

I hereby give notice that an ordinary meeting of the Manurewa Local Board will be held on:

Date: Thursday, 10 September 2015
Time: 6.30pm
Meeting Room: Manurewa Local Board Office
Venue: 7 Hill Road
Manurewa

Manurewa Local Board OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson	Angela Dalton
Deputy Chairperson	Simeon Brown
Members	Michael Bailey
	Angela Cunningham-Marino
	Hon George Hawkins, QSO
	Danella McCormick
	Ken Penney
	Daryl Wrightson

(Quorum 4 members)

Lee Manaia
Local Board Democracy Advisor

7 September 2015

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Auckland Council Property Limited Local Board Six-Monthly Update 1 January to 30 June 2015

File No.: CP2015/18985

Purpose

1. To give the Manurewa Local Board an overview of Auckland Council Property Limited's (ACPL) activities for the six months 1 January to 30 June 2015.

Executive Summary

2. In May 2015 the Governing Body voted in favour of merging ACPL with Waterfront Auckland to form Development Auckland (DA). The merger responds to feedback from the wider council organisations and seeks to address some key growth, development, housing provision and funding challenges that Auckland will face over the next 20 years. As a CCO Development Auckland will have a commercial orientation, but it will also have explicit public good outcomes to pursue.
3. Substantive elements of the purpose of DA relate to urban redevelopment, strategic advice on council's property portfolio and the redevelopment of underutilised council assets to achieve commercial and strategic outcomes.
4. In August the governing body will receive recommendations from council staff in respect of the proposed locational priorities for DA.
5. It would be anticipated that DA will specifically engage with local boards post the formal establishment on the 1 September to consider what activities DA can undertake to benefit their local communities.
6. As this will be our final six-monthly update to you as ACPL, we are including both the full business summary as included in previous versions and additionally providing an outline of some of the strategic and organisational changes we will be making as we transition to Development Auckland.
7. ACPL activity detail is broken down by business unit or work-stream, with a focus on local board specific activities where applicable.
8. Local board specific supporting detail is included in **Attachments A, B and C.**

Recommendation/s

That the Manurewa Local Board:

- a) accepts the Auckland Council Property Limited Local Board Six-Monthly update 1 January to 30 June 2015.

Comments

Development Auckland

9. Council formally approved the establishment of Development Auckland, being a merger of Waterfront Auckland and Auckland Council property Limited, in May 2015.
10. The essential purpose of DA is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities. DA will manage council's non-service property portfolio and provide strategic advice on council's other property portfolios. It will recycle or

redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes.

11. A number of objectives fall within the purpose including facilitating the redevelopment of urban locations and optimising the council's property portfolio.
12. The process to establish the operating structure of DA is well advanced and a combined work stream between DA and council staff is looking at the future priorities for DA that will provide focus in terms of geographic locations and project priorities. In respect of the locational analysis work recommendations will be made to the governing body in August.
13. It would be anticipated that DA will specifically engage with Local Boards post the formal establishment on the 1 September to consider what activities DA can undertake to benefit their local communities.

Workshops and Meetings

14. A schedule of Manurewa Local Board workshops and meetings attended by ACPL representatives from January to June 2015 is included as **Attachment A**. The list includes property specific meetings and workshops relating to general property management and the ongoing portfolio Rationalisation Process.

Property Portfolio Management

15. ACPL manages property owned by the council and AT that are not currently required for service or infrastructure purposes. These are properties that are not immediately required for service delivery or infrastructure development but are being held for use in a planned future project such as road construction/widening or the expansion of parks. This work will largely remain unaffected by the transition to Development Auckland.
16. The property portfolio continued to grow during the last six months and now totals 1347 properties containing 1080 leases, an increase of 41 since our July-December 2014 update. The current property portfolio includes industrial sites and buildings, retail tenancies, cafés, restaurants, offices and a substantial portfolio of residential properties.
17. ACPL's return on the property portfolio for the year ending 30 June 2015 provides the shareholder a net surplus of \$ 6.8m ahead of budget, with an actual surplus of \$ 29.8 m against budget of \$ 23m. The average monthly vacancy rate for the period is 1.6% which is under the Statement of Intent (SOI) targets of 5%.
18. A Properties Managed schedule is included as **Attachment B** of this report. The schedule details:
 - Current ACPL-managed commercial and residential property within the Manurewa Local Board
 - Each property's classification or reason for retention
 - The nature of the property, such as a café within a library, or a residential property with a tenancy in place
 - The budget under which operating expenditure and lease revenue for the property is reported eg regional or local board.
19. A report indicating portfolio movement in the local board area is attached as **Attachment C**. The report details all new acquisitions including the reason for acquisition, any transfers and the reason for transfer, and any disposals.

