
City Centre investment timing and 2021 events

Purpose

1. To summarise options for City Centre investment over the next 10 years, and how this responds to key event milestones including the America's Cup and APEC in 2021.

Summary

2. Auckland's city centre is an increasingly important 'economic engine' for both the region and the whole of New Zealand. A prosperous city centre is recognised and agreed as critical to ongoing regional and national prosperity.
3. The City Centre has experienced significant growth over the last five years, far outstripping predictions. We need to increase our level of investment to respond to, plan for and enable further growth.
4. Most of the transformations delivered since the adoption of the City Centre Masterplan (CCMP) in 2012 have been paid for by the City Centre Targeted Rate (CCTR). There is currently \$372 million of planned investment over the next eight years, with over 50 per cent of this being funded through the CCTR. This is insufficient to keep up with growth and to continue to provide confidence to the private sector that Auckland's city centre is worth investing in.
5. Sustained investments in public transport are underway; these regionally-significant schemes will bring tens of thousands more people into Auckland City Centre. In order to maximise the benefits of public transport investments, we also need to invest in the walking network, allowing more people to move around the city more easily.
6. The opportunity for Auckland to host two internationally significant events, America's Cup (AC36) and APEC 2021, has provided further focus on delivering key infrastructure and public realm improvements to facilitate these events. This also provides an opportunity to deliver long-term legacy benefits, similar to those generated by the Rugby World Cup. Again, this will require further investment.
7. Under the existing base case scenario, we will not be able to invest sufficiently to address the needs of the city centre. Two investment scenarios over and above the base case have been proposed to meet Auckland's growth requirements and better respond to the opportunities that have been identified.
8. Scenario 1 is focused on a number of projects that must be delivered to respond to and enable growth to continue within the City Centre. It relies on matching funding for public realm with transport projects to deliver the outcomes within the CCMP.
9. Scenario 2 focuses on delivering projects which complete the full vision of the CCMP and its key transformational projects. It future proofs the city for further high growth, delivering a city centre that maximises the benefits of connectivity.

Context and Background for 10-year Budget 2018-2028 (LTP)

10. In 2012, the City Centre Masterplan and Waterfront Plan together set out a vision for the future of central Auckland. This has given confidence to developers, such as Precinct Properties, Cooper & Co and others who have invested heavily in the city centre and are continuing to do so.
11. Auckland's city centre has blossomed over the past five years, with revitalised streets and squares, new cycleways and better public transport. Pedestrian numbers on Queen Street have doubled in just four years. City centre retail spending is one and a half times what it was in 2010 (now \$1.8 billion per year). Employment and student numbers are at record levels.

12. As such, Auckland's city centre is an increasingly important 'economic engine' for both the region and the whole of New Zealand. The city centre produces 20 per cent of the region's economic value (as measured by GDP) and accounts for 7.4 per cent of the entire New Zealand economy. This is not much less than the entire Waikato Region (8.3 per cent).
13. This is due, in part, to the concentration of skilled and highly productive jobs in a well-connected, relatively compact centre. This agglomeration significantly increases productivity and thus national income. Auckland is following the international trend of highly skilled workers seeking out vibrant, mixed use city centres in which to work – and often to live and play nearby. A prosperous city centre is not just a "nice-to-have" – it is essential for national prosperity.
14. Auckland's city centre growth is far ahead of predictions, with economic and financial benefits accruing across the region. In order to allow this growth to continue, we have to work out how to keep delivering the City Centre Masterplan and Waterfront Plan, bringing projects forward where necessary.
15. Attachment A contains the Auckland City Centre summary sheets which highlights the importance of investing in the City Centre to deliver a high quality urban environment alongside well-integrated public transport.
16. Through cross-Council collaboration, we have developed an implementation strategy for the next long-term plan period. We plan to coordinate city centre project delivery alongside existing works, such as the City Rail Link.
17. Auckland is likely to be the host city for two key and high profile events in 2021, namely the America's Cup (AC36) and APEC. New infrastructure is needed in the Auckland waterfront and City Centre area to facilitate hosting the America's Cup and APEC in late 2020 and 2021. The types of investment needed can be broken into two categories;
18. Work that is vital for the events to be run. That is infrastructure that supports the functionality of the event e.g. the America's Cup base. This work is underway in conjunction with central government, key stakeholders and Emirates Team New Zealand, and is considered separately to this memo.
19. Work that is vital for Auckland's visibility on the world stage when these events occur. This includes bringing forward practical public space infrastructure projects that are already in the pipeline. This will help improve the visitor experience, delivering long-term legacy benefits. It is this area of work that this memo focuses on.
20. Both AC36 and APEC have the potential to provide significant economic and legacy benefits for Auckland and New Zealand. Both are high-profile world events that will attract local and international tourists and significant media coverage. These events mark a key milestone in the 10 year development plan for the City Centre and Waterfront, and will require some existing projects to be re-phased to ensure that desired outcomes are achieved for these events. There are significant legacy outcomes that can be leveraged in planning for these events, and the City Centre and Waterfront development programme aims to make the most of these.
21. Planning for the City Centre assumes that growth in city centre access will be accommodated by public transport and active modes (walking and cycling). Traffic volumes have remained static for a decade. It is expected that the relative importance of private motor traffic in the core of the city centre will decline as more space is provided for space-efficient transport modes such as walking, cycling and public transport. Strong ongoing growth in public transport can only be sustained if targeted capacity improvements are provided – through additional space and facilities for buses and additional space for ferries.
22. Auckland Council Planning Committee, the Waitemata Local Board and the City Centre Advisory Board have contributed to a series of workshops that outlined the complex issues and interdependencies for these key parts of the city centre. This work has allowed us develop a series of investment scenarios for the City Centre. This memo provides a high-level description of these scenarios and the projected outcomes and benefits associated with each.

