



I hereby give notice that an ordinary meeting of the Finance and Performance Committee will be held on:

Date: Thursday, 23 July 2015
Time: 9.30am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Finance and Performance Committee

OPEN AGENDA

MEMBERSHIP

| | | |
|---------------------------|--------------------------------|-------------------------------|
| Chairperson | Cr Penny Webster | |
| Deputy Chairperson | Cr Ross Clow | |
| Members | Cr Anae Arthur Anae | Cr Calum Penrose |
| | Cr Cameron Brewer | Cr Dick Quax |
| | Mayor Len Brown, JP | Cr Sharon Stewart, QSM |
| | Cr Dr Cathy Casey | Member David Taipari |
| | Cr Bill Cashmore | Member John Tamihere |
| | Cr Linda Cooper, JP | Cr Sir John Walker, KNZM, CBE |
| | Cr Chris Darby | Cr Wayne Walker |
| | Cr Alf Filipaina | Cr John Watson |
| | Cr Hon Christine Fletcher, QSO | Cr George Wood, CNZM |
| | Deputy Mayor Penny Hulse | |
| | Cr Denise Krum | |
| | Cr Mike Lee | |

(Quorum 11 members)

Mike Giddey
Democracy Advisor

16 July 2015

Contact Telephone: (09) 890 8143
Email: mike.giddey@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

TERMS OF REFERENCE

Responsibilities

This committee will be responsible for monitoring overall financial management and the performance of the council parent organisation and the financial monitoring of the Auckland Council Group. It will also make financial decisions required outside of the annual budgeting processes. Key responsibilities include:

- Financial management
- Approval of non-budgeted expenditure
- Write-offs
- Acquisition and disposal of property relating to the Committee's responsibilities
- Monitoring achievement of financial and other measures of performance and service levels
- Recommending the Annual Report to the Governing Body

Powers

- (i) All powers necessary to perform the committee's responsibilities.

Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (see Governing Body responsibilities)
 - (b) where the committee's responsibility is limited to making a recommendation only
- (ii) Approval of a submission to an external body
- (iii) Powers belonging to another committee, where it is necessary to make a decision prior to the next meeting of that other committee.
- (iv) Power to establish subcommittees

EXCLUSION OF THE PUBLIC – WHO NEEDS TO LEAVE THE MEETING

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Only staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Independent Māori Statutory Board (IMSB)

- Members of the IMSB who are appointed members of the meeting remain.
- Other IMSB members and IMSB staff remain if this is necessary in order for them to perform their role.

Council-Controlled Organisations (CCOs)

Representatives of a CCO can remain only if required to for discussion of a matter relevant to the CCO.

| ITEM | TABLE OF CONTENTS | PAGE |
|------------------------|--------------------------------------------------------|-------------|
| 1 | Apologies | 7 |
| 2 | Declaration of Interest | 7 |
| 3 | Confirmation of Minutes | 7 |
| 4 | Petitions | 7 |
| 5 | Public Input | 7 |
| 6 | Local Board Input | 7 |
| 7 | Extraordinary Business | 8 |
| 8 | Notices of Motion | 8 |
| 9 | Built Heritage Acquisition Fund: Vos Yard | 9 |
| 10 | Review of alternative sources of financing | 15 |
| 11 | Bi-Monthly business improvement and performance report | 19 |
| 12 | Consideration of Extraordinary Items | |
| PUBLIC EXCLUDED | | |
| 13 | Procedural Motion to Exclude the Public | 21 |
| C1 | GridAKL - Shareholder approval of ATEED lease | 21 |

1 Apologies

An apology from Cr CE Fletcher has been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Finance and Performance Committee:

- a) confirm the ordinary minutes of its meeting held on Thursday, 18 June 2015 as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Built Heritage Acquisition Fund: Vos Yard

File No.: CP2015/08549

Purpose

1. To report previous committee's support, in principle, to restore Vos Yard through the Built Heritage Acquisition Fund (BHAF) and to seek approval to commit funds from the BHAF to Waterfront Auckland.