Portfolio Review and Rationalisation

Overview

20. ACPL is required to undertake ongoing rationalisation of the council's non-service assets. This includes identifying properties from within council's portfolio that may be suitable for potential sale and development if appropriate. ACPL has a particular focus on achieving housing outcomes. Identifying potential sale properties contributes to the Auckland Plan focus of accommodating the significant growth projected for the region over the coming decades, by providing the council with an efficient use of capital and prioritisation of funds to achieve its activities and projects.

Performance

21. July 2014 to June 2015 Target

UNIT	TARGET	ACHIEVED	COMMENTS
Portfolio Review	\$30m disposal recommendations	\$69m	These recommendations include \$65.9m of sites that are identified for development projects.

22. In setting future disposal targets ACPL is working closely with the council and AT to identify potentially surplus properties.

23. 2014/2015 Targets

UNIT	TARGET	COMMENTS
Portfolio Review	\$30m gross value recommended for sale	These targets include disposal recommendations and sales for sites that are identified for place-shaping and housing development projects
Development & Disposals	\$30 net value of unconditional sales	

Process

24. Once identified as a potential sale candidate a property is taken through a multi-stage Rationalisation Process. The agreed process includes engagement with: the council, CCOs, local board and mana whenua. This is followed by ACPL Board approval, engagement with local ward and the Independent Māori Statutory Board and finally a governing body decision.

Under review

25. Properties currently under review for future use opportunities via the Rationalisation Process in the Manurewa Local Board area are listed below. The list includes any properties that may have recently been presented to the governing body and either approved for sale or development and sale or designated for retention. Further details are included in **Attachment B**.

PROPERTY	DETAILS
20 Mcannalley Street, Manurewa East	Presented to committee on 7 March 2013. Decision deferred pending further discussion with local board. On 15 August 2013 Manurewa Local Board resolved to recommend the property for sale with additional recommendation to the Ministry of Education that they consider land purchase as part of the Ministry of Education, Early Childhood Education, TAP Scheme Funding for groups or organisations applying for

	such. The site was re-presented to the Governing Body for decision in August 2014 and cleared for sale. Sold in March 2015, settled April 2015.
75 Waimahia Avenue, Weymouth	Vacant section on foreshore of Weymouth- linkage to reserve at rear. Cleared for sale by governing body in May 14. Now preparing for sale.
18D & 22D Walpole Avenue, Manurewa	Partial section. Transferred from ACPD to non-service in September 2013. No current use or potential use as access to rear properties (49D Scenic Drive, 18D & 22D Walpole Ave). The Rationalisation Process for this property commenced in June 2014. No alternative service uses were identified. Presented to the Governing Body on 20 August 2015 and cleared for sale.
49D Scenic Drive, Manurewa	Partial section. Transferred from ACPD to non-service in September 2013. No current use or potential use as access to rear properties (49D Scenic Drive, 18D & 22D Walpole Ave). The Rationalisation Process for this property commenced in June 2014. No alternative service uses were identified. Presented to the Governing Body on 20 August 2015 and cleared for sale.

