I hereby give notice that an extraordinary meeting of the Governing Body will be held on:

**Date:** Thursday, 29 March 2018  
**Time:** 9:30am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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**Tira Kāwana / Governing Body**  
**OPEN ADDENDUM AGENDA**

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**MEMBERSHIP**

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<th>Role</th>
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<tr>
<td>Mayor</td>
<td>Hon Phil Goff, CNZM, JP</td>
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<tr>
<td>Deputy Mayor</td>
<td>Cr Bill Cashmore</td>
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<td>Councillors</td>
<td>Cr Josephine Bartley</td>
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<td>Cr Dr Cathy Casey</td>
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<td>Cr Ross Clow</td>
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<td>Cr Fa’anana Efeso Collins</td>
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<td>Cr Linda Cooper, JP</td>
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<td>Cr Hon Christine Fletcher, QSO</td>
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<td>Cr Desley Simpson, JP</td>
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<td>Cr Sharon Stewart, QSM</td>
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<td>Cr Sir John Walker, KNZM, CBE</td>
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<td>Cr Wayne Walker</td>
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<td>Cr John Watson</td>
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(Quorum 11 members)

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**Sarndra O’Toole**  
Team Leader Governance Advisors

28 March 2018

Contact Telephone: (09) 890 8152  
Email sarndra.otoole@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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<td>America's Cup 2021 - decision on location and infrastructure requirements</td>
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**Note:** The Public Excluded section of the meeting is no longer required.
Te take mō te pūrongo / Purpose of the report

1. To update the Governing Body on the investigation works undertaken by the Crown, Council and Emirates Team New Zealand on base location options for the defence of the 36th America’s Cup and to outline the Wynyard Hobson option agreed by the Mayor, Minister Parker and Emirates Team New Zealand.

2. To agree to proceed with the lodgement of a resource consent application for the Wynyard Hobson option and withdraw the Wynyard Basin resource consent application.

Whakarāpopototangatanga matua / Executive summary

3. Staff from the Auckland Council group and the Ministry of Business, Innovation and Employment have been working together, with Emirates Team New Zealand (ETNZ), to prepare an alternative application in support of a resource consent application for the infrastructure in the Wynyard Basin necessary to host the 36th America’s Cup.

Fig 1: Wynyard Hobson proposal
4. The key elements of the Wynyard Hobson proposal are:

**Team bases**
- provision of a total of seven bases (four double bases and three single bases if required);
- buildings up to 15m in height;

**Hobson Wharf, Halsey Wharf and Wynyard Point**
- 74m length extension of Hobson Wharf, accommodating one double base;
- no extension to Halsey Wharf;
- use of the existing Viaduct Events Centre (VEC) on Halsey Wharf by ETNZ as their base, with their boats being launched into adjoining water space from the eastern side of the building;
- a fresh resource consent for the Viaduct Events Centre to reflect the new use;
- up to five bases on the landside of Wynyard Point;

**Associated works across the water space**
- construction of temporary and permanent wharf structures over water space between Wynyard Point and Wynyard Wharf to provide functioning yards for the five bases on land at Wynyard Point;
- four new breakwaters to provide adequate water environments for the boats;
- under-wharf works and dredging;
- associated berths, fencing, facilities and movable cranes for all bases and facilities for all bases and superyachts;
- relocation of SeaLink and the commercial fishing fleet (subject to commercial agreements);

**Term of consent**
- the wharf extension, breakwaters and under-wharf works are proposed to be consented for 35 years.
- the wharf structures between Wynyard Point and Wynyard Wharf are proposed to be consented for 35 years, but 50% of the structure is to be removed once the final design of the adjacent public space on Wynyard Point has been confirmed;
- the consent for the event and base infrastructure, eg. buildings, will have a proposed term of 10 years, to enable the hosting of the 36th America's Cup and successive America's Cup events between 2021 and 2027.