Current LTP Outline

23. Over the remaining eight years of the current 10-year Budget (as of July 2017) there is circa \$372m in funding allocated for what can be considered City Centre projects. Of this \$372m, \$188m is funded through the City Centre Targeted Rate (CCTR).
24. The \$372m does not include regionally significant transport projects such as CRL and the new bus network. While they have an impact on the City Centre, they have a regional focus and form part of the Auckland-wide transport strategy.
25. To date, the CCTR has been largely relied upon to fund the streetscape upgrades within the City Centre and is the key driver behind recent public realm transformations. Other funding is mainly focused on asset renewals (such as the Quay St Seawall and RFA projects) and some public realm initiatives within Wynyard Quarter and the Viaduct.
26. As noted above, the rate of growth in the city centre has far outpaced previous predictions, and the current scale of public investment within the city centre isn't able to keep up with this growth. This is articulated in Base Case scenario below, when compared with Scenarios 1 and 2.

Proposed Programme for 2018-2028

27. We have developed two scenarios for the 10-year Budget 2018-2028 based around different funding levels and project priorities. In addition, a Base Case scenario shows what we can achieve with the current levels of funding. The three scenarios are additive (i.e. they build on each other) and are outlined below, with more detail around timeframes and projects for each provided in Attachment B.

Base Case: Funding envelope based on current funding levels

28. Funding Requirement: \$372 million over 10 years.
29. This Scenario assumes a funding envelope based on current funding levels (\$372 million), and considers what can be achieved within this envelope. Phasing of projects with funding already allocated may be tweaked to respond to the requirements of AC36 and APEC 2021.
30. Key Outcomes:
 - Builds on existing investments in city centre & waterfront over the last 5 years;
 - Key transport upgrades such as CRL, the New Bus Network and Mass Transit will go ahead irrespective;
 - CCTR contributions will allow public realm enhancements to some surface components of CRL, including Albert St and Lower Queen St.
 - The city centre core is strengthened by connecting Queen Street to Quay St and the waterfront. Walkability will be improved via Laneway Circuit projects (funded through CCTR);
 - Fails to maximise opportunities to improve access to city centre;
 - Limited public realm enhancements to complement the regionally significant transport projects;
 - Projects will be delivered alongside existing development, however this scenario does not maximise opportunities associated with current construction activities;
 - Limited attractiveness to developers;
 - Does not address all CCMP aims – provides bits and pieces towards a longer term vision;
 - Does not support city growth adequately (which is already outpacing current investment).

31. AC36 and APEC Focused Outcomes:

- Provides some improvement to Downtown Auckland in time for AC36 through the re-phasing of existing projects to better align with the events, however does not achieve the full waterfront vision.

Scenario 1: Progressing the Vision

32. Funding Requirement: \$922 million over 10 years (base case + \$550 million).

33. Building on the Base Case, this Scenario delivers a series of projects that respond to and enable growth to continue within the City Centre. Many of the projects focus on improvements to the public realm associated with the public transport projects. This will maximise the benefits of public transport investment and deliver the CCMP outcomes around place and liveability.

34. Key outcomes for Scenario 1 builds upon those achieved through the base case:

- Bare minimum to support greater economic growth: Delivers necessary infrastructure to support growth in cruise & ferry operations and residential & commercial development;
- Matches already planned transport investment with complementary public realm improvements;
- Maximises opportunities to leverage off existing investments and takes advantage of existing construction projects;
- A pedestrian-focused core with improved movement and walkability within the City Centre, generating greater economic benefits;
- Connects the Hobson St ridge to the City Centre, supporting wider economic growth in underutilised areas of the city;
- Does not complete city centre connectivity or fully deliver on the CCMP or Waterfront Plan;

35. AC36 and APEC Focused Outcomes:

- Provides significant improvement to downtown Auckland in time for AC36, with high quality pedestrian connections from Britomart East through to Wynyard Quarter, better facilitating the movement of large crowds and realising the vision of the waterfront as Auckland's front door.
- Walkability within the City Centre is improved, helping to mitigate against the impacts of road closures and restricted access during APEC events.

Scenario 2: Delivering for the future

36. Funding Requirement: \$1.2 billion over 10 years (Base Case + Scenario 1 + \$240 million).

37. Scenario 2 focuses on delivering projects which complete the key CCMP transformational projects started as part of Scenario 1 (e.g. Scenario 1 builds the central section of Linear Park; Scenario 2 completes it), future proofing the city for further high growth and achieving a fully-connected city centre which maximises its future potential.

38. Key outcomes for Scenario 2 include those positive outcomes associated with Scenario 1, plus additional benefits, including:

- Complete and connected city centre;
- Futureproofed for growth;
- Maximises public space and walkability and provides a high quality urban environment;
- CCMP vision delivered.

39. AC36 and APEC Focused Outcomes:

- While Scenario 2 takes the city centre outcomes a step further, due to programming and construction constraints, it is not feasible for Scenario 2 to deliver anything further in time for AC36 and APEC over and above Scenario 1. As such the outcomes related to these events for this investment scenario can be considered to be the same as Scenario 1.

Attachments

No.	Title
A	City Centre summary sheets
B	Investment Scenario Summaries

Signatories

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