Redevelopment/Regeneration and Housing Supply initiatives

Overview

26. ACPL in its current form is contributing commercial input into approximately 54 region wide council-driven regeneration and housing supply initiatives. Involvement extends from provision of initial feasibility advice through to implementation, with projects ranging in size from \$415k to in excess of \$100million.
27. ACPL is also actively contributing to the Housing Action Plan, which is a council initiative focusing on non-regulatory efforts to encourage and increase affordable residential development. ACPL has an SOI target to undertake five housing development projects over three years that will improve housing affordability and the supply of affordable housing encompassing CHO involvement. ACPL is currently actively working on 13 such projects.
28. In our expanded role as Development Auckland we will be extending on this work to play a much stronger role in urban development through greater scale, enhanced capability and the ability to partner with others. We will have a key role in helping deliver the council priority of quality urban living and will have the mandate to deal with the challenge of Auckland's rapid growth through regeneration and investment.
29. Development Auckland's roles and responsibilities will be customised to each specific project initiative and location. A few will be of a high custodial nature associated with urban regeneration. Some will be at the other end of the scale with a more facilitative role; and some will be much more able to be delivered in the short term.
30. ACPL already works closely with the local boards on ACPL-led developments to ensure we give effect to the local boards' place-shaping role. As Development Auckland engagement will in some areas be of a much broader scope, with the potential for involvement in master-planning activities for significant land areas.

Optimisation Update

31. Optimisation is a programme of work aimed to achieve better use of council's planned and funded service assets. The programme targets housing and urban regeneration outcomes along with the delivery of cost-neutral service investment on appropriate sites. ACPL and ACPD are leading a cross-council project to establish the rules and methodology for service optimisation activity. The programme will be carried across to Development Auckland.
32. Local board engagement and workshops will be provided to demonstrate the scope of optimisation and the benefits of driving optimal asset performance from qualifying service property. Timeframes for these workshops have been pushed out due to Development Auckland transition work. However ACPL welcomes suggestions of service sites that may have potential for improved service function along with housing or urban regeneration outcomes

Local Activities

33. A high level update on place-shaping and housing initiative and proposal activities in the Manurewa area is outlined in points below.
34. **20 Barrowcliffe Place, Manukau:** This approximately 5 ha site on the southern side of the South Western Motorway was transferred from ACPD as non-service in March 2014 and has been evaluated for potential residential development. ACPL commenced the Rationalisation Process in April 2014. No alternative service uses were identified. The property was presented to the Governing Body in September 2014 and approved for disposal and development.
35. ACPL is expecting individual title to the land to be available in October. Intensive terraced housing is currently being proposed with a view toward providing 145 terraced houses on the site.

Acquisitions

Overview

36. ACPL continues to support council and AT programmes and projects by negotiating required property acquisitions. All such acquisitions are funded through approved council or AT budgets. We also provide advice to assist with budgets, business cases and strategy to support an acquisition.
37. From 1 January 2015 to 31 June 2015, 49 property purchases were completed for the council and AT. All of the property acquisitions met independent valuation thresholds agreed with AT, the council and Public Works Act 1981 requirements.

Council Acquisitions

38. Of the 49 property acquisitions over the past six months, 12 were purchased to meet council legal, open space and storm water requirements and to contribute to City Transformation projects. These included the following acquisitions in or neighbouring the Manurewa Local Board area.

PROPERTY	STAKEHOLDER	WORK TYPE	LOCAL BOARD
398S Weymouth Road, Weymouth	Community Policy & Planning	Open Space	Manurewa
84 Cosgrave Road, Papakura	Storm Water	Storm Water	Papakura

Auckland Transport Acquisitions

39. The remaining 37 properties were acquired on behalf of AT. The focus was on acquisitions to support major transport projects including AMETI (five acquisitions) City Rail Link Property Acquisition (seven acquisitions), Redoubt Road Mill Road Corridor Upgrade (six acquisitions) road widening across the region (10 acquisitions) and Northern Strategic Growth Area (one acquisition). Full details of relevant AT projects and associated acquisitions will come to the local board directly from AT.

Business Interests

40. ACPL also optimises the commercial return from assets it manages on council's behalf. This comprises two forestry enterprises, two landfills and four quarries. There are currently no ACPL managed business interests in the Manurewa Local Board area.

