Date: Thursday 2 May 2019
Time: 9.30am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Tira Kāwana / Governing Body

OPEN ATTACHMENTS

ADDITIONAL ATTACHMENTS UNDER SEPARATE COVER

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<td>Summary of Governing Body information memorandum and briefings - 2 May 2019</td>
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<td></td>
<td>B. Update on America's Cup 36 Programme - Memorandum</td>
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<td>C. City Rail Link Workshop 29 April 2019</td>
<td>11</td>
</tr>
</tbody>
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Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Memorandum

28 March 2019

To: Governing Body, local board members and the Independent Māori Statutory Board (Finance and Performance Committee)

Subject: Update on America’s Cup 36 Programme

From: Martin Shelton, Programme Director AC36

Purpose

1. To provide an update on the America’s Cup 36 programme.

Summary

- The America’s Cup 36 programme was established in 2018 to enable Tamaki Makaurau, Auckland and New Zealand to host the 36th defence of the America’s Cup in 2021.
- Six challengers to Emirates Team New Zealand’s defence of the America’s Cup have been confirmed. Challengers’ syndicates will start arriving in New Zealand from August 2019 to build their team bases.
- The focus of the America’s Cup 36 programme is to ensure that the essential infrastructure is provided on time and that the America’s Cup events take place safely, while showcasing Auckland and New Zealand to the world.
- The Wynyard Edge Alliance, which was formed by Auckland Council, the Crown, McConnell Dowell, Downer, Tonkin and Taylor, and BECA, is responsible for delivering the essential infrastructure to host the America’s Cup.
- Construction of the America’s Cup infrastructure is on track for delivery within the required timeframes (see detailed list of milestones for 2019 in Attachment A).
- Auckland Tourism, Events and Economic Development is leading coordination and planning of the America’s Cup events on behalf of Auckland Council and the Crown. Five race course options have been identified and are shown in Attachment B. Lead up races in Auckland will start from December 2020 with the Cup Match being held in March 2021.
- A strategic framework has also been developed in partnership with mana whenua to identify how Auckland and New Zealand can best leverage off the events to achieve wider benefits and the desired legacy from the America’s Cup (see Attachment C).
- Regular updates will be provided to all elected members as the programme develops. Workshops have also been scheduled in April 2019 with the four local boards that will be most impacted by the America’s Cup: Devonport-Takapuna, Ōrākei, Waiteke and Waitematā.
- If elected members have queries on the America’s Cup 36 programme they can contact Jaimee Maha, Team Lead Relationship Advisory, at Jaimee.Maha@aucklandcouncil.govt.nz.

Context/Background

_He waka eke noa, kia eke panuku, kia eke Tangaroa_

We’re in this waka together. Through all our efforts, we will succeed.

2. This whakatauki has been chosen in partnership with mana whenua to encapsulate the spirit of the America’s Cup 36 (AC36) programme.

3. The programme is a partnership between America’s Cup Event Limited, Auckland Council, the Crown (represented by Ministry of Business, Innovation and Employment) and mana whenua.
4. Emirates Team New Zealand has established America’s Cup Event Limited to manage the delivery of the AC36 events in Auckland for both the on-water racing and the America’s Cup Race Village.

5. Six challenges for the 36th defence of the America’s Cup have been accepted from:
   - Luna Rossa Challenge (Italy)
   - American Magic (United States of America)
   - Stars & Stripes Team USA (United States of America)
   - Malta Altus Challenge (Malta)
   - Dutchsail AC36 (Netherlands)
   - INEOS Team UK (United Kingdom).

6. Two lead up events in Auckland, followed by the 36th defence of the America’s Cup, will focus global attention on New Zealand during the first three months of 2021 (see Table 1).

<table>
<thead>
<tr>
<th>Race</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christmas Race</td>
<td>December 2020 to January 2021</td>
</tr>
<tr>
<td>Prada Cup (the challenger selection series)</td>
<td>January to February 2021</td>
</tr>
<tr>
<td>36th America’s Cup Match, presented by Prada</td>
<td>6-21 March 2021</td>
</tr>
</tbody>
</table>

7. Five race course options have been identified and are shown in Attachment B. Supporting activities are likely to take place in the Devonport-Takapuna, Ōrakei, Waieke and Waitemata local board areas.

**Discussion**

**America’s Cup 36 Programme**

8. The AC36 programme’s focus is on ensuring that the required infrastructure is provided on time and that the events take place safely while showcasing Auckland and New Zealand to the world.

9. The AC36 programme comprises three essential projects:
   - AC36 infrastructure project
   - AC36 event planning and city integration project
   - AC36 benefits realisation project.

