

Entered by Board Secretary

AGENDA ITEM 16 BOARD DECISION PAPER	
To:	Board
From:	Murray Burt, Director Infrastructure & Place
Reviewed:	Dean Kimpton, Chief Executive Officer
Date:	21 February 2024
Title:	Papakura Park and Ride Lease

Reason for inclusion in closed board meeting session

1. Please state why this report is being considered in the closed board meeting as opposed to the open board meeting. Please refer to the 'reasons for confidentiality' and provide a direct reference to one of these reasons.	To protect commercial interests and provide a convenience for our commuters.
2. Please provide an estimated date for release of this report.	31 December 2024.

Aronga / Purpose

- To seek approval to enter a new Deed of Lease for the Park and Ride Facility at Papakura Station.

Tuku mana / Delegation

- Deeds are required to be executed by at least two directors.

Te tūohunga / Recommendation

That the Auckland Transport Board (board):

- Approve Auckland Transport entering into a new Deed of Lease for the Papakura Park and Ride at 9 Ron Keat Drive, Papakura for nine years at the rental of \$300,000 per annum plus GST.

- Delegate to the Chief Executive authority to approve the final terms and conditions of the Deed of Lease.
- Appoints two directors to execute the Deed of Lease.

Te whakarāpopototanga matua / Executive summary

- Auckland Transport (AT) leases 11,590 square metres of land at 9 Ron Keat Drive (Property) adjoining Papakura Station from KiwiRail (Lease). The Property comprises 166 Park and Ride spaces and an administration building utilised by AT's rail network operator Auckland One Rail (AOR).
- The Lease expired on 31 August 2023 and AT has been negotiating a new Deed of Lease with KiwiRail. The new Deed of Lease will be for a term of nine (9) years at a rental of \$300,000 per annum plus GST and will allow AT to continue to provide Park and Ride at Papakura Station.

Ngā tuinga ō mua / Previous deliberations

- Nil.

Te horopaki / Background

- Papakura Station is a major transport hub on the Rapid Transit Network (RTN) on the Southern Line and includes a bus interchange serving eight bus routes in South Auckland.
- Papakura Station is currently the southernmost connection to the RTN whilst the New Zealand Upgrade Programme completes the electrification of the rail network to Pukekohe late in 2024.
- The term of the Lease expired on 31 August 2023 and AT has been negotiating the terms of a new lease with KiwiRail since July 2022. Negotiations have been protracted due to differences in the respective parties valuation assessments.
- The Room to Move Strategy provides that Park and Ride will be provided as a service to support growth by improving access to the RTN in areas where local connections to RTN stations are not mature or available.

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Alignment to Statement of Intent 2023 - 2026

- Entering into a new Deed of Lease for the Papakura Park and Ride with KiwiRail will secure this Park and Ride service for AT's customers and effectively leverages AT's existing network by improving access to Papakura Station and providing a viable commuting alternative and reducing congestion.
- The new Deed of Lease allows the Papakura administration building to continue to be utilised by AOR which is an activity that is part of AT's core business.

Me mōhio koe / What you need to know

- KiwiRail's initially proposed a new Lease term of nine years at a rent of \$463,600 per annum plus GST based on \$40 per square metre.
- AT's valuation advice was initially significantly lower due to a difference in assessment of highest and best use for the Property. After meeting with KiwiRail's valuer it was agreed that the highest and best use of the Property was storage yard and the AT valuer updated its valuation assessment to \$316,120 per annum plus GST.
- After lengthy negotiations, KiwiRail offered in good faith to settle the rental at \$300,000 per annum plus GST, which is considered to represent a fair market rental for the Property.
- KiwiRail is currently developing concepts on expanding rail tracks and platforms at Papakura Station. These redevelopment plans may impact the Property in the future.
- The lease provides for an Early Termination clause to allow KiwiRail to terminate the lease for any rail related or development purposes by serving twelve (12) months' written notice. AT will work with KiwiRail to ensure that any future loss in Park and Ride spaces will be mitigated.

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

- There is budget for Lease rental costs in the Rail Franchise budget for Park and Ride facilities under the Long Term Plan.

Ka whaiwhakaaro ki te Tiakanga Taiao / Climate change and sustainability considerations

- This proposal does not have any climate change impacts.

Ngā whakaaweawe atu anō / Other impacts

Relationship	Consulted Y/N	Views and Perspectives Received
Māori	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Māori engagement was not needed
Elected members	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Retention of Park and Ride facilities is supported by Elected members
Council Controlled Organisations	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	

Ā muri ake nei / Next steps

- Once the Lease terms are finalised and approved by the CE, two directors will be required to sign the Deed of Lease.

Te whakapiringa / Attachment

1.	Premises Plan – Papakura Park & Ride.
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Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
Jane Small Group Manager Strategic Development Programmes and Property	Murray Burt Director Infrastructure & Place	Dean Kimpton Chief Executive



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Attachment 1

Papakura Park & Ride – Premises Plan