Consideration

Local Board Views and Implications

41. This report is for the Manurewa Local Board's information.

Māori Impact Statement

42. Whatungarongaro te tangata, toitū te whenua. The importance of effective communication and engagement with Māori on the subject of land is understood. ACPL has accordingly developed robust engagement with the 19 mana whenua groups for our core business activities. We are currently working with Waterfront Auckland on a future strategy for Development Auckland.
43. Key engagement activities currently include: identifying cultural significance concerns regarding disposal properties, flagging commercial interests, development partnering discussions and issues relating to property management such as protection of wāhi tapu or joint management arising from the resolution of Treaty Settlements. ACPL also engages with relevant mana whenua in respect of development outcomes for ACPL lead projects where appropriate. As Development Auckland we will work with iwi to consolidate and build on strengths from ACPL and Waterfront Auckland's approaches along with successful work being done elsewhere in the council family.
44. ACPL additionally undertook to be part of council's Māori Responsiveness Plan (MRP) pilot programme. The project's key output is an operational document outlining ACPL's contribution to council's strategic and operational commitments to Māori. The MRP was finalised and approved by the ACPL Board in December 2014 and is in the implementation phase. A copy of this is available on the ACPL website. This work will be carried over and reflected in the new organisation.
45. As we transition to Development Auckland, the local board can expect to be advised or involved as appropriate in any discussions that arise in the local board's area.

Implementation

46. There are no implementation issues.

Attachments

No.	Title	Page
A	Schedule of meetings and workshops	13
B	Properties Managed by ACPL in the Local Board area	15
C	Property movement in the Local Board area	17

Signatories

Author	Caitlin Borgfeldt - Local Board Liaison
Authoriser	David Rankin - Chief Executive

Attachment A

ACPL Local Board Briefing Schedule

Auckland Council Property Ltd			
Local Board briefing, presenting, advising by ACPL staff			
Date	Board/Committee	Issue	Staff Involved
20/01/2015	Manurewa Local Board	7 Hill Road, Medical Centre	Lawrence Morgan
23/03/2015	Local Board Chairs forum	Optimisation	David Rankin, Marian Webb and Natasha Frederickson
5/05/2015	Manurewa Local Board	Six-monthly report	Letitia McCall
			Meeting
			Forum
			Workshop