Executive Summary

2. Vos Yard is located at 38 Hamer Street, Wynyard Quarter on Lot 3 (1,115m²) with 2,043m² of water space. The buildings and associated features have significant heritage value as the last remaining wooden boat-building yard in Auckland, associated with a notable boat builder, Percy Vos. The interior of the 1937 gabled shed remains with its original roof structure, stairs, office and rails.
3. Waterfront Auckland obtained \$1 million of funding from Auckland Council, through the 2012/2013 Long Term Plan, to acquire the site from Sanfords who had consent to demolish and plans to redevelop. The site was acquired in 2013 and was occupied by Sanford until it became vacant in 2015.
4. Work has since been underway to determine an ongoing use and ownership model that justifies its restoration and maintenance.
5. The vision is to create an engaging visitor experience – a centre on Auckland's waterfront that brings New Zealand's strong maritime history to life. The refurbished yard will house the restoration and maintenance of wooden boats and public facilities will be incorporated to showcase and transfer skills to new generations. The yard will be a place for the telling of stories and for celebrating and continuing Auckland's rich maritime heritage – both Pakeha and Māori.
6. The original proposition was that the site would be purchased by the council from Waterfront Auckland at a nominal figure. Funding of approximately \$4.7 million would be provided via the BHAF to restore the building, with the work being carried out by a third party, which would eventually refund the BHAF and obtain ownership.
7. In September 2013, both the Parks, Recreation and Heritage Forum and the Regional Development and Operations Committee (RDOC) considered reports which outlined the heritage significance, the proposal and the extent of risk and externalities, and consequently resolved to support the proposal in principle.
8. The Waterfront Auckland Board was tasked with being satisfied that there was a robust business model for the ownership, operation and maintenance of Vos Yard. The board resolved that this was the case on 19 August 2013.
9. After further discussion with Waterfront Auckland, the proposal still remains to restore and reuse the building but the method to achieve this has changed.
10. It is now proposed that \$2.3 million be committed from the BHAF for the purposes of restoration but that the amount is only transferred when and if Waterfront Auckland can secure the balance of the costs from the private sector. This commitment would expire by December 2017. Waterfront Auckland would report progress to this committee on a six monthly basis.
11. Waterfront Auckland would find a third party to assume the ownership of the restored building and manage the operation, including ongoing necessary fundraising, as per the business plan.

12. The LTP has a BHAF budget of \$3,199,000 in 2015/2016 which is sufficient to cover this commitment.
13. On 1 September 2015, Waterfront Auckland will transition into Development Auckland. This transition will see all assets and liabilities of Waterfront Auckland become assets and liabilities of Development Auckland. For avoidance of doubt, this includes the \$2.3 million requested from the BHAF and the associated responsibilities.

Recommendation/s

That the Finance and Performance Committee:

- a) support the proposal to commit \$2.3 million of the Built Heritage Acquisition Fund for the restoration costs for Vos Yard.
- b) advise Waterfront Auckland that this commitment can only be drawn down once Waterfront Auckland has raised the balance of the funding and has advised the committee.
- c) advise Waterfront Auckland that this commitment expires December 2017.
- d) require Waterfront Auckland to report to the Finance and Performance committee on progress on a six monthly basis.

Comments

14. Vos Yard, located at 38 Hamer Street, Wynyard Quarter, has significant heritage value as the last remaining wooden boat-building yard in Auckland. The local landmark structure, in combination with slipways and equipment, provides evidence of the boat building operation on the site. The bluestone slipways are considered to be of considerable heritage value as a rare surviving example of a bluestone slipway in the Auckland area. The interior of the 1937 gabled shed remains with its original roof structure, stairs, office and rails.
15. The property and its features are not registered under the NZ Historic Places Act nor scheduled in the Proposed Auckland Unitary Plan (PAUP). The bluestone slipways are included in the Wynyard Quarter Inventory of Character Elements which has been carried over into the PAUP.
16. Reports to the Parks, Recreation and Heritage Forum and the Regional Development and Operations Committee (RDOC) in September 2013 considered the use of the BHAF to restore the buildings and slipways. The forum and RDOC supported, in principle, the restoration of Vos Yard utilising the BHAF, with officers to report back once Waterfront Auckland advised that it was satisfied with the business case.
17. Without an ongoing viable use, the buildings are at risk through neglect. The challenge is to fund the rebuilding/restoration of the buildings and associated facilities, have a viable use and an ownership and operational structure that ensures their maintenance.
18. Overall, the restoration and revitalising of the buildings and associated facilities are considered to be within the objectives of the BHAF.
19. Generally, proposals that may be funded by the BHAF make a financial loss. The matter for consideration is whether the potential loss is proportionate to the heritage value of the buildings.
20. **The Proposal.** The site has already been purchased by Waterfront Auckland which proposes that:
 - the council funds \$2.3 million of the restoration costs for Vos Yard through the existing funding in the Built Heritage Acquisition Fund
 - approximately \$2.4 million from external sources is raised