10. Governance for the AC36 programme is provided by a Joint Chief Executive Group that includes representatives from Auckland Council group, the Crown, mana whenua and America’s Cup Event Limited.

11. An update on the involvement of mana whenua in the programme and each of the three projects is provided below.

**Mana whenua**

12. The AC36 programme continues to work with mana whenua to enable them to provide guidance on tikanga and fulfill their role as kaitiaki throughout the programme. Key mechanisms for this include:
   - the Joint Chief Executive Group currently has three members on it representing mana whenua from the following iwi representations: Waiohia Tāmaki and Waikato, Ngāti Whātua representation and Marutūāhu. Representative from Ngāti Manuhiri, Ngāti Rehia and Ngātiwai is yet to be confirmed.
   - Mana Whenua Kaitiaki Forum (which includes representatives of all 19 iwi) are also engaged in the wider AC36 programme.
AC36 infrastructure project
13. This project delivers the essential infrastructure in Wynyard Quarter and the Viaduct Basin to host AC36. This includes the syndicate base platforms for the six challengers.
14. The infrastructure is designed and constructed by the Wynyard Edge Alliance; Consisting of Auckland Council, the Crown (represented by the Ministry of Business, Innovation and Employment), McConnell Dowell, Downer, Tonkin and Taylor, and BECA.
15. The alliance has made significant progress in 2019, including:
   • a 63-metre barge has been operating in the Eastern Viaduct basin installing piles for the extension to Hobson Wharf, to accommodate Luna Rossa’s team base
   • work on a breakwater along the wharf to the rear of the Maritime Museum to ensure the water surrounding the challenger berths and visiting yachts is calm
   • dredging work is underway to ensure the approach to the Viaduct Harbour and the basin area deep enough for the AC36 race boats
   • repair work underneath the Wynyard Wharf is 40 per cent complete and work has started on the syndicate base areas
   • an application to vary the Hobson Wynyard resource consent conditions has been lodged to accommodate design improvements to the temporary team base locations on Wynyard Wharf.
16. In addition to delivering the AC36 infrastructure, the Wynyard Edge Alliance is delivering several auxiliary works provided for within the council’s current Long-term Plan. These include relocation of the SeaLink ferry terminal and extension of the Daldy Street stormwater outfall.

AC36 event planning and city integration project
17. This project involves national and city-wide event planning and coordination. Auckland Tourism, Events and Economic Development is the lead agency for the event planning and coordination. It is responsible for bringing together the wider Auckland Council group and other relevant agencies (such as emergency services) to ensure the city continues to function in the lead up to and during the event.
18. This planning and coordination will be done in close collaboration with the event deliverer, America’s Cup Event Limited, who are responsible for the on-water racing and the race village.
19. An inter-agency steering group has been established to ensure operational partners and regulatory authorities are working collaboratively to enable successful delivery of the event.
20. Early planning is also in progress for supporting activations and opportunities to enhance the event experience for all Aucklanders and visitors.

AC36 benefits realisation project
21. Planning is underway to ensure that all benefits realised from AC36 before, during and after the event are identified, captured and tracked.
22. The Ministry of Business, Innovation and Employment commissioned Market Economics in 2017 to evaluate the potential economic impact of an Auckland-based AC36. Their report estimates that from 2018 to 2021 between $0.6 to $1.0 billion will be added to New Zealand’s economy and an employment boost of between 4,700 and 8,300. The range reflects different assumptions around the number of syndicates competing, visiting super yachts, international tourists and the cost of hosting.
23. A data and evaluation framework is being developed and will be finalised by June 2019. This will ensure that both hard (economic) and soft (broaden environmental, social and cultural) benefits of the cup are measured.
24. Initial workshops have been held, including with the Mana Whenua Kaitaiki Forum, to determine what leverage and legacy opportunities are of common interest to the various stakeholders and may therefore benefit from being brought into the programme wide leverage and legacy frameworks. The leverage and legacy plans will be finalised by September 2019.

25. The Strategic Framework for the America’s Cup is shown in Attachment C. It has identified some key principles and a vision to inform development of these legacy and leverage outcomes.

Next steps for engagement with elected members

26. The AC36 programme is committed to providing regular engagement and opportunities for input to elected members and the Independent Māori Statutory Board.

27. Workshops have been scheduled in April 2019 with the four local boards that will be most impacted by the America’s Cup: Devonport-Takapuna, Ōrākei, Waiheke and Waiomao.

28. Quarterly updates will also be provided to the Finance and Performance Committee through the quarterly performance report and to local boards by memo.

