

Corporate Accommodation Disposal Recommendation - 6 Henderson Valley Road, Henderson

File No.: CP2018/03461

Item 15

This report replaces the previous version on main agenda for Item 15 (Corporate Accommodation Disposal Recommendation).

Te take mō te pūrongo / Purpose of the report

1. This report seeks the Henderson-Massey Local Board's endorsement for council to recommend to the Finance and Performance Committee the disposal of one council owned property, which is currently part of the Corporate Property Portfolio Strategy, in the Henderson-Massey Local Board area.

Whakarāpopototanga matua / Executive summary

2. Auckland Council's Corporate Property team has developed a Corporate Property Portfolio Strategy, which seeks to contribute to a more efficient Corporate Property network. This is a self-funding programme of works, which utilises the capital receipts from the divestment of property that is no longer required by the Corporate Property network. The council-owned property at 6 Henderson Valley Road, Henderson has been identified as surplus to council's requirements as part of the review of the Corporate Property Portfolio Strategy. Consultation with impacted council departments, Panuku Development Auckland (Panuku), iwi authorities and the Henderson-Massey Local Board has now taken place. Corporate Property recommends disposal of the site to enable the Corporate Property Portfolio Strategy to be implemented.
3. A resolution approving the disposal of this site is required from the Finance and Performance Committee before the proposed divestment can be progressed.

Ngā tūtohunga / Recommendation/s

That the Henderson-Massey Local Board:

- a) endorse Corporate Property's recommendation to the Finance and Performance Committee to dispose of 6 Henderson Valley Road, Henderson.

Horopaki / Context

4. On 6 August 2017 Regulatory Services announced that it would create efficiencies through an operating model that rationalises its teams to work from three major hubs in the North West (Albany/Westgate), City Centre (Bledisloe House) and the South (Manukau). Alongside this, Regulatory Services confirmed an approach of delivering more local services via a number of spokes (drop in spaces) across the region.
5. In response the organisation's goal to move to three hubs and a requirement for local spokes, Corporate Property developed the Corporate Property Portfolio Strategy, which describes how this organisational change would manifest in the property network. This includes establishing which locations will be retained and which were identified as surplus to requirements, and using existing council buildings such as libraries, leisure centres and local board offices where space was available for spokes. This strategy identified 6 Henderson Valley Road, Henderson as surplus to our corporate accommodation requirements and as a potential site that could be sold to reinvest in the corporate network.

6. The sale of the sites in the Corporate Property Portfolio Strategy will contribute to a more efficient Corporate Property network aligned with the new organisational requirements and allow the proposed programme of works to be self-funding by utilising the proceeds of the sale.
7. There will be no change to customer service centres or local board accommodation functionality as a result of implementing this proposed strategy. Any local board office or customer service centre impacted by the proposed closure of a building, will be relocated to a suitable location *within* the area, in consultation with the appropriate local board.
8. Timing is critical in implementing this strategy, due to a number of major lease expiries over the next few years. Should we miss those lease expiries, then significant value locked up in any new leases will not be available to implement much need portfolio change.

Tātaritanga me ngā tohutohu / Analysis and advice

9. 6 Henderson Valley Road, Henderson comprises a low rise multi storey building that provides 12,535m² of office accommodation, Local Board offices and Customer Service Centre on a 16,164m² site.
10. The property was the former Waitakere City Council offices and comprises parts of the Building referred to as 'Civic' and 'Admin'.
11. Parts of the site including the Council Chamber, the public lobby, the external artworks and the Japanese Garden are scheduled as having heritage value in the Unitary Plan.
12. Waitakere City's sister city Kakogawa, Japan gifted a Japanese garden to Waitakere in 1997. The Japanese garden is located on part of the Property and is not protected by a registered easement. Corporate Property are discussing with Panuku that this area be vested as it is not intended that these gardens are removed, relocated or sold.
13. We have been given preliminary advice that CRL and AT are likely to designate part of the site for CRL related works and a potential future platform extension. We are currently developing the details of this with AT and CRL to ensure that any sale is coordinated with the likely designation.
14. The Auckland Unitary Plan zoning is Metropolitan Centre Zone. It has a 2017 capital valuation of \$57,700,000.
15. The council-owned site at 6 Henderson Valley Road, Henderson is not likely to be subject to offer back obligations to the former owner under section 40 of the Public Works Act 1981.