- Waterfront Auckland identifies a third party to assume the ownership of the restored building and manage the operation, including ongoing necessary fundraising; as per the business plan.
21. A sum of \$4.7million is required for the development and building restoration. This cost includes:
- heritage refurbishment \$1,405,800, which includes alterations to trusses/structural upgrade, recladding existing timber and steel-framed structure, repair bluestone slipways.
 - Compliance upgrade \$1,012,800, which includes firewall to boundary, fire, stormwater, electrical and mechanical upgrades.
 - Building enhancement \$1,909,500, which includes new slipway rails, enclosed ramp to display areas, fit out to café, offices and display areas, landscape works and retaining wall repairs
 - Water space \$380,800 including a new finger wharf.
22. The following benefits of the proposal have been identified:
- creates a new public facility, albeit in third party ownership, that conserves and maintains, as a working yard, a significant piece of Auckland's history
 - provides enhanced public access to the water's edge and a view of a working part of the waterfront
 - supports activation of Wynyard Quarter and its mixed use development
 - has the potential to create an exemplar for the restoration, conservation and use of heritage buildings in collaboration between the private and public sectors using, in this case, a trust organisation model that is intended to be self-sufficient and broad-based
 - partnering with complementary institutions, particularly the Voyager Maritime Museum and Navy Museum, as well as integration with the current work being undertaken on a strategic framework for Auckland's cultural facilities.
23. Waterfront Auckland is confident that the business plan and associated costs are still relevant.
24. Waterfront Auckland is strongly committed to the project and will provide support in four key areas.
- Planning, design, stakeholder engagement, marketing, fundraising and support.
 - Ground-lease and water-space licence free of charge (current market value of \$130,000 per annum plus GST).
 - Support in the areas of property management, strategic oversight, place-making (generating public support), marketing and promotion, and marine industry expertise. This would be in the form of an investment of time by Waterfront Auckland staff.
25. **Options:** Staff have been working with Waterfront Auckland in identifying and assessing a range of funding options for the proposed development.
- Option 1: Private development and commercial operation.
 - Option 2: Charitable trust-led fundraising for the entire cost, development and operation.
 - Option 3: Waterfront Auckland-led development underpinned by council funding, with third party-led fundraising, purchase and operation of the developed facility.
26. Waterfront Auckland prefers and recommends option three. It does not consider the site would be a viable commercial operation, nor does it consider a commercial operation, if viable, is likely to achieve its objectives for the site (e.g. heritage, public and social values).

27. Furthermore, Waterfront Auckland believes the development needs to take place sooner due to the building's poor state. Under option two, the building would be subject to further deterioration until such time as (and if) a trust is established and has raised sufficient capital funding to commence the development, which is expected to take a number of years. Nonetheless, option two provides the greatest incentive and leverage for fundraising.
28. **Funding impact:** Should the committee support the recommendation (option three), there are sufficient funds in the BHAF. All that would be required would be a transfer of the funds from this fund to Waterfront Auckland; once fundraising has been obtained to cover the balance.
29. Provided that Waterfront Auckland effectively manages \$130,000 of annual revenue shortfall within its budget, the funding impact resulting from the development would be immaterial as the depreciation and interest costs associated with the BHAF are currently budgeted for.
30. More importantly, this approach provides transparency and enables accountability of the board of Waterfront Auckland to the Governing Body.

Consideration

Local Board views and implications

31. The Waitemata Local Board resolved at its 9 July 2013 meeting to strongly support, in principle, the restoration of Vos Yard through the BHAF.

Māori impact statement

32. One of the many names associated with the Auckland region is Tamaki Herenga Waka meaning 'the resting place of many waka' or 'where canoes may be tethered safely'.
33. There are a number of opportunities to provide for Māori outcomes through a formal relationship with iwi with regard to carving apprenticeships and waka build/restoration projects, creating an environment where different cultures are learning from each other through the sharing of cross-transferable skills. Silo 6 is currently being utilised for such projects, but how Vos Shed could successfully house such initiatives is work that Waterfront Auckland would need to address.
34. The proposal presents no conflict with, and is potentially beneficial to, the priorities for Māori contained in the Auckland Plan.

