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# America's Cup Location Analysis

Final Briefing For Minister Parker (30 November 2017)

**NB. Confidential material discussing leasehold agreements and other commercially sensitive material has been redacted**

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## 1.0 Purpose

1. To review and provide feedback to Minister Parker on a variation to the Wynyard Point Option to accommodate AC36 team bases.

## 2.0 Executive Summary

### Background

2. On the 23<sup>rd</sup> November 2017 Auckland Councils Governing Body resolved to approve two options as a basis for continued negotiations with the Crown and Emirates Team New Zealand (ETNZ). The options were:
  - Cluster of bases located on a 75m extension to Halsey Wharf, 75m extension to Hobson Wharf, and atop Wynyard Wharf (the "Wynyard Basin")
  - Cluster of bases located on the Western and Eastern side of Wynyard Wharf and Site 18 (the "Wynyard Point").
3. The introduction of the Wynyard Point option was to address a goal of no incursion into the harbour, to respond to the concerns of some stakeholders. Another key goal is to ensure that there is a strong positive legacy value for Auckland, and that Auckland can continue to host America's Cup regattas for many years to come. This will help ensure that each time ETNZ wins the America's Cup we do not repeat the exercise of finding new space on the waterfront.
4. All parties have a desire to ensure that investment decisions take into account a broader range of considerations than just the economic, including environmental, social and cultural values. It is understood that the Government's priority is threefold: to maximise the economic benefits from the regatta, to ensure there is a long term legacy from any new infrastructure and also to manage any environmental impacts. Any decision needs to stack up and be fit for purpose for ETNZ and the Auckland ratepayers and New Zealand taxpayers.

Figure One: Wynyard Point and Wynyard Basin Options.



5. With regard to the Wynyard Point option which was a new option presented at the Governing body meeting, it was expressed at the meeting that:
  - The base locations on the Western side of the wharf were subject to unsuitable wave conditions

- Site 18 was not preferred due to the impending development as a marine refit facility.
6. Throughout the location analysis process, ETNZ have been unequivocal about their preference for the Halsey Wharf extension. At the 23<sup>rd</sup> November meeting, ETNZ made a concession to the Auckland public by accepting the Wynyard Basin option and scaling back the incursion into the harbour, as one they could work with. It is now ETNZ's expectation that work continues to refine and ensure that the bases in the Wynyard Basin are fit for purpose – both land and water space. A further significant consideration for ETNZ is the ability to host the public and undertake corporate events as part on a number of the base locations. It is understood this is the focus of the larger double base options.
  7. Since the 23<sup>rd</sup> of November, the Crown has asked for more information on a variant of the Wynyard Point Option. This variation contains the following features:
    - A cluster of bases on Hobson Wharf, Halsey Wharf and Wynyard Wharf
    - A wharf extension of 15m to Halsey Wharf accommodating two single bases and an 75 meter extension to Hobson Wharf accommodating one single base
    - Location of bases on Wynyard Wharf east and on Brigham Street (the “ASB car park site”). An extension over Brigham Street, to join the bases to the Wharf and enable water space access.

Figure Two: Wynyard Point Variant, using ASB carpark



8. Profiles of the Wynyard Basin option and Wynyard Point (variant) in delivery, event and legacy mode are provided as Attachment One.
9. Analysis of the Wynyard Point variant is outlined in the body of this report. The analysis uses the criteria developed and agreed by the Council Group and central government agencies (MBIE and Treasury) to assess potential base locations for AC36 (appended in Attachment Two). The thirteen criteria can be summarised into four main sub-groups:
  - Delivery: Whether the bases be delivered in the timeframe required
  - Event: The extent to which the bases provide the best outcome for servicing the needs of AC36 event
  - Legacy: The extent to which any investment delivers a sustainable benefit beyond the event itself

- Other: The impact on business as usual, including existing land uses, services and activities prior to, during and post event.
10. Using these criteria, the functional requirements used to compare options against each other to determine the location that is able to:
- Be fit for purpose and deliver on the event requirements for AC36 (eight syndicate bases)
  - Be designed and consented by June 2018
  - Be constructed and operation by mid-late 2019
  - Can best deliver on the strategic plans for Auckland's waterfront
  - Offer the best opportunity for legacy for Auckland and New Zealand.
11. All work related to AC36 has been developed under a compressed timeframe. A team has been established to deliver resource consent by the 15th of January 2018. The team is working to the following:

Table One: Resource consent programme

Date	Activity
1 November – 12 January	Application preparation Draft Assessment of Environmental Effects Stakeholder consultation
15 January	Consent Lodgement
27 February	20 day public submission period closes
5 April	Environment Court filing
4 May	Pre-hearing conference
25 June – 2 July	Hearing
End of July/Early August	Decision

### Headline Findings of the Wynyard Point (variant)

12. Since receiving the request to consider a variant on the Wynyard Point option, Council group staff have been able to collate a body of information and advice specific to the ASB site. The key considerations can be grouped below.