5. The Wynyard Hobson proposal has the support of Emirates Team New Zealand and the Crown, requires the least amount of new incursions into the harbour, is easier to consent and construct than other options, is the least expensive overall, and enables a strong positive legacy.

6. The lodgement of a new consent application will extend the consenting timeline by approximately two months, with a decision by the Environment Court anticipated in October 2018 rather than August 2018. The overall timeframe remains extremely tight, however the current proposal has reduced marine-related works and is still able to be completed within the required timeframes.
Ngā tūtohunga / Recommendation/s

That the Governing Body:

a) approve the Wynyard Hobson proposal (extension of Hobson Wharf, use of Viaduct Events Centre for Emirates Team New Zealand’s base, and five bases on the landside of Wynyard Point) for lodgement as a replacement for the Wynyard Basin proposal

b) authorise the Chief Executive to withdraw the Wynyard Basin application at the appropriate time

c) approve:
   - the Host City Appointment Agreement entered into between the Crown, Auckland Council and Emirates Team New Zealand, and
   - the cost-sharing agreement between the Crown and Auckland Council

d) delegate to the Mayor and Chief Executive authority to:
   - agree minor changes to the Host City Appointment Agreement
   - approve the Host Venue Agreement within the approved Council Funding Contribution (including any business-as-usual and existing budget lines)
   - approve any consequential changes to Council-Controlled Organisation Statements of Intent to reflect their roles and responsibilities in relation to the 36th America’s Cup delivery

e) delegate to the Chief Executive authority to make decisions relating to the operational delivery and expenditure of approved funding for the following matters:
   - exercise council’s rights and obligations under the Host City Appointment Agreement (and in due course, the Host Venue Agreement), including finalising the allocation of roles and responsibilities under those agreements within the council group, and directing Council-Controlled Organisations accordingly
   - finalise and enter into the Interim Project Alliance Agreement and the Project Alliance Agreement (collectively, “the Alliance Agreements”) for the design and construction of the AC36 Physical Works, including any amendments and variations thereto, within the Council Funding Contribution
   - exercise the Council’s role, rights and responsibilities, including Council’s Discretions, as defined in the Alliance Agreements
   - decide, on behalf of the council group, all matters relating to the procurement and strategy of delivery, including finalised scope of works packages to maximise interface opportunities with other council group procurement

f) approve $57.2 million of capital expenditure, and $41.3 million of operating expenditure – a total of $98.5 million – as the council’s share of the $212.4 million budgeted to host the America’s Cup, with this expenditure being incorporated into the 2018-28 Long-term Plan

g) note that other programmed capital projects and renewals in the central city and waterfront will be required to be brought forward into the first three financial years (2018/19 to 2020/21), to prepare the city in advance of the America’s Cup and Asia Pacific Economic Cooperation (APEC) Leaders’ meeting in 2021, and decisions on this expenditure will be taken as part of the Long-term Plan in late May 2018

h) acknowledge that the costs required for planning, consenting and procurement of the approved option and associated infrastructure across the city centre and waterfront have already commenced in this financial year
i) note the AC36 Infrastructure Alliance is now in operation and will begin early-works investigations and design activities operating under its current contracts with Panuku which will be novated to Council and then undertaken by alliance under the Alliance Agreements

j) agree to a lease being granted to Emirates Team New Zealand for the use of the Viaduct Events Centre for their base for two America’s Cup cycles (AC36 and AC37), whether Emirates Team New Zealand participates as a Defender or a Challenger, and with Emirates Team New Zealand being required to vacate the Viaduct Events Centre within three months of the completion of AC37

k) note that a rent concession will be in place for Emirates Team New Zealand from the commencement of the Viaduct Events Centre lease to 1 March 2022, with Regional Facilities Auckland being compensated by council for the loss in commercial revenues

l) request quarterly updates on the programme

m) refer these resolutions to Chief Executives and Board Chairs of all Council-Controlled Organisations.

