

I hereby give notice that an ordinary meeting of the Parks, Recreation and Sport Committee will be held on:

Date: Tuesday, 7 October 2014
Time: 1.30pm
Meeting Room: Reception Lounge, Level 2
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Parks, Recreation and Sport Committee

OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson	Hon Christine Fletcher, QSO	
Deputy Chairperson	Cr Calum Penrose	
Members	Cr Dr Cathy Casey	Cr Dick Quax
	Cr Bill Cashmore	Cr Sharon Stewart, QSM
	Cr Ross Clow	Cr Sir John Walker, KNZM, CBE
	Cr Chris Darby	Cr Wayne Walker
	Cr Alf Filipaina	Member Glenn Wilcox
	Cr Mike Lee	Member Karen Wilson
Ex-officio	Mayor Len Brown, JP	
	Deputy Mayor Penny Hulse	

(Quorum 8 members)

Tam White
Democracy Advisor

3 October 2014

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Local Parks Acquisition Programme

File No.: CP2014/15281

Purpose

1. To update the Parks, Recreation and Sport Committee on issues regarding budget availability for the approved local parks acquisition programme.

Executive summary

2. Council has an approved programme of land acquisitions to enhance Auckland's local park network. However, council's approved open space acquisitions have now exceeded the existing local parks land acquisition budget by \$8.6 million in the 2016/2017 financial year. The council is in the process of developing the 2015-2025 Long-term Plan (LTP) and new funding levels for land acquisition will be developed as part of this process.
3. As a result of the current budgets and uncertainty around the Long-term Plan funding levels, council is currently unable to approve any additional open space acquisitions where the costs would fall in 2016/2017, unless it releases currently allocated budget by deferring or withdrawing from previously approved acquisitions, or approves additional budget.
4. A large number of high priority local park acquisition opportunities are expected to arise over the next few years, as new greenfield developments are delivered via Special Housing Areas (SHA's) and other subdivisions. Staff believe the land acquisition opportunities in these areas would offer high value additions to the local park network and would provide critical infrastructure to support our growing population. Staff are intending to report seeking approval to acquire land in a number of SHAs over the next few months.
5. On 5-7 November the Budget Committee will agree proposed budget levels to be consulted on for the Long-term Plan 2015-2025. Final decisions will be made in June 2015.
6. To address the current gap between budget availability and the need to purchase essential park land in high priority areas, staff propose that the council temporarily adopts a position where authority is given to enter into agreements to commit spending up to the level of the proposed LTP land acquisition budgets.

Recommendations

That the Parks, Recreation and Sport Committee:

- a) note that based on the current approved local parks acquisition programme there is a projected budgetary overspend of \$8,556,000 in the 2016/2017 financial year
- b) note that staff will report a number of approved but uncommitted acquisitions for reconsideration, in order to ensure that only the highest priority acquisitions are included in the programme
- c) recommend to the Budget Committee that temporary approval is granted to commit spend up to the level of the proposed Long-term Plan land acquisition budget to enable the delivery of the approved local parks acquisition programme and to allow agreements with developers to be signed which forecast a settlement in future financial years.

Comments

7. Council's approved local park acquisition programme includes some 64 approved acquisitions, with a total forecasted spend of \$113 million over the remainder of the current LTP period (2014/2015 – 2021/2022). The budget available for the local park acquisition programme over the 2012 LTP period is \$381 million, with the current approved acquisition programme already allocating 30% of the total budget.

8. Budget provision for local park acquisitions within the 2012 LTP is not evenly distributed across the financial years, with a relatively low level of budget provision in the 2014/2015 – 2016/2017 financial years and more substantial budget provision across the later years. Table 1 and Figure 1 below illustrate the current budget provision alongside approved and committed acquisitions. This information reflects the best estimate of commitments as at 8 September 2014.
9. Table 1 – Local park acquisition budget (2012 LTP) and approved programme

	14/15 \$000's	15/16 \$000's	16/17 \$000's	17/18 \$000's	18/19 \$000's	19/20 \$000's	20/21 \$000's	21/22 \$000's	9yr Total \$000's
TOTAL BUDGET	21,473	35,098	7,884	63,002	72,606	62,587	60,892	57,653	381,195
TOTAL FORECAST	24,037	25,342	16,443	15,680	9,464	8,169	10,549	3,425	113,109
Committed Spend Portion	21,661	14,072	5,677	5,589	6,114	4,169	10,549	3,425	71,256
Not Committed Spend Portion	2,376	11,270	10,766	10,091	3,350	4,000	-	-	41,853
BALANCE (Budget-Forecast)	-2,564	9,756	-8,559	47,322	63,142	54,418	50,343	54,228	268,086

10. The table above illustrates that the forecasted spend against council's local parks acquisition budget has now exceeded the budget provision in the 2016/2017 financial year, with a forecasted overspend of \$8,559,000.
11. Budget provision for local park acquisition from the 2015/2016 financial year is subject to the Long-term Plan 2015-2025 process which will not conclude until June 2015.
12. As a result, the Parks Recreation and Sport Committee is unable to approve any additional open space acquisitions where the costs would fall in 2016/2017, unless it releases allocated budget by deferring or withdrawing from approved acquisitions, or approves additional budget.
13. It is important to note that the approved and committed spend indicated in Table 1 only includes the acquisitions that have been previously approved. This figure does not indicate the level of spend actually anticipated, as we expect additional acquisitions will be approved as opportunities arise over time.
14. To address the projected budget deficit under the existing Long-term Plan, this report recommends reconsidering a number of approved but uncommitted acquisitions and granting approval to commit to acquisitions up to the level included in the proposed LTP.