#### Reducing Incursion into the Harbour

- The Wynyard Point variant reduces the amount of incursion into the harbour through the reduced Halsey wharf extension, compared to the Wynyard Basin option by 58 meters. The reducing in space does mean however that the base access to adjoining water space is limited, in that the configuration can now accommodate seven of the eight bases required.
- The technical work currently underway to develop the resource consent is looking in to ways to reduce the footprint of Halsey Wharf under the Wynyard Basin Option. Different scenarios are being considered, including reducing the public viewing access from Halsey Wharf. Care will be taken to ensure that the incursion can be reduced, whilst remaining functional for the event needs.

#### Legacy for next America's Cup Event(s)

- The desire for a strong positive legacy for Auckland and the next AC event is shared by all parties. Inquiry into the opportunity of this event to accelerate the development on Wynyard Point is reasonable.
- Development of the Wynyard Point into a major public open space (Two hectares of Headland Park) a mixed use development and supporting marine precinct that makes

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good use of the land and water space has been much anticipated by Aucklanders since consultation began in 2005. Due to current land use activities however, this programme of detailed planning and future development has been staged for after 2022, when leases start to run out.

- Assuming other constraints of the Wynyard Point option could be overcome (as outlined below), the three bases that cover the ASB car park would be in the location that is planned for a major public open space as envisaged in the Waterfront Plan. This would mean that over time additional locations would need to be found for any future Americas Cup events, or it could mean that development of the park is delayed.

### **AC36 Operational requirements**

- For safety the reasons indicated below, the ASB site cannot accommodate team bases that provide public access and corporate events. This is considered a fatal flaw by ETNZ, particularly as those proposed are double bases
- Accommodating more bases (up to 8) and allowing for these bases to operate as a village, means that hazardous substances facilities can be relocated or cease operations. This adds significant cost (ranging between \$80-\$163m depending on assumptions).

### **Impact on business as usual**

- The hazardous substance facilities provide storage and transport function for the conveyance of product to industry. Without longer term planning being undertaken to gauge the effects of the relocation or cessation of operations – this would likely have significant downstream effects on industry.

### **Key resource consent considerations**

- Unless the hazardous substances facilities are relocated or cease operations, operating the AC36 bases as a village is unlikely to be granted resource consent
- Whilst the AC36 bases on the ASB site can be limited to marine uses, with low population numbers, consenting remains a challenging proposition – due to road closures, operational limitations on hazardous substance operators and commercial negotiations with affected parties
- Assuming hazardous substances facilities can be relocated or cease operations, the additional assessment work required to support a resource consent application for the ASB car park site extends the overall consenting programme outside the time available to deliver consents in time for AC36 to proceed in Auckland
- The introduction of the ASB car park site will require land use and regional consents for the use and development of contaminated land, and discharges to air, land and water under the Unitary Plan and the NES for Assessing and Managing Contaminants in Soil to Protect Human Health. This is a substantial new workload and will require additional technical resource to be engaged to undertake assessment and reporting (for example, detailed site investigations for contamination, land stability and geo-tech considerations, traffic impact assessments on alternative roading access arrangements)
- For the bases on the ASB car park site to function (as in the revised design) the adjoining segment of Brigham Street must be stopped. An application for a road stopping follows processes set out in the Local Government Act and involves consultation with a range of parties including Auckland Transport and the Fire Service. Due to impact on access to the hazardous facilities and requirement to maintain dual road access via Hamer and Brigham Street access by the fire service is a significant consideration.
- There is insufficient time to progress the road stopping procedures under the Local Government Act process in time for bases on the ASB car park site to be delivered in time for AC36. Given the significant operational considerations involved, it is unlikely that this process can be fast tracked or expedited without extensive consultation with the stakeholders

- Resource consents and leaseholder agreements will also need to be secured to relocate ASB and Sanford's car parking spaces from the ASB site to alternative locations in Wynyard Quarter

#### Other regulatory considerations

- The hazardous substances facilities operate within a range of regularly controls. These seek to ensure the safe operation of such facilities particularly in circumstances where there is close proximity to non-industrial uses and the general policy. We understand through our recent information confirmation with Stolthaven that the recent worksafe regulations are a significant consideration.

