

Memorandum

11 March 2019

To:	Finance and Performance Committee
Subject:	Auckland City Centre Advisory Board's city centre targeted rate investment criteria
From:	Jenny Larking - Head of City Centre Programmes, Development Programme Office

Purpose

1. To provide an update on the Auckland City Centre Advisory Board's city centre targeted rate investment criteria, as endorsed by the board in August 2018.

Summary

- *The city centre targeted rate was established by Auckland City Council in the 2004/2005 financial year to help fund the development and revitalisation of the city centre. The Auckland City Centre Advisory Board was formed to provide advice to Auckland Council on the use of the city centre targeted rate.*
- *From early 2018, staff supported the Auckland City Centre Advisory Board to develop city centre targeted rate investment criteria. The criteria were developed by a working group comprised of Auckland City Centre Advisory Board members in June 2018.*
- *In August 2018, the board endorsed the investment criteria, to be used by the board to provide advice to the council on city centre targeted rate investment priorities (resolution CEN/2018/48, see Attachment A).*
- *This memorandum seeks to inform the Finance and Performance Committee of the investment criteria, as the committee has the delegation to approve city centre targeted rate investment decisions.*
- *Staff will continue to provide recommendations to the Finance and Performance Committee on city centre targeted rate investment, in accordance with the council's internal investment delivery framework. Auckland City Centre Advisory Board advice on initiatives proposed for the city centre targeted rate investment, as guided by the investment criteria, will be also be reported to the committee to inform its decision-making.*

Context

2. The city centre targeted rate was established by Auckland City Council in the 2004/2005 financial year to help fund the development and revitalisation of the city centre. The rate applies to both business and residential land in the city centre area. The city centre targeted rate has a value of \$22.26 million per annum from 2018/2019.
3. The city centre targeted rate was originally intended to be in place for ten years. However the Auckland City Centre Advisory Board endorsed the extension of the rate in 30 April 2014 (resolution CEN/2014/23) and it was adopted as part of the Long-term Plan 2015-2025.
4. Once the targeted rate had been established, the City Centre Advisory Board (later the Auckland City Centre Advisory Board) was formed to advise the council on expenditure and revenue raised by the targeted rate.
5. From early 2018, staff supported the Auckland City Centre Advisory Board to develop the city centre targeted rate investment criteria, to ensure it aligns with the council's most recent plans and policies. The criteria were further updated by a working group comprised of Auckland City Centre Advisory Board members in June 2018.

6. In August 2018, the board endorsed the revised investment criteria, to be used by the board to provide advice to the council on city centre targeted rate investment priorities (resolution CEN/2018/48, see Attachment A).

Discussion

7. The Finance and Performance Committee has the delegation to approve city centre targeted rate investment decisions following recommendation from staff.
8. Recommendations on investment decisions are made in accordance with council policies and the Investment Delivery Framework, which requires the development of the appropriate strategic assessment and business case for each project.
9. As part of the business case process, staff will seek advice from the Auckland City Centre Advisory Board for projects and initiatives that are proposed to be funded from the city centre targeted rate.
10. The investment criteria developed by the board with support from staff, provide prompting questions for the board to consider and guide the advice on investment of the city centre targeted rate.
11. The investment criteria included as Attachment A recommends that city centre initiatives are assessed against the following areas:
 - fit with city centre targeted rate purpose
 - outcomes for city centre
 - funding
 - balance of portfolio.
12. Auckland's city centre falls within the Waitemata Local Board boundaries and a local board representative is part of the Auckland City Centre Advisory Board. The investment criteria have been sent to the local board for its information.

Next steps

13. The revised investment criteria will be used by the board to provide advice to the council on city centre targeted rate investment priorities.
14. Staff will continue to provide recommendations to the Finance and Performance Committee on city centre targeted rate investment, in accordance with the council's internal investment delivery framework. Auckland City Centre Advisory Board advice on initiatives proposed for the city centre targeted rate investment, as guided by the investment criteria, will also be reported to the committee to inform its decision-making.
15. If you have any queries relating to this memorandum, please contact Jenny Larking – Head of City Centre Programmes on jenny.larking@aucklandcouncil.govt.nz.

Attachments

Attachment A – Auckland City Centre Advisory Board's city centre targeted rate investment criteria

Item 7_ Tabled at the ACCAB meeting 22/8/18

City Centre Targeted Rate – Assessment Criteria (DRAFT)

CCTR Purpose

To help fund the development & revitalization of the city centre, enhancing it as a place to work, live, visit and do business.

ASSESSMENT CRITERIA FOR PROPOSALS

Fit with CCTR Purpose

- How does the proposal fit with the purpose of the CCTR?
- How does it align with AKL Plan, CCMP, Waterfront Plan & other relevant plans? (*relevant detail to be provided with proposal – summary overleaf*)

Outcomes for City Centre

Grading 1-5 (1=weak 5=strong)

- To what degree and how does the proposal support a step-change towards achieving the city centre vision & outcomes?
- To what degree and how does it provide for a quantifiably higher standard than provided by other funding sources?
 - *What does the CCTR funding cover?*
 - *What is provided from other funding sources (including renewals) and \$ value?*
 - *What happens if this proposal is not approved for CCTR funding?*
- Does it leverage existing/attract new investment and if so, to what degree and how?
 - *What are the benefits from this additional investment?*
- How does it fit with other plans for this area? What is the legal status and designated usage of the land/assets. Are there any risks with this?
- How important is it that the project is completed now?
 - *Can the project be completed in stages &/or at a later time?*
 - *For existing projects, is the project at feasibility, design or implementation phase?*
 - *Why is it not prioritized for general rate funding or any other funding sources?*
 - *Does it bring forward investment that might be general rate funded in the future and if so, what are the benefits of earlier completion? Will the CCTR funds be reimbursed at that future time?*

Funding

- Does the business case provide adequate evidence that CCTR funds will be allocated appropriately?
 - *What is the contingency budget and who pays for any project/budget creep?*
 - *What is the monitoring mechanism for ACCAB to track progress vs budget & objectives?*
 - *What are the maintenance requirements (incl. cost) & who is responsible?*

Balance of Portfolio: type of project (streetscape, public realm, arts & culture, social, other); location in city centre; level of spend - to be updated on a rolling basis

- To what degree is the portfolio of projects balanced to CCMP outcomes over the next 10 year planning horizon?
- Does the project deliver outcomes that are balanced with those that have been achieved over last 10 years?
- Are there other projects planned over the next 10 years that may achieve similar outcomes

Auckland Plan Outcomes

- *Belonging & Participation*
- *Maori Identity & Wellbeing*
- *Homes & Places*
- *Transport & Access*
- *Environment & Cultural Heritage*
- *Opportunity & Prosperity*

City Centre Masterplan

Vision

By 2032, Auckland's City Centre will be highly regarded internationally and locally as a centre for business and learning, innovation, entertainment, culture and urban living – all with a distinctly 'Auckland' flavor.

Outcomes

- *A vibrant & engaging international destination*
- *A globally significant centre for business*
- *A city centre that meets the needs of a changing & growing residential population*
- *A culturally rich and creative centre*
- *An exemplar of urban living*
- *Hub of an integrated regional transport system*
- *A walkable & pedestrian-friendly city centre*
- *An exceptional natural environment & leading environmental performer*
- *World-leading centre for higher education, research & innovation*

Waterfront Plan

Vision

A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea.

Goals

- *A Blue-Green Waterfront*
- *A Public Waterfront*
- *A Smart Working Waterfront*
- *A Connected Waterfront*
- *A Liveable Waterfront*