29. Elected members will also be offered opportunities to participate in additional AC36 stakeholder forums and events as these arise.

30. Elected members are also invited to access online information at www.aki2021.co.nz. This has been established to provide information on the major events taking place in Auckland in 2021.

Contact for queries

31. If you have any questions relating to this memo or the America’s Cup programme you can contact Jaimee Maha, Team Leader Relationship Advisory, at Jaimee.Maha@aucklandcouncil.govt.nz.

Attachments

Attachment A: 2019 AC36 programme milestones
Attachment B: AC36 race courses
Attachment C: Strategic framework for AC36
## Attachment A: 2019 AC36 programme milestones

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision on Hobson Wynyard resource consent amendment expected from Auckland Council and Independent Commissioner</td>
<td>end of March 2019</td>
</tr>
<tr>
<td>Host Venue Agreement (including Superyacht Agreement, Master-base Agreement and Viaduct Event Centre Lease) finalised and signed by parties</td>
<td>April 2019</td>
</tr>
<tr>
<td>New permanent link road from Brigham Street to Hamer Street completed</td>
<td>April 2019</td>
</tr>
<tr>
<td>Dredging of the outer Viaduct Harbour completed</td>
<td>May 2019</td>
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<tr>
<td>Dredging of Wynyard Basin</td>
<td>May and October 2019</td>
</tr>
<tr>
<td>Berths and water space by Halsey Wharf handed over to ETNZ</td>
<td>May 2019</td>
</tr>
<tr>
<td>Construction for first three challenger team base platforms, closest to Wynyard Point</td>
<td>April to August 2019</td>
</tr>
<tr>
<td>Benefits data and evaluation framework due for completion</td>
<td>June 2019</td>
</tr>
<tr>
<td>Legacy and leverage frameworks endorsed by Joint Chief Executive Group</td>
<td>June 2019</td>
</tr>
<tr>
<td>Challenger syndicates expected to start arriving to build team bases.</td>
<td>August 2019</td>
</tr>
<tr>
<td>Legacy and leverage plans endorsed by Joint Chief Executive Group</td>
<td>September 2019</td>
</tr>
<tr>
<td>Hobson Wharf extension complete and handed over to Challenger of Record to construct their team base building</td>
<td>September 2019</td>
</tr>
</tbody>
</table>
Attachment B: AC36 race courses

The five race course options have been developed to help to determine what area would showcase the race the best if there were unforeseen wind conditions. Race courses, scheduled race days and times may change in response to weather and tactical decisions.
Attachment C: Strategic Framework for AC36

A Strategic Framework for AC36 (vision, principles and themes) guides the programme and sets the themes from which the legacy and leverage frameworks will be structured.

**VISION:**
Ignite the passion – celebrate our voyages

- **Infrastructure Mission:** Creating a stage for the America’s Cup and a waterfront destination that Kiwis and visitors love.
- **Event Mission:** To provide Auckland and New Zealand with an inclusive, sustainable and welcoming world class international sporting event that delivers increased promotional and economic benefits to the Hosts, Sponsors and Teams.

**WHAKATAUKI**
He Waka Eke Noa
Kia Eke Panuku, Kia Eke Tangaroa
We’re in this waka together Through all our efforts, we will succeed

**PRINCIPLES**
- **Manaakitanga:** a warm welcome
  We share the abundance and spirit of generosity with our visitors
- **Kaitiakitanga:** Guardianship
  Guided by mana whena, we will actively care for our place, our environment and our people
- **Kotahitanga:** collaboration
  We will work together in unity

**THEMES**

<table>
<thead>
<tr>
<th>Place</th>
<th>Economic Wellbeing</th>
<th>Participation</th>
<th>Storytelling</th>
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<tbody>
<tr>
<td>To accelerate the sustainable transformation of our communities, our water and our whenua</td>
<td>Creating shared benefit through connection, innovation and trade</td>
<td>Every New Zealander has opportunity to participate in and celebrate the America’s Cup</td>
<td>The rich cultural and voyaging stories of Tāmaki Makaurau and Aotearoa are shared and valued</td>
</tr>
</tbody>
</table>
Tira Kāwana / Governing Body Workshop:
City Rail Link

MINUTES


PRESENT

Hon Phil Goff, CNZM, JP
Cr Bill Cashmore
Cr Cathy Casey
Cr Ross Clow
Cr Linda Cooper, JP
Cr Chris Darby
Cr C Fletcher
Cr Mike Lee
Cr Desley Simpson, JP
Cr Sharon Stewart
Cr John Walker
Cr Paul Young