#### Commercial agreements

- The adjoining hazardous facility is owned and operated by Stolthaven Ltd. The lease on this site expires in April 2022. Stolthaven has requested a lease extension to match the term of the other hazardous facility operated by BST (October 2025).

#### Hazardous substances risk

- The use of the ASB site for bases raises significant health and safety issues due to its location next to hazardous substances facilities. It is also contrary to the risk assessment reporting accepted by the Council Group and the Hazard substance facility operators (the "Sherpa reports" appended in Attachment Two).
- The recommendations in the Sherpa report are implemented in the Auckland Unitary Plan through zoning which classifies people intensive activities including events, retail, food and beverage, accessory offices as non-complying activities. Similar planning provisions have been in place over the past 20 years and have served to ensure the safe and appropriate separation of sensitive uses from the hazardous substances facilities.

#### Key public perception issues

- Wynyard Point is publically accessible, albeit closure is undertaken from time to time to manage population numbers during major events. Outside of this time the public are not overtly encouraged to enter the area (e.g. the absence of footpaths and other public amenities).
- As part of the consenting process expert reports assessing the landscape and visual effects of the AC36 proposal will be presented to the Court. Without predetermining the outcome of these independent reports the landscape and visual effects of a 73 metre wharf extension to Halsey Wharf as compared to a reduced extension could be minor. However, it is acknowledged there is an in principle public concern regarding wharf extensions, regardless of their scale.

#### Project delivery risk

- Project delivery in the timeframe needed is key to securing the AC36. This means it must be consented in July-August 2018. The following table is a summary of the challenges to consenting the project within this timeframe.

Table Two: Summary Issues Table

Wynyard Basin	Wynyard Point (revised)
<b>Challenges for delivery in timeframe required for resource consent</b>	
<ul style="list-style-type: none"> <li>• 73m extension to Halsey Wharf</li> <li>• 70m extension on Hobson Wharf</li> </ul>	<ul style="list-style-type: none"> <li>• 15m extension to Halsey Wharf</li> <li>• 73 m extension to Hobson Wharf</li> </ul>
<ul style="list-style-type: none"> <li>• Appeals on direct referral</li> </ul>	<ul style="list-style-type: none"> <li>• Appeals on direct referral and road stopping</li> </ul>
<ul style="list-style-type: none"> <li>• Commercial issues and associated costs regarding breaching leases for marine users on Wynyard Wharf (low complexity)</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial issues and associated costs regarding breaching leases for marine users on Wynyard Wharf (low complexity) and for industrial uses (high complexity)</li> </ul>

	<ul style="list-style-type: none"> <li>• New consenting matters including contamination issues on ASB carpark and other regional consents for air, land and water discharges needed</li> </ul>
	<ul style="list-style-type: none"> <li>• Hazardous risk profile of three bases next to hazardous facilities operations requires cessation or relocation of the facilities. Risk to timeframes around costs and time for commercial negotiation</li> </ul>
<b>Challenges to resolve for Event Delivery</b>	
	<ul style="list-style-type: none"> <li>• Design can only accommodate 5 double and 2 single bases (one base short of ETNZ requirements)</li> </ul>
	<ul style="list-style-type: none"> <li>• Reduced function of team bases (no public access) due to proximity to hazardous substances operators, unless the operators cease operations, or are relocated</li> </ul>

## Recommendation to JESG

It is recommended that:

- (1) That the Minister be informed of the additional information provided in the report for his consideration
- (2) The Wynyard Basin option proceeds through to the preparation of a resource consent for lodgement on the 15 January 2018. Further design work will look to refine the footprint and reduce the level of incursion into the harbour where possible.
- (3) To meet the delivery programme for AC36, a resource consent decision is required by August 2018. This precludes the use of the standard two stage consenting process and direct referral to the Environment Court is recommended

Note that the Minister may wish to progress the variant of the Wynyard Point option into and past December 2017. The Council Group will continue to support the Crown's ministries and agencies through the supply of existing documents and plans, but does not have the resources available to undertake the comprehensive assessment design and reporting required to prepare consents for both options.