30 June 20

ACPL Properties Managed - Manurewa Local Board

TACHMENT B

Local Board	Parent Object name	No of properties	Rural District Type	Industry Name	Occupancy Status	Service Type	Reason Held	Internal Stakeholder	Additional Information	Stakeholder Engagement 3	Budget
manurewa	177 Everglade Drive - Manurewa	1	Residential	Residential	"occupied"	Located within Service	House on Park/Reserve	Regional and Specialist Parks	Residential House - Regional Botanic gardens, Staff housing. Unlikely to change.	Retain	Regional
manurewa	100 Hill Road - Manurewa (Residential)	0	Residential	Residential	"occupied"	Located within Service	House on Park/Reserve	Specialist Parks	Regional Botanic Gardens House. Staff housing. Unlikely to change.	Retain	Regional
manurewa	100 Hill Road - Manurewa (Cafe/Motel)	1	Commercial use of Council Land	Cafe/Restaurant	"occupied"	Located within Service	Commercial on Reserve	Regional and Specialist Parks	Botanical gardens, Cafe in visitors centre. Lease renewed for a term of 5 years.	Retain	Regional
manurewa	100 Hill Road Vector	0	Commercial use of Council Land	Commercial	"occupied"	Located within Service	Commercial on Reserve	Specialist Parks	1/8/2014 - Call lower licence transferred from AT for management	Retain	Regional
manurewa	100 Hill Rd MVA-VF Botanic Gardens	0	Commercial use of Council Land	Commercial	"occupied"	Located within Service	Commercial on Reserve	Regional and Specialist Parks	1/8/2014 - Call lower licence transferred from AT for management	Retain	Regional
manurewa	100 Hill 51050 Manurewa Interchange	0	Commercial use of Council Land	Commercial	"occupied"	Located within Service	Commercial in Community	Specialist Parks	1/8/2014 - Call lower licence transferred from AT for management	Retain	Regional
manurewa	38 Holmes Rd 51444 CPT TE Manurewa South	1	Commercial	Commercial	"occupied"	Located within Service	Facility	CDAC	1/8/2014 - Call lower licence transferred from AT for management	Retain	Manurewa
manurewa	7 Hill Road (Shop 1 & 2) - Manurewa	1	Commercial	Medical/Dental	"occupied"	Located within Service	Facility	Libraries	ACPL renewed with the tenants for a one year term as at 1 September 2014. Currently discussing additional tenure with the tenant.	Retain	Manurewa
manurewa	7 Hill Road (Shop 4 & 6) - Manurewa	0	Commercial	Medical/Dental	"occupied"	Located within Service	Facility	Libraries	ACPL renewed with the tenants for a three year term as at 1 September 2014. The tenant has expressed final right of renewal lease expiry 20/4/18. ACPL has recently negotiated a three year lease extension, with new expiry date of 20/4/19.	Retain	Manurewa
manurewa	7 Hill Road (Lobby Cafe) - Manurewa	0	Commercial	Retail	"occupied"	Located within Service	Facility	Libraries	ACPL has negotiated a three year lease extension, with new expiry date of 20/4/19.	Retain	Manurewa
manurewa	7 Hill Road (Rakura Hauroa O Taniu Trust K5 Tamaki)	0	Commercial	Office	"occupied"	Located within Service	Facility	Libraries	ACPL has negotiated a new six year lease to Ebert Tamaki Health Care as from 1 September 2015.	Retain	Manurewa
manurewa	7 Hill Road (leasing area) - Manurewa	0	Commercial use of Council Land	Retail	"occupied"	Located within Service	Facility	Libraries	Sealing area associated with cafe. The tenant has expressed final right of renewal lease expiry 30/4/18. ACPL has recently negotiated a three year lease extension, with new expiry date of 20/4/19.	Retain	Manurewa
manurewa	16R Gibbs Road - Manurewa	1	Commercial use of Council Land	Commercial	"occupied"	Located within Service	Commercial on Reserve	Parks, Sports and Recreation	Lease for storage on Manurewa war memorial park	Retain	Manurewa
manurewa	41 Gibbons Road - Weymouth	1	Residential	Residential	"occupied"	Future Service	House on Park/Reserve	Parks, Sports and Recreation	House on Reserve eg plans to remove at present. House on Lewis Gibbons Memorial Park. Original intention was to remove and rezone to open space ACPL to continue managing, contrary advice from Stakeholder.	Review	Regional
manurewa	25R Dy Picketing Avenue (Physio Room) - Manurewa	1	Commercial	Commercial	"occupied"	Located within Service	Facility	Property	Manurewa Aquatic Centre, also on list of closed facilities. Commercial tenancy located within service. ACPL will continue to manage pending further advice from Stakeholder.	Retain	Manurewa
manurewa	207 Maha Road - Manurewa	1	Residential	Residential	"occupied"	Future Service	Project	Transport	Required for Maha Rd roundabout project	Project Retain	Regional
manurewa	159 Redoubt Road - The Gardens (aka 6RR Waikato Road)	1	Residential	Residential	"occupied"	Located within Service	House on Park/Reserve	Parks, Sports and Recreation	Entrance to Teapa park. Engagement with PSR and LB to determine if property should be incorporated into parks use.	Review	Regional
manurewa	90R Waikato Road (Balfords Of Toilet Park) - The Gardens	0	Commercial	Cafe/Restaurant	"occupied"	Located within Service	Commercial on Reserve	Parks, Sports and Recreation	ACPL lease extended for 18 month period from 1/10/14 on advice of parks while they finalise the management plan for Teapa Park	Project Retain	Regional
manurewa	143 Redoubt Road - The Gardens (aka 6RR Waikato Road)	1	Residential	Residential	"occupied"	Located within Service	House on Park/Reserve	Parks, Sports and Recreation	Entrance to Teapa park. Engagement with PSR and LB to determine if property should be incorporated into parks use.	Review	Regional
manurewa	90R Waikato Road (Pankland Farms Ltd) - The Gardens	0	Commercial use of Council Land	Creting	"occupied"	Located within Service	Commercial on Reserve	Parks, Sports and Recreation	Grading land.	Retain	Regional
manurewa	75 Waimaha Avenue - Weymouth	1	Commercial use of Council Land	"vacant"	Land Only	Non Service	Rationalisation	ACPL	Vacant section on foreshore of Weymouth- Enlarge to reserve at rear. Cleared for sale by governing body in May 14, now preparing for sale.	Cleared for Sale	Regional
manurewa	345 Redoubt Road - Manukau	1	Residential	Residential	"occupied"	Future Service	Project	Transport	Required for future transport project.	Project Retain	Regional
manurewa	18D Walpole Avenue, Manurewa	1	Commercial use of Council Land	"vacant"	Land Only	Non Service	Rationalisation	ACPL	Partial section. Transferred from ACPL to non-service in September 2013. No current use or potential use as access to rear properties (68D Scenic Drive, 18D & 22D Walpole Ave). The rationalisation process for the property commenced in June 2014. No alternative service uses were identified. No alternative service uses were identified. Presented to the Governing Body on 20 August 2015 and cleared for sale.	Review	Regional
manurewa	22D Walpole Avenue, Manurewa	1	Commercial use of Council Land	"vacant"	Land Only	Non Service	Rationalisation	ACPL	Partial section. Transferred from ACPL to non-service in September 2013. No current use or potential use as access to rear properties (68D Scenic Drive, 18D & 22D Walpole Ave). The rationalisation process for the property commenced in June 2014. No alternative service uses were identified. No alternative service uses were identified. Presented to the Governing Body on 20 August 2015 and cleared for sale.	Review	Regional
manurewa	49D Scenic Drive, Manurewa	1	Commercial use of Council Land	"vacant"	Land Only	Non Service	Rationalisation	ACPL	Partial section. Transferred from ACPL to non-service in September 2013. No current use or potential use as access to rear properties (68D Scenic Drive, 18D & 22D Walpole Ave). The rationalisation process for the property commenced in June 2014. No alternative service uses were identified. No alternative service uses were identified. Presented to the Governing Body on 20 August 2015 and cleared for sale.	Review	Regional