Until 11.38am

Until 11.14am

From 10.02am

Until 11.26am

Until 10.44am

ABSENT

Cr Josephine Bartley
Cr Fa’anana Efeso Collins
Cr Alf Filipaina
Cr Richard Hills
Cr Penny Hulse
Cr Daniel Newman, JP
Cr Greg Sayers
Cr Wayne Walker
Cr John Watson

Apology for absence

Apology for absence

Apology for absence on council business

Apology for absence

Note: No decisions or resolutions may be made by a Workshop or Working Party, unless the Governing Body or Committee resolution establishing the working party, specifically instructs such action.
Purpose:
The purpose of the meeting is for the Governing Body to:
- receive an update on the City Rail Link project and funding in advance of decision-making on 2 May 2019.

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<tr>
<td>Off-street parking asset strategy</td>
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<tr>
<td>----------------------------------</td>
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<tr>
<td>Shane Ellison and Mark Laing</td>
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</tbody>
</table>

Cr L Cooper retired from the meeting at 11.14am.

<table>
<thead>
<tr>
<th>Looking ahead</th>
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<tbody>
<tr>
<td>Barry Potter</td>
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</tbody>
</table>

Cr S Stewart retired from the meeting at 11.26am.
Cr R Clow retired from the meeting at 11.38am.

The workshop closed at 11.39am.
CRL Update
Governance Body workshop
29 April 2019

Agenda

1. Introduction and purpose  Barry Potter
2. CRL project update and investment due diligence  Barry Potter and Shane Ellison
3. Council funding commitment  Ross Tucker
4. Off-street parking asset strategy  Shane Ellison and Mark Laing
5. Looking ahead  Barry Potter

Questions at the end of each section
Introduction and purpose
Barry Potter

Workshop purpose

- Recap on the project update including the preferred C3 bidder and updated project costs
- Recap on the investment due diligence undertaken
- Recap on funding considerations with further discussion on the proposed off-street parking asset strategy process
Timeline

- February 2013: CRL tunnel and station contract (C3) tenders received
- 17th April 2013: Governing Body Workshop
- 23rd April 2013: Governing Body Workshop
- 2nd May 2013: Governing Body meeting
- Mid-May 2013: Commission early works
- July 2013: Alliance agreement signed for C3

Total Project Timeline

- 2013: Investigation, design and land purchases begin
- 2014: Enabling works begin
- 2015: CRL established and construction begins
- 2019: CRL for Light Rail Transverse (LRT)
- 2020: Sale of excess property complete (TDC)
- 2021: Current budget update
- 2022: 10-year Budget 2021-2031
- 2023: 10-year Budget 2024-2034
- 2025: 2025
- 2026: 2026
Project update and investment due diligence
Shane Ellison and Barry Potter

CRL Benefits

- CRL is Auckland’s highest priority transport project
- CRL is a critical piece of infrastructure required to unlock Auckland’s development areas and provide for future population growth
- CRL will provide:
  - Improved access to the city centre to enable increased employment and productivity
  - Provide long term capacity for rail to support growth, particularly in the south – a 50 year+ vision
  - Sustainable transport solutions that minimise environmental impacts
  - CRL makes a significant contribution to Auckland becoming a world class city
Population and PT growth

- Significant growth in Auckland since CRL business case prepared:
  - population up from 1.53 million in June 2014 to 1.70 million in June 2018 – an extra 170,000 people
  - Vehicle kilometres travelled (vkt) 12.7 billion in the year to December 2013 increasing to 15.5 billion in the year to December 2017 – up 2.8 billion or 22%
  - Significant increase in rail patronage:
    - up from 11.4 million trips in the year to June 2014 to 20.2 million to June 2018 – 8.8 million trips or 77%
    - reached 21 million in the year to March 2019
  - Need to ensure Auckland has sufficient public transport capacity to cater for growth

- Essential that CRL is built as planned including 9 car provision to:
  - provide real options to continue to enable the shift to public transport
  - reduce growth in vkt
  - improve safety, and reduce emissions and congestion impacts
Advice from CRLL

- Preferred bidder for C3 identified
  - The Link Joint Venture, Vinci Grands Projets, Downer, Soletanche Bachy, AECOM, Tonkin and Taylor and WSP Opus
  - Negotiating “Early Works” contracts to get maintain preferred bidder engagement and project momentum

- Updated cost forecast
  - Comprehensive cost review undertaken over the past six months
  - $4.4 billion at P50 and $5.0 billion at P90
  - Updated funding commitment request of $4.4 billion

