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AT-Panuku Development Auckland Collaboration – Takapuna

Recommendations

That the Board:

- i. Approves the transfer of the Gasometer car park site (14 Huron Street and 15 Northcroft Street, total book value [REDACTED] as at 30 June 2016) to Auckland Council;
- ii. Approves in principle the future vesting of a 450-space car park building in AT, to be constructed on a subdivided portion of the Gasometer site through the Panuku Development Auckland (Panuku) Unlock Takapuna programme;
- iii. Requests that AT and Panuku continue to work together to finalise the design specifications for the proposed Gasometer car park building;
- iv. Approves in principle future alterations to AT designation 1417 to correspond with the proposed subdivision of the Gasometer site;
- v. Approves the transfer of the Anzac Street car park site (40 Anzac Street, book value [REDACTED] as at 30 June 2016) to Auckland Council and the future removal of AT designation 1416, on the condition that:
 - a. AT is able to operate, maintain and manage the facility, and maintain operating revenues, until such time as the proposed Gasometer car park building is operational;
 - b. The designation is maintained until such time as the proposed Gasometer car park building is operational;
 - c. The facility ceases to operate as a car park once the proposed Gasometer car park building is operational; and
 - d. Any future development on the site provides for the necessary bus infrastructure on Lake Road as per AT specifications.
- vi. Amends clause ii(b) of its November 2016 resolution¹ on Takapuna parking to remove the need for a finalised development partner and scheme as a precondition of the transfer of parking sites to Auckland Council.

Executive summary

As reported to the Board in November 2016, the Anzac Street and Gasometer at-grade car park sites have been identified by Panuku as development opportunities for its Unlock Takapuna programme. The November 2016 report defined the transport prerequisites for the transfer of

¹ AT Board November 2016, closed session item 10.1 (see Attachment 1).

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the sites as being an initial replacement requirement of 400 off-street car park spaces, with provision for 350-500 further spaces as a future-proofing measure for Takapuna's parking requirements. The Board adopted this recommendation (see Attachment 1) understanding that further work was required on the form, ownership and business case for any new parking facilities.

AT officers have determined that a stand-alone 450-space car park building on a subdivided portion of the Gasometer site is the most workable way of meeting the initial replacement requirement. It is proposed that this new facility is delivered through Panuku's programme and vested as an AT asset for an estimated capital cost of [REDACTED] (excluding estimated land value component of [REDACTED]). The capital works are proposed by Panuku to be funded through the Takapuna car park reserve fund and the Panuku Strategic Development Fund². Panuku's current programme indicates a completion date of early 2019 for the new facility. It is recommended that AT continues to operate, maintain and manage the Anzac Street car park until the new facility is operational.

Panuku has provided a business case and an initial concept design for the Gasometer car park building. Both have been reviewed by a working group comprised of Strategy and Development, Parking, Property and Finance staff. The group considers the business case to be robust, while noting a number of caveats relating to the assumptions used to determine the estimates for operating revenue and return on asset figures.

Options to meet the Board's future-proofing parking requirement have been identified, including expansion of the proposed Gasometer car park and expansion of the Killarney Street car park currently owned by Regional Facilities Auckland (RFA). The stand-alone configuration of both facilities negates the need for a finalised development partner and scheme which was one of the preconditions for the transfer of sites.

Strategic context

The recommendations outlined above align with Auckland Council and AT strategic direction. Most pertinently:

- The recommendations are consistent with the AT Parking Strategy, including the policy of prioritising short-stay over long-stay parking, and the requirement that new off-street car parks must be both commercially viable and justified by demand. A balance has been sought between the local community expectation of abundant new off-street car parking, whilst 'capping' numbers and managing demand. The aim is to ensure that parking supports economic activity in the centre and helps meet selected travel demands, whilst not significantly inducing additional vehicle trips and undermining investment in public transport, walking and cycling;
- Panuku's priority locations such as Takapuna are well-aligned with AT's transport planning and investment priorities, particularly the public transport network. Accordingly, facilitating development in these areas through Panuku's programme is consistent with the goals of increased patronage, mode share and farebox recovery for public transport; and more generally is aligned with the Auckland Plan development strategy of intensification in well-connected areas. Consolidating car parking in a single facility directly facilitates development on the current at-grade sites, and assists in increasing the vitality and market-attractiveness of the centre;

² Approved by the Auckland Council Finance and Performance Committee, [September 2017, Item 14](#).