Reconsideration of approved acquisitions

15. Council is legally committed through sale and purchase agreements, private developer agreements, and approved resource consents to proceed with most approved acquisitions. However, there are 24 approved but currently uncommitted acquisitions where council has the discretion to defer or withdraw from acquiring the land.
16. Attachment A provides a summary of these approved but uncommitted acquisitions. In order to ensure that only the highest priority acquisitions are included in the approved programme, staff recommend the following actions:
- Withdraw from 1 acquisition (report is included separately on this agenda)
 - Report 9 approved acquisitions for reconsideration
 - Continue to seek settlement for the remaining 14 approved acquisitions.

17. There are two primary reasons for reporting previously approved acquisitions for reconsideration. First, a few of the approved acquisitions are subject to protracted negotiations with owners who have high expectations of value, and where negotiated agreement is unlikely. Second, several approved acquisitions stem from legacy council approvals and have not been assessed against the Parks and Open Space Acquisition Policy to determine their relative priority. Staff propose reassessing these acquisitions against the acquisition policy and reporting them for reconsideration to determine whether or not to proceed.

Additional Budget Provision

18. The issue of insufficient budget was considered by the Strategy and Finance Committee in February 2013 and addressed in the short term by bringing budget forward from the outer years to the 2013/2014 and 2014/2015 years. This was done as part of the 2013/2014 Annual Plan process. This did not address the budget provision in the 2016/2017 year, which is now an issue.
19. It is important to note that the problem is not about having budget available to settle acquisitions this year. We believe that we have adequate budget provision to meet this year's commitments. Instead, it is about having budget available in future years to allow council to enter into agreements to secure open space within subdivisions and SHA areas that are going through the regulatory process now and are not likely to settle until 2016/2017.

Future Priorities and Opportunities

20. Approval to commit above the current budget level is important to enable the delivery of a number of strategic land acquisitions that are expected to arise over the short-medium term. These acquisitions are in relation to Special Housing Areas (SHAs) and other high priority greenfield developments. Staff believe these acquisitions would provide essential open space infrastructure to support our growing population.
21. Staff have begun to quantify the scale of land acquisitions required to deliver open space in the first tranche of SHAs. We expect that roughly 27.5 ha of open space will be required, and will cost approximately \$55-80 million (at \$2m-\$3m / ha) over the next 5-10 years. Timing and quantum of these acquisitions is difficult to predict at this stage, but would likely begin to settle from 2016 onwards, and will most likely require \$15m per annum. Staff are intending to report seeking approval to acquire land in a number of SHAs over the next few months.
22. Planning for the second tranche of SHAs is not as advanced and we are less certain of potential land acquisition requirements. At this point in time we estimate that we will need 28.5 ha of open space, totaling approximately \$57-85 million (at \$2m-\$3m / ha), in addition to the amount above.
23. It is important to note that these predictions do not include all of the SHA or greenfield areas that are being progressed; these are just the ones that staff have been actively involved in at this point in time. There are a number of other SHAs and new greenfield developments that will also have significant open space land requirements, which are not contemplated in this report.

Local board views and implications

24. Local board views with respect to parks and open space land acquisition budget provision have not been sought.
25. Consultation with local boards regarding a range of open space acquisition issues was undertaken through a programme of workshops being held during late January and February 2013. These workshops included discussion with the relevant local boards with regard to currently approved acquisitions and the issues and implications of deferring specific acquisitions.

26. Local board views with regard to the proposed reconsideration of a number of approved acquisitions were not available at the time of writing this report, but will be sought and included in any future reports which are brought to the committee regarding those specific properties.
27. Local board views with regard to any potential park land acquisitions will be sought and included in future reports. It is noted that there is currently no consequential OPEX for new park land, and that this issue will be resolved in the 2015 LTP.

Maori impact statement

28. The significance of open spaces to Maori is recognised through the Auckland Plan and through council's proposed open space policy framework. This will guide the future development and management of Auckland's open space network, including acquisitions.
29. Acquisition of land by council provides a potential mechanism for the long term protection and appropriate management of specific sites of value to Maori, and the continued enhancement of the open space network through appropriate open space acquisition will enable the delivery of a principles and strategic directions of the Auckland Plan.
30. Consultation has been undertaken with iwi on the draft Open Space Strategic Action Plan and draft Acquisitions Policy.
31. It is not considered that the budgetary adjustments proposed in this report will have any specific impact on Maori.
32. Regarding the wider acquisitions programme, in August 2014 the Parks Recreation and Sport Committee passed a resolution (PAR/2014/57) requesting that staff "engage with mana whenua on a minimum bi-annual basis to identify any specific aspirations or issues relating to the open space acquisition programme." Staff have not yet completed this engagement with mana whenua, but will report back to this committee with findings once feedback has been received.

Implementation

33. There are no implementation issues arising from this report.

Attachments

No.	Title	Page
A	Approved but Uncommitted Acquisitions - CONFIDENTIAL	9

Signatories

Authors	Allison Rokke - Policy Analyst
Authorisers	Penny Pirrit - Regional & Local Planning Manager Ian Maxwell - Manager Parks, Sports & Recreation