Implementation issues

35. There are a number of uncertainties associated with the proposal that this committee must take into consideration.
36. The proposal is based on Waterfront Auckland's (and a third party's) success in raising additional funds from the private sector. Staff are of the view that the ability to raise capital funding once construction has commenced could be weakened significantly, as the incentives for potential contributors to come forward and the leverage that Waterfront Auckland can apply would be reduced substantially. On the other side there is a risk to Waterfront Auckland, that without initial funding, the private sector are reluctant to contribute.
37. The council can partially mitigate this risk by providing a commitment of funding for \$2.3 million with a requirement that the balance be raised by December 2017 and further that the commitment cannot be drawn on, until total funding is available.

Attachments

There are no attachments for this report.

Signatories

| | |
|-------------|-------------------------------------------------------------------------------------------------------------|
| Author | Noel Reardon - Manager Heritage |
| Authorisers | Penny Pirrit - GM - Plans & Places Jim Quinn - Chief of Strategy Sue Tindal - Chief Financial Officer |

Review of alternative sources of financing

File No.: CP2015/10734

Purpose

1. To propose a high level terms of reference to cover a review of alternative sources of financing available to Auckland Council.

Executive Summary

2. The Budget Committee agreed on 7 May 2015 to undertake a review of Auckland Council's mix of financing sources.
3. The Budget Committee resolution stated that the broad objectives of the review are to:
 - reduce the proportion of council revenue funded from rates
 - maximise the return on council's investments
 - explore alternative sources of financing
 - review the holding of assets that are poorly aligned with council's core business and/or the broader strategic growth priorities for Auckland.
4. It is proposed that the review should encompass consideration of all alternative financing sources available to council, including but not limited to joint ventures, private-public partnerships (PPP's), leasing arrangements (e.g. re-negotiating commercial leases to improve returns, etc.), asset recycling (including partial or full sale of assets), iwi partnerships, management contracts and outsourcing opportunities. Note that financing refers to the various alternative ways of raising capital. In council terms, it is the interim arrangement deferring the final source of funding. Funding is how it will ultimately be paid for (e.g. rates, fees, development contributions etc.)
5. To undertake the review, it is proposed that the council appoint two independent advisory firms, both with a broad mandate to provide input and thought expertise into the range of alternatives available to the council and the criteria by which the council should evaluate alternatives.
6. Management will review the advice received from the advisory firms and report back to Councillors in time to provide input into the 2016/17 Annual Plan process. Consideration will also be given at this stage to any Long-term Plan amendments that may be required and consultation requirements that may flow from this. The preferred approach is to initially take a wide ranging view of the options available and then report back so Councillors can refine the areas they wish to pursue further.
7. This paper has been reviewed and endorsed by the Treasury Management Steering Group (comprising senior council management and two external advisors).

Recommendation/s

That the Finance and Performance Committee:

- a) endorse the approach and associated processes to review Auckland Council's mix of financing sources.
- b) note that the report back to Councillors will be available for input and consideration into the 2016/17 Annual Plan process.

Comments

8. The Budget Committee agreed on 7 May 2015 to undertake a review of Auckland Council's mix of financing sources.
9. The review is timed to provide input into the 2016/17 Annual Plan process.
10. The review will be commenced following the release of the Local Government New Zealand Funding Review final report expected in July 2015.
11. The Budget Committee resolution stated that the broad objectives of the review are to:
 - reduce the proportion of council revenue funded from rates
 - maximise the return on council's investment
 - explore alternative sources of financing
 - review the holding of assets that are poorly aligned with council's core business and/or the broader strategic growth priorities for Auckland.
12. It is proposed that the scope of Auckland Council's review should encompass:
 - recognition of the substantial capital expenditure requirements of the Auckland Council group and the resulting pressure this will place on Auckland Council's debt levels and ratepayers.
 - consideration of what represents an efficient balance sheet for Auckland Council.
 - consideration of all alternative financing sources available to council, including but not limited to joint ventures, private-public partnerships (PPP's), leasing arrangements (e.g. re-negotiating commercial leases to improve returns, etc.), asset recycling (including partial or full sale of assets), iwi partnerships, management contracts and outsourcing opportunities. Note that financing refers to the various alternative ways of raising capital. In council terms it is the interim arrangement deferring the final source of funding. Funding is how it will ultimately be paid for (e.g. rates, fees, development contributions etc.)
 - exploring short, medium and long term time horizons.
 - consideration of the implications on all relevant stakeholders including Auckland Council and its Council Controlled Organisations (CCOs), local board, the IMSB, the central government, residents and ratepayers, credit rating agencies, existing and potential capital providers, regulators, clients, customers and contractors etc.
 - consideration of a range of criteria in evaluating options, including maximising value, contribution to Auckland Council's group financial position, retention of control (where appropriate), ability to capture value upside, contribution and consistency with Auckland Council's policy objectives, contribution to the wider economic benefits for the Auckland region, ability to monitor benefit and/or market disciplines, political risk, ability to access new capital or add value with strategic partners, impact that any asset sales may have on future revenue and therefore the reliance on rates.
 - consideration of a broad range of council group assets.
13. To undertake the review it is proposed that:
 - council appoint two independent advisory firms to provide advice to management. Both professional services firms will have a broad mandate to provide input and thought expertise into the range of alternatives available to council and the criteria by which council should evaluate alternatives.
 - the two advisory firms would ideally be diverse in their backgrounds, have expertise in working with local government, a solid understanding of infrastructure businesses and be familiar with our unique tax position. The use of two advisory firms is to ensure we get a wide range of alternatives to consider.