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The recommendations make use of a sustainable and innovative funding model. The capital costs of the Gasometer car park are proposed to be met through the Takapuna car park reserve fund, a legacy Council fund levied for the purpose of off-street parking in Takapuna, and the Panuku Strategic Development Fund which is replenished through the sale of Council family assets.

Background

Takapuna is a metropolitan centre with widely recognised potential in terms of both development capacity and public realm outcomes, and a clear vision in the form of the Takapuna Centre Plan 2014³. To assist in realising this vision, Panuku has been given a mandate⁴ to facilitate urban renewal in Takapuna, principally through the planning, design and ultimately sale of strategic Council family sites for development. The Anzac Street and Gasometer car parks, both of which are on the AT Fixed Asset Register, have been identified as development opportunities.

Pertinent information regarding these sites is set out in the table below:

Site	Legal description	Responsibility	Book Value as at 30 June 2016	Number of spaces	Type of parking	AT Designation?
40 Anzac Street	PT LOT 1 DP 53238	AT Fixed Asset Register/ AT managed		250	Casual, pay-and-display	Yes – Unitary Plan designation reference 1417
14 Huron Street and 15 Northcroft Street	LOT 1 DP 47560, LOT 2 DP 47560, LOT 5 DP 30823	AT Fixed Asset Register / AT managed		137	Leased	Yes – Unitary Plan designation reference 1416

The Board has previously adopted the position that it endorses in principle the use of AT assets for Council-led development initiatives to deliver strategic outcomes, provided that transport requirements are appropriately provided for and that development partnerships are conducted under appropriate commercial terms. The November 2016 Board resolutions (see Attachment 1) defined the transport prerequisites as being an initial replacement requirement of 400 off-street car park spaces, with provision for 350-500 further spaces as a future-proofing measure.

These requirements were informed by a strategic view of parking demands and AT's role in meeting those demands in the context of its wider aims, and were adopted on the understanding that further work was forthcoming regarding the form, ownership and business case for any new facilities.

³ Available: <http://temp.aucklandcouncil.govt.nz/EN/planspoliciesprojects/plansstrategies/Councilstrategies/Pages/thetakapunacentreplan.aspx>

⁴ Auckland Development Committee, March 2016. Item 15.

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Having jointly undertaken this work with Panuku, AT officers have determined that a stand-alone 450-space car park building on the Gasometer site is the most workable way of meeting the initial replacement requirement. Several options have been identified for meeting the future-proofing requirement including the expansion of the proposed Gasometer car park, and an expansion of the Killarney Street car park currently owned by RFA.

Issues and options

Gasometer car park – rationale and dependencies

The key variables considered in determining how to meet the Board's initial replacement requirement were as follows:

- Structural form – the merits of a stand-alone car park building vs public parking integrated into a larger development;
- Ownership and Accessibility – the merits of public ownership and access vs private ownership and public access via easements; and
- Location and Distribution – whether spaces should be distributed through the centre or concentrated on one or more sites.

A single stand-alone car park building on the Gasometer site to be delivered through the Panuku programme and vested in AT as a publicly owned and managed asset was the preferred option for the following reasons:

- Stand-alone configuration ensures that the public access is maintained, and is practical from an operations and maintenance perspective. It also enables the remainder of the Gasometer site to be taken to the market unencumbered by a public parking requirement. The need for a finalised development partner and scheme as a precondition for the release of the sites is no longer necessary given that the resolution was written with a potential strata title arrangement in mind;
- AT ownership and management ensures that new car parks are managed in the public interest to give effect to AT's strategic aims (i.e. parking occupancy of 85%, prioritisation of short-stay parking), and ensures that AT retains all operating revenues; and
- The Gasometer site is considered a suitable location for the facility given that it is within walking distance of Takapuna's key attractions, but diverts vehicular traffic from Takapuna's more pedestrian-oriented core.

