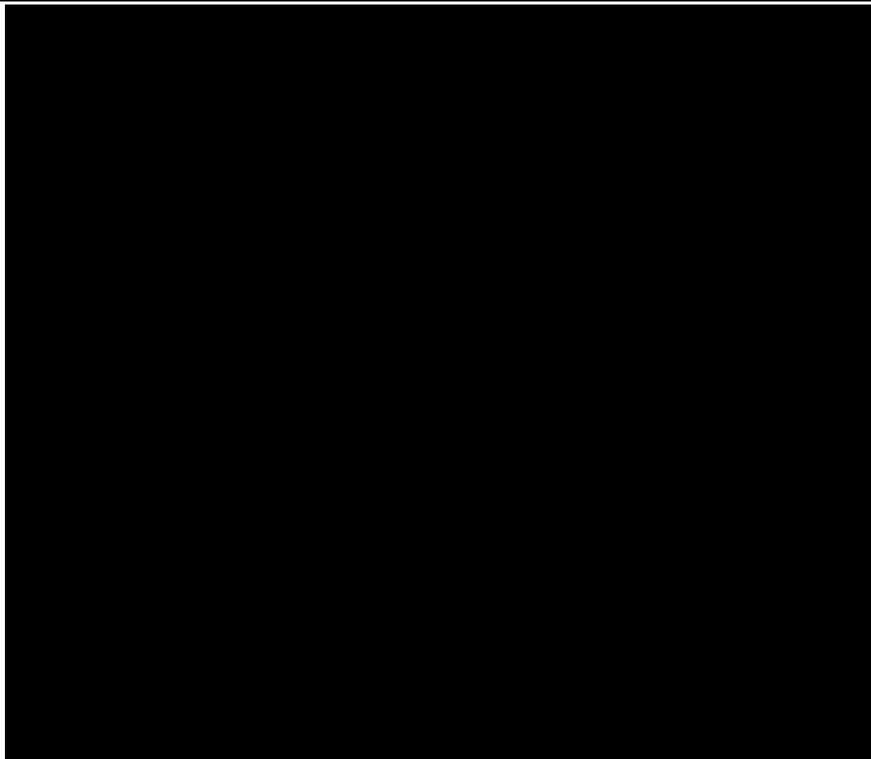
| | 2020 | | | | | | 2021 | | | | | TOTAL |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----|-----|-----|-------|
| | 28 Jul | 21 Aug | 23 Sep | 21 Oct | 18 Nov | 16 Dec | 18 Feb | 24 Mar | Apr | May | Jun | |
| P.F. Majurey | x | ✓ | ✓ | ✓ | x | ✓ | ✓ | | | | | |
| J. Coop | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| D.I. Kennedy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| R.I. Leggat | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| A.F. Young-Cooper | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | |
| V. Carroll | ✓ | ✓ | LOA | LOA | | | | | | | | |

LOA – Leave of absence

| | | |
|---|---------|---|
| | | Following the conclusion of discussions, the Panuku Board received the report. |
| 3. Health and safety | 5 02/21 | <p>Blair McMichael, Health and Safety Manager, joined the meeting and introduced the report. [REDACTED]</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board received the report.</p> |
| 4.1 Supports; 198-222 Dominion Road & 113-117 Valley Road, Mt Eden – Go to market strategy | 6 02/21 | <p>[REDACTED] Allan Young, GM Development, introduced the report. [REDACTED]</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <p>a. Approved:</p> <p>[REDACTED]</p> <p>b. Delegated:</p> <p>[REDACTED]</p> |

| | | |
|--|---------|--|
| | | |
| 4.2 Supports; Exclusive negotiations & sale of Airfields Stage 3 – Megalots 5 & 6, Hobsonville Pt | 7 02/21 | <p>Allan Young, GM Development, introduced the report. [REDACTED]</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <p>a. Approved:</p> <p>[REDACTED]</p> <p>b. Delegated:</p> <p>[REDACTED]</p> |

| | | |
|--|----------------|---|
| | | |
| <p>4.3 Supports; 65 Haddington Drive, Ormiston – exclusive negotiations & go to market strategy</p> | <p>8 02/21</p> | <p>Allan Young, GM Development, introduced the report. [REDACTED]</p> <p>[REDACTED]</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <p>a. Approved:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |

| | | |
|--|-----------------|---|
| <p>4.4 C40 development additional land disposal recommendation – 331 (part) Great North Road, Henderson</p> | <p>9 02/21</p> | <p>Marian Webb, GM Assets & Delivery, introduced the report. The board discussed the following matters:</p> <ul style="list-style-type: none"> • the disposal would enable improved access to and interface with the C40 development; • asked management to continue to keep local boards updated on disposals in their areas. <p>Following the conclusion of discussions, the Panuku Board approved the recommendation to the Finance and Performance Committee that approximately 267m² (subject to survey) of 331 Great North Road, Henderson is surplus to council requirements and should be divested for urban renewal purposes as part of Panuku’s Unlock Henderson Programme.</p> |
| <p>4.5 Westhaven Marina Limited director appointments</p> | <p>10 02/21</p> | <p>Jenni Carden, Executive Officer/Company Secretary, introduced the report. The board discussed the proposed appointments.</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <ol style="list-style-type: none"> a. approved the reappointment of Stephen Mills as the independent Chair of Westhaven Marina Limited for a period of twelve months, expiring 31 January 2022. b. approved the reappointment of Richard Leggat as a Director of Westhaven Marina Limited until the end of his term as a Panuku director, expiring 31 October 2021. c. approved the appointment of Paul Majurey as a Director of Westhaven Marina Limited until the end of his term as Panuku Chair, expiring 31 October 2023. |
| <p>4.6 Ormiston Town Centre and 66 Flat Bush School Road</p> | <p>11 02/21</p> |  |

| | | |
|---|----------|---|
| | | c. noted that a formal communications plan has been developed to inform key stakeholders including elected members. |
| 6.5 Board action list | 18 02/21 | The Panuku Board noted the board action list. |
| 6.6 Board forward work programme | 19 02/21 | The Panuku Board noted the board forward work programme. |
| 7. General business | 20 02/21 | The board discussed: <ul style="list-style-type: none"> • timing of appointment of new board directors and opportunity to review the committee structure; • feedback on the revised form of board pack; • Management's refresh of the risk register which would be reviewed by the Audit & Risk Committee; • challenge of recruitment and retention of staff, particularly in development and construction, and shareholder policy on salaries. |
| Close of board meeting | 21 02/21 | The meeting closed at 12.27 pm. |

Read and confirmed

_____ Chair

_____ Date

Closing

Unuhia, unuhia

Unuhia mai te urutapu nui

Kia wātea, kia māmā,

te ngākau te tinana, te
hinengaro

i te ara takatū

Koia rā e Rongo

e whakairia ake ki runga

Kia tina! Haumi e!

Hui e! Tāiki e!

Draw on, draw on

*Draw on the supreme
sacredness*

To clear and to set free

*the heart, the body and the inner
essence*

In preparation for our pathways

Let peace and humility

be raised above all

Manifest this! Realise this!

Bind together! Affirm!