Horopaki / Context

7. On 14 December 2017, the Governing Body resolved to approve the Wynyard Basin location option as a basis for negotiation with the Crown and Emirates Team New Zealand (ETNZ), and to delegate authority to the Mayor and Chief Executive to complete negotiations and lodge the resource consent application [GB/2017/171/172/173]. The application was lodged for consent in mid-January 2018.
8. The Governing Body resolutions acknowledged the Crown remained committed to further investigating a land-based option focused on Wynyard Point and would not reach a final view until further due diligence on this option had been completed.

9. The investigations traversed a number of iterations but were focused on options to limit any new incursions into the harbour, manage costs, and enable a strong positive legacy. The locations were always around Wynyard Basin Point and Halsey Wharf.

10. Further details of the event requirements from ETNZ as well as the Crown entering into discussions with existing leaseholders on the Point meant the parameters around the event location and design became more certain. In particular:

   - ETNZ has advised the base requirement is reduced from eight bases to seven. The Wynyard Hobson option provides four doubles and three singles;
   - The consenting issues associated with the use and development of contaminated land have been explored and addressed (subject to management of risk on sites);
   - Following discussions with ETNZ, the dates that the bases are required for occupation have moved, providing a small window of additional time, albeit within a very constrained delivery timeframe;
   - The Waterfront Plan and Unitary Plan identify Wynyard Point as a location for future mixed-use development, marine industry uses, and a 4.4 hectare public park. The Wynyard Hobson option proposes to locate the bases on Wynyard Point for a period of up to 10 years, after such time the council group can undertake development on these sites.

11. The submissions received on the Wynyard Basin proposal, in addition to alternative proposals put forward by organisations including Stop Stealing Our Harbour and Viaduct Harbour Holdings Limited, were also used to evaluate alternative options.

12. Over the past few months, the team were focused on the option known as Halsey/Point – a 45m length extension of Halsey Wharf for two double bases and up to five bases on the south-eastern side of Wynyard Point, also utilising part of the adjacent road and Wynyard Wharf. This proposal was made possible by negotiations with some of the hazardous facilities leaseholders to vacate the south-eastern part of Wynyard Point and moving to the north prior to their leases expiring.
Throughout this time, engagement continued with mana whenua, the council group, ETNZ, landowners, tenants and other key stakeholders, focused on the Halsey/Point proposal. There was generally support for this option but there were some operational requirements that were still being worked through, particularly around the Halsey Wharf bases.

In parallel, particularly this last week, the team have been working on the recommended proposal in this report – Wynyard Hobson. This report details the proposal and compares it to the existing Wynyard Basin application.

The council group still needs to relocate the fishing fleet and ferry services from their existing locations on Wynyard and Halsey wharves. A separate application was lodged in January 2018 providing for a relocation facility on the western side of Wynyard Point.

The council group has continued to explore alternative location options for the fishing fleet and ferry operations, in consultation with SeaLink and Sanford. This work is ongoing and the application has been placed on hold while these investigation works are being progressed.

It is useful to compare the outcomes of the Wynyard Basin and new Wynyard Hobson proposals:

- Both proposals focus the bases and event around the Viaduct Harbour and Wynyard Basin (edged by Hobson Wharf and Wynyard Point);
- Both proposals have bases on the south-eastern side of Wynyard Wharf with associated infill of water space between Wynyard Point and Wynyard Wharf;
- Both proposals require new breakwaters off Wynyard Wharf, Halsey Wharf and Hobson Wharf;
- Both proposals provide temporary mooring berths for superyachts, J-class yachts and other regatta and support craft within the Viaduct Harbour and Wynyard Basin area;
Both proposals require a 74m length extension of Hobson Wharf for one syndicate (a double base);