The transfer of the Gasometer site is a necessary precursor to Panuku's proposed subdivision of the site (see Attachment 2), which ensures that a suitable parcel is retained for construction of the car park building. The proposed funding model for the delivery of the Gasometer car park is in turn reliant upon the replenishment of the Panuku Strategic Development Fund from the sales of both the remnant part of the Gasometer site and the Anzac Street site.

The transfer of the Anzac Street car park must be timed and/or conditioned to ensure that the site can continue to be operated, maintained and managed by AT with all operating revenues maintained until such time as the Gasometer car park building is operational. Once the Gasometer car

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park building is complete, the Anzac Street car park must cease operating as a car park in any form so as to avoid an over-supply of parking and under-utilisation of the new facility. Panuku's current programme has scheduled this transition to occur in early 2019.

The final dependency is the car park designations currently held by AT in Takapuna. In the case of the Gasometer site, designation 1416 will need to be altered to correspond to the proposed subdivision of the Gasometer site (see Attachment 2). The designation sitting over the Anzac Street car park will need to be removed subsequently, but only after the operation of the car park ceases.

Financials and Risks

Panuku has provided a business case and an initial concept design for the Gasometer car park (see Attachments 3 and 4). These documents show a 450-space car park building with a split-level configuration, two lifts and special facilities including electric vehicle charging ports and end-of-trip facilities for cyclists. The construction capital cost is estimated at [REDACTED] (excluding estimated land value component of [REDACTED]), and is proposed be funded through the Takapuna car park reserve fund and Panuku's Strategic Development Fund. There is no capital cost to AT indicated at this stage, though the specification of the facility and fit-out inclusions and exclusions are yet to be confirmed. These details are to be confirmed through further AT input to Panuku's Request for Proposal (RFP) documentation for the car park.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Higher than anticipated demand would be dealt with initially through pricing measures. Where increased supply is deemed necessary, expansion of the Gasometer car park and/or the Killarney Street car park has been identified as feasible options. A risk of reliance on the Killarney Street car park as a future-proofing measure is that the facility is [REDACTED] operated by Wilson Parking rather than AT.

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Next steps

Should the Board adopt the recommendations of this report, the next steps to be undertaken by Panuku are as follows:


- Gasometer car park – Appoint a contractor by November 2017, detailed design complete by February 2018, consents obtained by June 2018, and construction completed by February 2019;
- Gasometer development (remnant part of the site) – RFP to the market by November 2017, a development partner to be approved by December 2017;
- Anzac Street car park – decision on change of use by the Planning Committee in November 2017 following consultation, and a detailed business case for the site by May 2018.

Attachments

Attachment Number	Description
1	November 2016 Board resolution
2	Gasometer site subdivision plan
3	Gasometer car park business case, July 2017
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Document ownership

Submitted by	Christina Robertson Acting Head of Policy and Planning	
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Glossary

Acronym	Description
RFA	Regional Facilities Auckland
RFP	Request for Proposal

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Attachment 1 – November 2016 Board resolution

10.1.	<p>Panuku Framework Plans</p> <p>The Board noted that this report was presented and considered at the CRC meeting.</p> <p><i>That the Board:</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>ii. Approves in principle the transfer of the Anzac Street and Gasometer car park sites in Takapuna to PDA, on the condition that:</p> <ul style="list-style-type: none">a. PDA is required to provide 400 replacement off-street car parking spaces between the two sites, and future-proof for at least a further 350 and up to 500 additional public off-street car parking spaces over the next 30 years;b. The final transfer of the site and uplift of designations are subject to negotiation and AT Board approval, and will only be approved once a full business case has been prepared and a development partner and scheme are finalised by PDA; andc. Development on the Anzac Street site provides for the necessary bus infrastructure on Lake Road as per AT Metro's specifications.d. The cost for evaluation development proposals and business case preparation rest with PDA. <p>(Mark Gilbert / Rabin Rabindran): Carried</p>	
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