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Disposal of Cedar Reserve, Stanmore Bay to Waka Kotahi NZTA for the Penlink Project

For decision:

For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- a) Approves the transfer of the Cedar Reserve, Stanmore Bay, being Part Lot 67, DP 40314 comprising 1.4793 hectares, more or less, to Waka Kotahi New Zealand Transport Agency (Waka Kotahi) at the transfer price of \$739,240 (based on a 30 June 2021 settlement date) for the Penlink Project pursuant to Section 50 of the Public Works Act 1981.
- b) Endorses the Section 50 Public Works Act 1981 Agreement and recommends that Auckland Council executes the Agreement.
- c) Delegates to the Group Manager Property and Planning, the authority to approve an adjusted transfer price if settlement occurs on a date other than 30 June 2021.

Te whakarāpopototanga matua / Executive summary

1. In January 2020, the Government announced the New Zealand Upgrade Programme (NZUP) to be delivered by Waka Kotahi which included two Auckland Transport (AT) projects, Mill Road and Penlink.
2. On 3 June 2020 the board confirmed the transfer of the Mill Road and Penlink property interests at a total value of \$94,593,550 being 60 property interests for Mill Road at \$63,167,559 and 39 property interests for Penlink at \$31,425,991. The settlement of the transfer of these properties occurred on 30 October 2020.
3. By agreement between Waka Kotahi and AT, the Cedar Reserve, at Stanmore Bay, was excluded from the list of the Penlink properties being transferred, as there was uncertainty regarding the status of the land, whether this was reserve land or legal road. A Location Plan and Survey Plan of the Cedar Reserve is attached, refer **Attachment 2**.
4. The Cedar Reserve land status has now been confirmed as legal road. This land is now able to be transferred to Waka Kotahi.

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Ngā tuhinga ō mua / Previous deliberations

5. The transfer of the Penlink (and Mill Road) properties has previously been before the board.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

6. Under the NZUP programme, the Government is investing \$6.8 billion across road, rail, public transport and walking and cycling infrastructure in six main growth areas – Auckland, Waikato, Bay of Plenty, Wellington, Canterbury and Queenstown. The package provides for more frequent and better public transport and building safe, new walking and cycling paths. In Auckland \$3.4 billion is being invested including in funding Waka Kotahi to deliver the Penlink and Mill Road projects.
7. These projects were previously being delivered by AT. Since February 2019 AT has transferred the land and some of the statutory consents required to enable delivery of the Penlink and Mill Road projects by Waka Kotahi.
8. The land the subject of this report was not transferred earlier as its status needed to be established before it could be approved for transfer.
9. The Align Group Ltd, on behalf of Waka Kotahi, has reviewed the Penlink designation and confirmed that apart from Cedar Reserve, there are no other properties to be transferred to Waka Kotahi.

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

10. Analysis of the Rodney District Council (RDC) records has confirmed that in June 2004 RDC approved Cedar Reserve be “purchased” for road for the Penlink project using funds from its road account and transferred the land to its road assets at the then current land value of \$366,000 inclusive of GST, if any. RDC declared the land as road pursuant to Section 114 of the Public Works Act 1981 (PWA) by New Zealand Gazette 2005-page 1269.
11. The details of the land to be transferred are:
 - Description: Part Lot 67 Deposited Plan 40314;
 - Area: 1.4793 hectares, more or less;
 - Status: Land Declared Road [Cedar Reserve, Stanmore Bay] by New Zealand Gazette 2005 p 1269 vested in the Rodney District Council.
12. NZTA and AT earlier agreed a formula to establish the transfer value for the Penlink and Mill Road properties and this formula will also apply to the Cedar Reserve transfer.
13. The formula is as follows:

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- a. purchase price as per each individual PWA agreement plus section 66 and section 72 costs under the PWA
 - b. plus, cost of debt (at 4.83% compounding monthly)
 - c. less net rental income
14. In June 2004, the RDC confirmed the current market value of the property at \$366,000 inclusive of GST, if any. Using the above formula, the transfer price for the property is \$739,240 assuming a settlement date of 30 June 2021 which is the date Waka Kotahi has advised for settlement.
15. Waka Kotahi has confirmed that the Manager Property Acquisitions has delegated authority to approve the s50 PWA Agreement and recommend signature by Land Information New Zealand (LINZ) on behalf of the Minister.

Ngā tūraru matua / Key risks and mitigations

16. The s50 PWA agreement, refer **Attachment 1**, must be signed by LINZ on behalf of the Minister. AT and Waka Kotahi are working collaboratively to ensure transfer and settlement will occur on 30 June 2021.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

17. Once the transfer to Waka Kotahi is approved by the Board and the s50 PWA agreement is endorsed for signature by Auckland Council (AC), the s50 Agreement will be referred to the AC for execution by the General Manager of Community Facilities (AC) acting under delegation.

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

18. There are no environment and climate change matters associated with this disposal.

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Ngā reo o mana whenua rātou ko ngā mema pooti, ko ngā roopu kei raro i te maru o te Kaunihera, ko ngā hāpori katoa / Voice of mana whenua, elected members, Council Controlled Organisations, customer and community

19. The transfer of the property is required to be undertaken to give effect to the Government's NZUP priorities. Consultation is not required to be undertaken with Local Boards or mana whenua for this transfer.
20. There are no tenants or other parties affected through this transfer.

Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

21. There are not considered to be any health, safety and wellbeing considerations.

Ā muri ake nei / Next steps


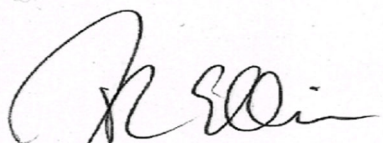
22. The following are the next steps:
 - (a) AC will execute the s50 PWA agreement to transfer the property interest of Cedar Reserve, Stanmore Bay to Waka Kotahi.
 - (b) Waka Kotahi acting under Officer delegation will approve the s50 Agreement.
 - (c) LINZ will execute the Agreement on behalf of the Minister.
 - (d) Settlement of the transfer is programmed for 30 June 2021.

Ngā whakapiringa / Attachments

Attachment number	Description
1	Section 50 Agreement
2	Location Plan

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Te pou whenua tuhinga / Document ownership

Submitted by	Jane Small Group Manager Property and Planning	
	Mark Laing Executive General Manager Finance	
Recommended by	Mark Lambert Executive General Manager Integrated Networks	
	Shane Ellison Chief Executive	
Approved for submission		