- The Wynyard Hobson proposal requires less intrusion into the harbour – 7490m² (extension of Hobson Wharf – 6690 m² plus link to breakwater – 800m²) as compared with 22,990m² (extension of Hobson Wharf – 6690 m² plus extension of Halsey Wharf – 16,300 m²);
- The Wynyard Basin proposal had ETNZ’s permanent base on the extended Hobson Wharf, whereas all base buildings and associated infrastructure in the Wynyard Hobson proposal will be temporary (for a term of up to 10 years);
- The Wynyard Hobson application does not seek to determine a permanent location for ETNZ – this will need to occur sometime after the 2021 America’s Cup event;
- The use of the existing VEC for ETNZ’s base means that there is one less double base and associated buildings required to be constructed. This reduces the time and cost of construction and means fewer visual impacts of the event when viewed from the land. It also means that the VEC will not be available for public use or events for a period of up to seven years. This is further discussed from para 19 below;
- The cost of the Wynyard Hobson proposal is cheaper than the Wynyard Basin proposal.
- Apart from a small area to the immediate north end of the VEC and at certain times along the eastern side of the VEC, the Wynyard Hobson proposal will retain public access to the whole of Halsey Wharf. The Wynyard Basin proposal restricted public access to the eastern and western sides of the VEC and a 10m strip on the northern side of Halsey Wharf;
- The Wynyard Hobson proposal will enable the fishing fleet and ferry services to remain in-situ for longer on Halsey Wharf. However, they will need to be relocated for the duration of the AC36 event;
- The legacy provisions of the Wynyard Hobson proposal are outlined from para 26 and results in less intrusion into the harbour than the Wynyard Basin proposal and furthers the revitalisation of Wynyard Point through the removal of silos and carparking.

18. The key changes with the Wynyard Hobson proposal are the reduction of base infrastructure on Halsey Wharf and the use of the VEC by ETNZ. When considered against the key elements of limiting incursions into the harbour, managing cost and providing a positive legacy, the Wynyard Hobson proposal best meets these criteria, while still delivering the fundamental requirements for the America’s Cup event.

Removal of Viaduct Events Centre from use

19. The two core elements of the Wynyard Hobson proposal are to locate ETNZ in the existing VEC building and to locate another syndicate on an extended Hobson Wharf. The existing Wynyard Basin application proposed that ETNZ be permanently located in a building on an extended Hobson Wharf. The Wynyard Hobson proposal will see them using the VEC on a temporary basis only.

20. The lease agreement provides for ETNZ to occupy the VEC for two America’s Cup cycles, whether ETNZ participates as Defender or Challenger in AC37. The duration of the Cup cycles is expected to be until March 2021 for AC36, and a further three years for AC37 (though the agreement provides for a longer period for AC37 if this is required). ETNZ will need to vacate the VEC after the second America’s Cup event.
21. The use of the VEC by ETNZ will have cost and operational implications for the Auckland Council group:

- Regional Facilities Auckland (RFA) owns the VEC as part of council’s network of regional facilities, generating net revenues of $3.5-$4.0 million per annum. This revenue will be foregone from the commencement of the lease on 1 October 2018 through to 1 March 2022 (3 years, 5 months), at which point the concessionary rental arrangement with ETNZ will be reviewed. The loss of revenue forms part of council’s financial contribution to the America’s Cup;

- There will be reduced revenue for Panuku through the change in water space use;

- ETNZ will need to make some structural alterations to the building, particularly to the eastern wall, to allow them to launch their boats directly into the water space. These alterations will not adversely affect the operation of the facility, in fact may enhance the use in the future. Any internal alterations will need to be 'made good' by ETNZ when they vacate the premises;

- ETNZ will maintain the public viewing platform at the northern end of the VEC which will give views of the America’s Cup activity including of ENTZ’s yard operations, with the access shifting to the western side of the building. An area of wharf deck to the east and north will be required for vessel launching and crane operations, which will restrict public access. Full public access will be available at the southern end by the bridge and all the way up the western side and along Halsey Wharf. ETNZ will enter into an Operational Agreement with Panuku which will, amongst other things, manage public access around the eastern side of the premises during the periods when ETNZ requires the forecourt for their boat operations.