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

16. Corporate Property attended two workshops with the Henderson-Massey Local Board regarding the Corporate Property Portfolio Strategy and sale of 6 Henderson Valley Road in September and December 2017. The Henderson-Massey Local Board provided informal feedback that it was concerned regarding the potential economic impacts to Henderson and any deterioration of customer service to the community resulting from the relocation of Auckland Council staff from the Henderson area. The Henderson-Massey Local Board further sought assurances that the heritage nature of the council chamber within the Civic building would be taken into account in any sale of the property.
17. The Henderson-Massey Local Board also provided informal advice that, should this property be approved for sale, outcomes would be in alignment with the objectives of the Panuku Unlock Henderson projects.
18. This report provides the Board with an opportunity to formalise its views regarding the site.

Tauākī whakaaweawe Māori / Māori impact statement

19. 11 mana whenua iwi authorities were contacted regarding the potential sale of 6 Henderson Valley Road, Henderson on 4 December 2017. The following feedback was received; noting that some feedback received is commercially sensitive and cannot be included in this report.

a) **Te Runanga o Ngāti Whatua**

No feedback received for this site.

b) **Ngāti Whatua o Kaipara**

No feedback received for this site.

c) **Ngāti Whatua Ōrākei**

Ngāti Whatua Ōrākei has expressed potential commercial interest in this property.

d) **Te Kawerau a Maki**

Te Kawerau a Maki has expressed significant cultural and commercial interests in the site and provided feedback that it opposes the proposed disposal as:

- It previously relinquished its Treaty claim interest in a portion of the site to allow the entire site to be developed by Waitakere City Council.
- Te Kawerau a Maki wished to help the WCC realise its desire to develop the site into a civic centre and so withdrew their claim on the land to enable Council to proceed.
- As part of the development of this site, Te Kawerau a Maki blessed the building, carved sacred pou and incorporated cultural designs into the structure and fabric of the building which is still there today, and even worked alongside WCC inside the buildings.
- Waitakere City Council advised Te Kawerau a Maki it would not sell the land, and if it did Te Kawerau a Maki pou would be returned.
- Te Kawerau a Maki see the development of this site as directly tied to the outcome of Te Henga marae and requested that the Council completes the land swap required to enable the development of the marae.

Te Kawerau a Maki expressed a great deal of frustration with the lack of progress on the land swap which will enable Te Henga marae to be developed and want Council to honour the deal and the spirit of the relationship.

Te Kawerau a Maki seek the return of its pou and designs should the site be sold and requested some of the proceeds of the sale be used to assist with the development of the Marae.

Panuku has met with Te Kawerau a Maki representatives a part of the Unlock Henderson programme to discuss the process for progressing the marae land swap and these discussions are ongoing.

Corporate Property and Panuku will work with Te Kawerau a Maki regarding the return of the pou and designs should this property be divested.

The Corporate Property Portfolio Strategy is for all proceeds of sale realised from the Corporate Property portfolio to be reinvested back into the Corporate Property network.

e) **Ngāi Tai ki Tāmaki**

No feedback received for this site.

f) **Te Ākitai - Waiohua**

- No feedback received for this site.
- g) **Ngāti Te Ata - Waiohua**
Ngāti Te Ata has expressed a potential commercial interest and a desire to develop the property noting its close proximity to the train station and city centre.
- h) **Ngāti Paoa**
No feedback received for this site.
- i) **Ngāti Maru**
No feedback received for this site.
- j) **Ngāti Tamatera**
No feedback received for this site.
- k) **Waikato-Tainui**
No feedback received for this site.

Ngā ritenga ā-pūtea / Financial implications

20. It is proposed that the capital receipts from the sale of surplus Corporate Property properties contribute to the Corporate Property Portfolio Strategy so that the proposed new network can be implemented and self-funded. This will provide efficiencies to the Corporate Property network.

Ngā raru tūpono / Risks

21. If the sites identified in the Corporate Property Portfolio Strategy that are surplus to the council's corporate accommodation requirements are not approved for sale, there is a strong risk to the successful implementation of the Corporate Property Portfolio Strategy which would not be self-funded and need to be funded separately.

Ngā koringa ā-muri / Next steps

22. Following receipt of the Henderson-Massey Local Board's resolutions, the Corporate Property Portfolio Strategy will be presented to the Finance and Performance Committee, along with an intended recommendation to divest of this site. If the committee approves the proposed disposal of the site, Corporate Property will work with Panuku who will seek to divest of the site in a manner that provides an optimal outcome and return to council. Funds realised will be ring-fenced to ensure the successful implementation of the Corporate Property Portfolio Strategy.
23. The terms and conditions of any disposal would be approved under appropriate financial delegation.

Ngā tāpirihanga / Attachments

There are no attachments for this report.

Ngā kaihaina / Signatories

Author	Stephen Greenhough – Project Director
Authorisers	Kevin Ramsay - General Manager Corporate Finance and Property Glenn Boyd - Relationship Manager Henderson-Massey, Waitakere Ranges, Whau