30 June 20

ACPL Properties Managed - Manurewa Local Board

TACHMENT B

Local Board	Rental Object name	No. of properties	Rental Object Type	Industry Name	Occupancy Status	Service Type	Reason Held	Internal Stakeholder	Additional Information	Stakeholder Engagement 3	Budget
Manurewa	20 Barrowcliffe Place, Manukau	1	Commercial use of Council Land	*vacant	Land Only	Non Service	Rationalisation	ACPL	Transferred from ACPL as non-service in March 2014. Under evaluation for potential residential development. ACPL commenced the rationalisation process in April 2014. No alternative service uses were identified. Property presented to Governing Body in September 2014 and approved for disposal and development. 35 ACPL is expecting individual title to the land to be available in October. Intensive terraced housing is currently being proposed with a view toward providing 140 terraced houses on the site.	Cleared for Sale	Regional
Manurewa	354 Redoubt Road, Manukau Central	1	Residential	*vacant	Terrestrial	Future Service	Project	Transport	03/07/2015- Purchased for the Redoubt Road - Mill Road Corridor project. AT advises that demolition is proposed to be put in place in 2015/2016 and construction estimated to start in 2020.	Project Retain	Regional
Manurewa	56 Redoubt Road, Manukau Central	1	Residential	Residential	*occupied	Future Service	Project	Transport	03/06/2015-Acquired for AT Roadway Project "Redoubt/Mill Road Corridor"	Project Retain	Regional
Manurewa	347 Redoubt Road, Manukau Central	1	Residential	Residential	*occupied	Future Service	Project	Transport	03/07/2015- Purchased for the Redoubt Road - Mill Road Corridor project. AT advises that demolition is estimated to be put in place in 2015/2016 and construction estimated to start in 2020.	Project Retain	Regional

ATTACHMENT C

ACPL Portfolio Changes - 1 Feb - 30 June 2015

Change Type	Comment	Rental Object Name	Not Properties	Stage 2 - Stakeholder Engagement	Local Board	Month change made
Deletion	Sold	20 Mainmailly Street - Manurewa East	1	Review	Manurewa	1/04/2015
Addition	Acquired for AT Project	96 Redoubt Road, Manukau Central	1	Project Retain	Manurewa	1/05/2015
Addition	Acquired for AT Project	35A Redoubt Road, Manukau Central	1	Project Retain	Manurewa	1/06/2015
Addition	Acquired for AT Project	347 Redoubt Road, Manukau Central	1	Project Retain	Manurewa	1/06/2015