22. The VEC is the only existing building in the Viaduct Harbour and Wynyard Basin area that could be used for an America’s Cup base. In all the options that have been considered since August 2017, all syndicates would require new buildings. There is cost saving and efficiency in considering the use of an existing building which was designed for marine use and is therefore almost entirely fit-for-purpose for ETNZ. In particular, the use of the VEC allows ETNZ to set up a base ahead of the launching and testing of its first AC 75 yacht early in 2019.

23. The use of VEC is controlled by an existing resource consent and conditions. The most relevant conditions relate to provision of public access along the western and eastern sides of the building, the location and rights of the fishing fleet, and the use of the building for events. It is proposed to seek a fresh consent, as part of the Wynyard Hobson application, to ensure that ETNZ can safely and reasonably use the building as their base, while maintaining public access along the western side and, as much as possible, along the eastern side.

24. The VEC is also right in the centre of the event space, with Hobson Wharf to the east and Wynyard Point to the west, contributing to a ‘village feel’ for the event. There are multiple viewing points for the public from existing roads and public spaces. In addition to the existing public areas, ETNZ will be investigating the feasibility of creating a new publicly-accessible interactive area on the ground floor on the southern side of the building.

25. Accordingly, weighing up the costs to council, particularly in lost revenue and facility space, and the benefits to the event, including cost savings and less incursion into the harbour, it is recommended that the Wynyard Hobson proposal proceed.

Legacy outcomes of the Wynyard Hobson proposal

26. International best practice now focuses not only on the benefits of the infrastructure left behind after a major event, but also on the social, economic and environmental benefits gained by the host city in the planning and delivery of significant international events.
27. Auckland Council is working with its partners and stakeholders to define what success looks like, in terms of legacy outcomes such as:

- the importance of good, well-designed and well-managed public space, creating urban environments that promote belonging and participation for visitors and citizens alike;
- new network of waterfront public spaces, enabling future water- and land-based events and informal activation;
- environmental outcomes that build on the Wynyard Quarter’s sustainable development framework, including water quality, low carbon and waste minimisation measures, as well as resilient design that recognises the challenges of climate change;
- economic and social outcomes that enable all Aucklanders to enjoy the benefits of an international event, with activation across the city, and local training, employment and business opportunities;
- Māori outcomes as defined by Auckland Council’s Regional Mana Whenua Kaitiaki Forum;
- business-as-usual, continuing the successful waterfront development and collaboration with private investors and business operators, and strengthening the operations and capacity of the marine, ferry and fishing industries;

28. In terms of infrastructure, once the 10-year consent period has elapsed, the Wynyard Hobson proposal will leave behind:

- a 74-metre extension of Hobson Wharf to create a new public space, with potential for marine and land-based events, potentially in conjunction with the use of the Hobson Wharf buildings owned by the council group and presently occupied by the New Zealand Maritime Museum. This space could also be considered for a well-designed permanent building for harbour-related activities. For example, it could be a potential permanent base of ETNZ on it vacating the VEC. Any proposed for a permanent building would need to be assessed by a future resource consent application;
- an extension of the waterfront pedestrian network around the Hobson and Halsey wharves and breakwaters, allowing public access to the water’s edge and views across the basin;
- new sheltered water space in the Viaduct and Wynyard Basins to enable water-based events, both local and international;
- upgrade to Wynyard Wharf and sea wall, with infill spaces that can be temporarily used for public activation until the proposed linear park can be developed.

**Consenting strategy**

29. It is intended that the Wynyard Hobson proposal will replace the Wynyard Basin application. This means that the Wynyard Basin application will need to be withdrawn at the appropriate time.

30. The timing available to undertake the consenting for the Wynyard Hobson proposal means that the only realistic option that is available is to continue with the same approach undertaken for the Wynyard Basin application with direct referral to the Environment Court. Subject to a consent application being lodged in early April 2018, a decision from the Court is anticipated by mid-October 2018.

31. While any delay is a risk to the construction of the bases, preliminary analysis indicates that the Wynyard Hobson proposal will take less time to construct than the other options and therefore an October 2018 decision is acceptable. It is noted that the council group has already procured an AC36 Infrastructure Alliance consisting of McConnell Dowell, Downer, Beca and Tonkin and Taylor and they are located in Bledisloe House.
32. Part of Brigham Street, on the eastern side of Wynyard Point, is required to be stopped in order to construct the bases. This will be done outside this consent application - the Public Works Act may be used or special legislation may be required in order for the process to be completed in time for construction. The Ministry of Business, Innovation and Employment will lead this process.

33. As part of the investigations into alternative options, the Crown led discussions with the hazardous facilities leaseholders at the south-eastern end of Wynyard Wharf. It is not yet known how much land is required for bases, as the final number of teams has not been confirmed. Space for four double bases has been confirmed through using the ASB carpark and Stolthaven south site. Further space could be made available depending on base requirements and arrangements to be reached with existing tenants. The consent is sufficiently broad to enable this option to be taken up should it be required.

34. Following lodgement of a separate consent on 15 January 2018, the council group has continued to explore alternative location options for the fishing fleet and ferry operations. The Wynyard Hobson proposal has much less effect on these operators leading up to the event. It is likely that these operators can stay in-situ for longer but work is still ongoing around this. Discussions are occurring with Ports of Auckland Limited around accommodating some of these operators. Accordingly, the fishing and ferry application has been placed on hold while these investigation works are being progressed.

Associated agreements, including Host City Appointment agreement

35. There are a number of agreements that enable the America’s Cup event to be held in Auckland. The comprehensive agreement is known as the Host City Appointment Agreement. While there are some confidential aspects relating to cost sharing and commercial negotiations, the Host City Appointment Agreement includes:

- the appointment of Auckland as host city and New Zealand as host country of the 36th America’s Cup event;
- three event races directly associated with the 36th America’s Cup – the America’s Cup Christmas Race (December 2020), the America’s Cup Challenger Series (January/February 2021) and the 36th America’s Cup Match (March 2021);
- financial reporting and payment requirements over time;
- council and the Crown to provide the base infrastructure, including all necessary consents and permits, within certain timeframes, including:
  - four double-base areas by August 2019
  - all other base areas by August 2020
- various rights, benefits and delivery requirements on all parties
- various governance arrangements
- standard confidentiality and dispute resolution provisions

36. Council and the Crown have also entered into a cost-sharing agreement, apportioning the above funding obligations between them (further discussed from para 47 below).

37. The Mayor has made it very clear that the council will not provide any money towards the hosting rights for the event or for ETNZ’s campaign. The agreement requires the Crown to pay the event-hosting contribution of $40m.

38. The Governing Body resolutions in November and December [GB/2017/145 and GB/2017/171/172/173] provided delegated authority to the Mayor and the Chief Executive to undertake negotiations with the Crown, Emirates Team New Zealand and private investors on the funding, location and infrastructure required to host the 36th America’s Cup. Within that delegation, the Chief Executive has signed the Host City Appointment Agreement and the cost-sharing agreement with the Crown.
39. These agreements were signed subject to Governing Body approval. The Mayor and the Chief Executive are satisfied that the terms of the agreements will enable a world-class event and a legacy which will be enjoyed by Aucklanders for decades to come. The costs to council are within the parameters provided by the Mayor and Governing Body.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views**

40. All Local Boards have been kept informed on progress since January 2018 at the same time as the Governing Body.

**Tauākī whakaaweawe Māori / Māori impact statement**

41. The Waitematā Harbour is of extremely high spiritual, ancestral, cultural, customary and historical importance to ngā mana whenua o Tāmaki Makaurau. Each mana whenua group has its own views in relation to the harbour and how their values will be impacted by proposals within this space.

42. Auckland Council group and the Ministry of Business, Innovation and Employment have continued to meet with the Mana Whenua Kaitiaki Forum as agreed in the initial hui late last year.

43. All parties acknowledge that the engagement process is still being refined and improved. Nothing limits the ability of mana whenua or any iwi group from exercising its statutory rights to submit on the application under the Resource Management Act 1991.

44. A proposed governance structure was submitted for feedback at the last meeting which would ensure mana whenua representation on all workstreams to deliver the event – strategic and operational.

**Ngā ritenga ā-pūtea / Financial implications**

45. The America’s Cup is controlled by a board and a set of minimum rules. A company will be set up to run the 36th America’s Cup event in New Zealand. ETNZ as holder of the Cup and Luna Rossa as Challenger of Record have particular roles and responsibilities within this.

46. Accordingly, council’s role is essentially one of enabling through the provision of infrastructure, use of assets and assistance with event delivery.

**Funding commitments and cost allocations**

47. It is proposed that both the council and the Crown will allocate funds towards the provision of infrastructure and the event hosting in a cost-sharing arrangement. A cost sharing agreement with the Crown has been signed by the Chief Executive, subject to Governing Body approval.

48. The funding commitments and cost allocations are set out in the table below:

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Table 1 – Funding commitment and cost allocations
49. The Crown will contribute $113.9 million towards a total budgeted cost of $212.4 million, including an event investment of $40 million paid to ETNZ as part of the Host City Appointment Agreement.

50. It is proposed that the council contribute $98.5 million, which will include:
   - a 46.5% contribution towards construction costs;
   - a share of costs for removing the tank farms from the southern end of Wynyard Point;
   - the decant of Sealink and the fishing fleets from the Halsey/Wynyard Basin;
   - ETNZ’s use of the Viaduct Events Centre, including an allowance for the loss of commercial revenues;
   - in kind event services related to running AC36 which will be borne across the council group.

51. Approval is sought for $57.2 million of capital expenditure, and $41.3 million of operating expenditure – a total of $98.5 million – as the council’s share of the $212.4 million budgeted to host the America’s Cup. Subject to the Governing Body’s approval this expenditure will be incorporated into the 2018-28 Long-term Plan, and the financial delegation will be exercised by the council chief executive on behalf of the Group.

Bringing forward other programmed expenditure

52. The Governing Body has previously been advised that hosting the America’s Cup and the Asia Pacific Economic Cooperation (APEC) Leaders’ meeting in 2021 will require additional expenditure over and above that needed to provide the essential infrastructure and base overlay for AC36. This will ensure both the AC36 and APEC events in 2021 are delivered to the world class level expected.

53. Accordingly, a range of other programmed capital projects and renewals in the waterfront and broader downtown will need to be brought forward into the first three financial years (2018/19 to 2020/21) of the 2018-28 Long Term Plan (LTP). Given the scale of expenditure that could be involved, it is proposed that decisions on what capital expenditure needs to be brought forward should be taken on 31 May 2018 as part of LTP package. This will allow councillors to assess the priority of this spending against other capital priorities.

Ngā raru tūpono / Risks

54. In relation to the provision of infrastructure for the 36th America’s Cup, there are a number of high-level risks:
   - Consenting and delivery timeframes – the consenting and construction timelines are very ambitious but the Wynyard Hobson proposal can be built in time, as long as the Environment Court issues a decision in October;
   - Public confusion over which proposal is being progressed;
   - Timely engagement with iwi and mana whenua;
   - Governance arrangements to allow iwi and mana whenua to be part of decision-making;
   - Cost escalations;
   - Contamination levels

55. All these risks are known and anticipated and have mitigation strategies attached to them. The AC36 Infrastructure Alliance will be responsible for completing the infrastructure in time and they have a detailed project plan, work streams, governance and risk identification/mitigation in place.
Ngā koringa ā-muri / Next steps

56. The next step is to lodge the application for the Wynyard Hobson proposal within a couple of weeks of the Governing Body approval, likely to be around 6-10 April 2018.

57. The construction Alliance will continue to investigate early works and begin preparation for construction once the resource consent decision is issued.

Ngā tāpirihanga / Attachments

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Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
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