- the method for selecting the advisors would be by way of a closed tender procurement process.
 - council review the learnings from the Christchurch City Council review of its balance sheet and funding options.
 - council review the findings of the Local Governance New Zealand Funding Review expected in July 2015.
14. Management will review the advice received from the advisory firms and report back to Councillors in time to provide input into the 2016/17 Annual Plan process. Consideration will also be given at this stage to any Long Term Plan amendments that may be required and consultation requirements that may flow from this. The preferred approach is to initially take a wide ranging view of the options available and then report back so Councillors can refine the areas they wish to pursue further.
15. This paper has been reviewed and endorsed by the Treasury Management Steering Group (comprising senior council management and two external advisors).

Consideration

Local Board views and implications

16. Local boards were not consulted on this report as this is a region-wide issue and not specific to a particular local board.

Māori impact statement

17. We will look to engage, as appropriate, with iwi around strategic financing issues. Subsequent recommendations from the review may also have an impact on Māori.

Implementation

18. No implementation issues have been identified.

Attachments

There are no attachments for this report.

Signatories

| | |
|------------|----------------------------------------------------------------------------|
| Author | John Bishop - Treasurer and Manager CCO Governance & External Partnerships |
| Authoriser | Sue Tindal - Chief Financial Officer |

Bi-Monthly business improvement and performance report

File No.: CP2015/13929

Purpose

1. To inform the Committee about the Council's Quality Advice programme.

Executive Summary

2. This report provides the third in a series of business improvement updates requested by the Finance and Performance Committee in 2014.
3. A presentation about Council's Quality Advice programme will be provided to the Committee. The purpose of the programme is to lift the quality of the advice that Council staff provide to all elected members and Independent Māori Statutory Board members to better support decision-making. The programme responds to your requests for more rigorous analysis, including the provision of options and their financial implications, local impacts and views, and better Māori Impact Statements. It is also aimed at improving the presentation and timeliness of advice. The programme builds on past initiatives such as the *Guide to providing quality policy advice at Auckland Council*, with new actions to enhance:
 - a. Commissioning (the processes for agreeing what, when and how advice should be provided)
 - b. Management of advisory resources
 - c. Training and development
 - d. How the quality of advice is evaluated in future.

Recommendation/s

That the Finance and Performance Committee:

- a) receive the report and the presentation.

Attachments

There are no attachments for this report.

Signatories

| | |
|-------------|--------------------------------------------------------------------------------|
| Author | Karen Titulaer - Senior Project Manager |
| Authorisers | Dean Kimpton - Chief Operating Officer Sue Tindal - Chief Financial Officer |

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Finance and Performance Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 GridAKL - Shareholder approval of ATEED lease

| Reason for passing this resolution in relation to each matter | Particular interest(s) protected (where applicable) | Ground(s) under section 48(1) for the passing of this resolution |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> | <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>In particular, the report contains information relating to the rental payable by ATEED, which, if publically available, may impact on (i) ATEED's negotiations with potential sub-tenants, and (ii) Waterfront Auckland or Precinct Properties negotiations with other potential tenants in Wynyard Central.</p> | <p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |