

Date: Tuesday 9 December 2014
Time: 1.30pm
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Governing Body

OPEN MINUTE ITEM ATTACHMENTS

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Option 2

- Assumes Government funding available in 2018/19
- Or year 4 of the 2015 LTP or year 1 of 2018 LTP
- Only enablement work in first 3 years of LTP (\$280 million of the total spend of \$400 million) – council funded
- Construction starts in 2018/19 - operational by 2023
- Adds \$97 million to project cost through inflation
- Group debt at end of 10 years \$272m higher – total \$10.8 billion
- Interest to revenue ratio does not exceed 12 percent
- No impact on rate increases

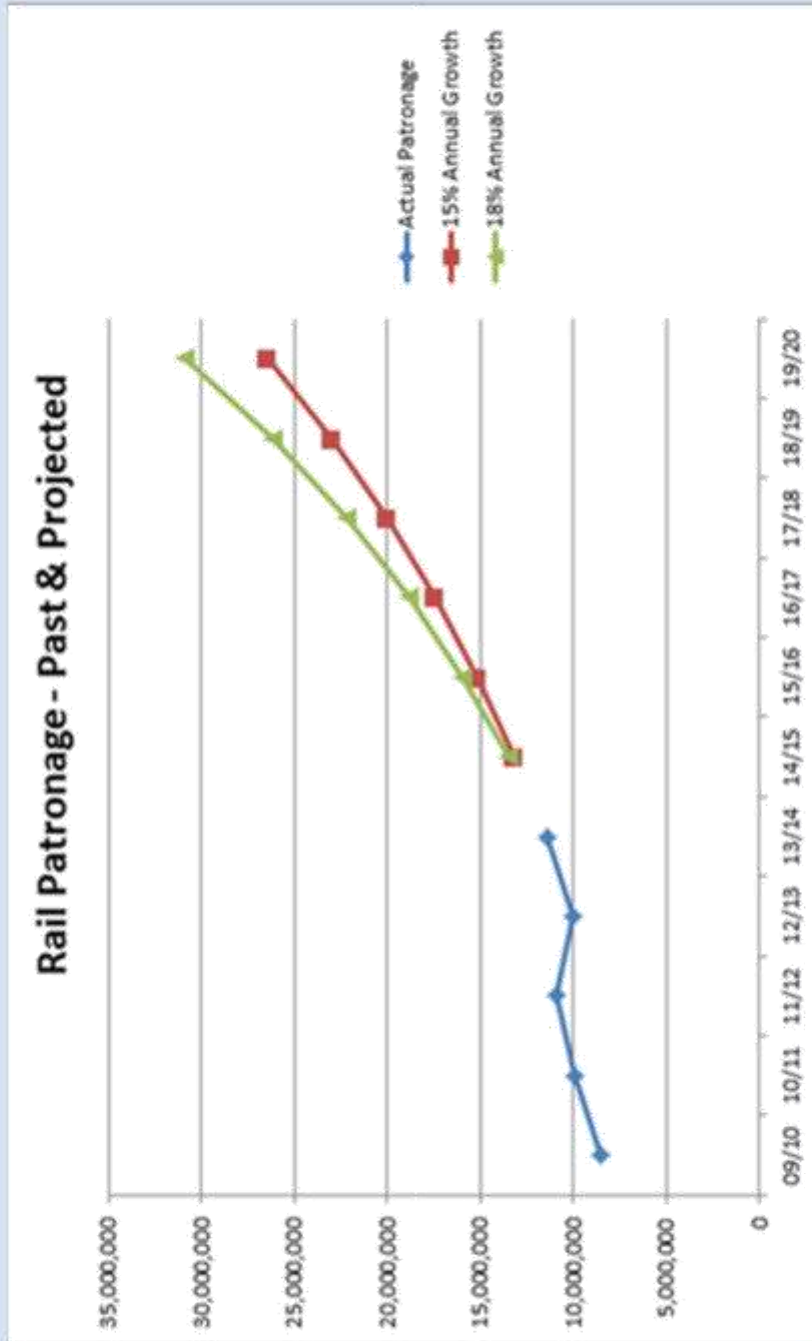
Financial Materiality

- Option 2 assumes 2018/19 start, but later government funding modelled
- Possible difference between preferred and possible start date 18 to 24 months
- Later date would require council to carry \$416m debt for 18 to 24 months
- Has no immediate ratepayer impact as debt will be capitalised and repaid following government contributions
- LTP can be amended in 2018



CRL Targets

- Government has set two targets to release funding for 2020:
 - 20 million rail trips a year by 2020*
 - 25 percent increase in city centre employment over 2012 levels*
- Rail patronage tracking to meet target
- City Centre employment needs to increase annually by 5.2 percent and currently tracking at 4.5 percent
- Marginal difference on employment targets focus of discussion with government



Strategic context

- Critical project to increase much needed capacity on Auckland's rail network
- Private sector is making investment plans in anticipation of the project and requires certainty and momentum
- Central and Local Government committed to project
- Negotiations now down to two year time difference
- Rail patronage targets likely to be met by 2017/18 under current growth
- Option is a realistic assessment of probabilities for first three years of LTP