Due process

When considering updated cost projection and additional funding commitment required we have considered:

<table>
<thead>
<tr>
<th>Question</th>
<th>Action</th>
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<tbody>
<tr>
<td>Is the updated cost projection reasonable?</td>
<td>Peer review</td>
</tr>
<tr>
<td>Are there ways we can reduce the cost?</td>
<td>Investigation of scope options</td>
</tr>
<tr>
<td>Is the project still good value for money?</td>
<td>Updated cost-benefit analysis</td>
</tr>
</tbody>
</table>
**Is the updated cost projection reasonable?**

- CRL Board commissioned comprehensive cost review
- Sponsors commissioned Advisian to review the forecast final cost
- Cost forecast has been benchmarked against C3 bids and other similar projects
- Forecast and actual known costs align
- Alliance procurement processes mean that costs are interrogated throughout the process

**Are there ways we can reduce the cost?**

- The scope of CRL of project has been reviewed and refined 3x
- Alliance contracting incentivises for cost savings
- Sponsors asked CRL to put forward scope reduction options for assessment on costs, benefits and operations
- Options were assessed by the key delivery partners, Auckland Transport and KiwiRail Group
Scope scenarios that were considered

- These included:
  - one tunnel only – potentially saves $600-800m
  - removing a station(s) – potentially saves $150-500m
  - removing connections – potentially saves $450-5600m
- However, all scenarios have potentially significant to very significant impacts on:
  - patronage (ranging from 35-70% reduction in forecast patronage)
  - operations and resilience – higher operating costs and/or unquantified additional capital costs, programme risks and uncertainties
  - business case benefits – ranging from a reduction of benefits from 50-70%
- Scenarios are essentially irreversible
- AT and Kiwirail Group support delivery of current project scope

Is the project still good value for money?

- CRL asked PWC to update the benefit assessment of the project
- Multiple Benefit Cost Reviews have been conducted to date
- PWC reassessment has:
  - updated dollars from 2014 to 2018
  - still assessed project using 6 car trains (not 9)
  - provided for patronage growing faster than forecast
- PWC’s reassessment confirms that CRL delivers $6.6b worth of benefits
- This means if total project cost is less than $6.6b, then the project will deliver net positive benefits
- Based on this update and a review by Advisian, the sponsors consider the economic case for CRL remains strong
## Summary

<table>
<thead>
<tr>
<th>Action</th>
<th>Outcome</th>
</tr>
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<tbody>
<tr>
<td>Peer review</td>
<td>Updated cost projections align with peer review</td>
</tr>
<tr>
<td>Investigation of scope options</td>
<td>No scope reductions are supported by CRLL, delivery partners, crown representatives, or council staff</td>
</tr>
<tr>
<td>Updated cost-benefit analysis</td>
<td>Project will deliver net positive benefits at both projected P50 and P90 levels</td>
</tr>
</tbody>
</table>

## Questions
Council funding commitment
Ross Tucker

Project Cost Reforecast

<table>
<thead>
<tr>
<th>$ million</th>
<th>Existing</th>
<th>Updated</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>Construction costs</td>
<td>2,382</td>
<td>2,709</td>
<td>327</td>
</tr>
<tr>
<td>Client-side cost</td>
<td>494</td>
<td>636</td>
<td>152</td>
</tr>
<tr>
<td>Direct costs</td>
<td>2,885</td>
<td>3,345</td>
<td>470</td>
</tr>
<tr>
<td>Contingency (P50)</td>
<td>9%</td>
<td>25%</td>
<td>14%</td>
</tr>
<tr>
<td>Escalation (P50)</td>
<td>16%</td>
<td>28%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>S Cal adjustment (Ashlea, K Rd, Mt Eden)</td>
<td>250</td>
<td>250</td>
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</tr>
<tr>
<td>C3 bid adjustment</td>
<td>-25</td>
<td>-25</td>
<td></td>
</tr>
<tr>
<td>Project costs (P56)</td>
<td>3,405</td>
<td>4,419</td>
<td>1,014</td>
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</table>
Financial Strategy

- Growth pressures
- Historical underinvestment
- Demands for improved services
- Maintaining assets and service levels
- Investment
- Acceptable costs
- Rates increases
- Fee levels
- Cost efficiency
- Sustainable borrowing

Starting point

10-year Budget 2018-2028

**Investment**
- $26 billion of investment
- Maintaining service levels
- Increased spend on environment

**Funding**
- 265% debt-to-revenue ceiling
- 2.5% and 3.3% Rates increases
- RFT and targeted rates

Prudent borrowing level

Any significant changes to these settings would require consultation with Aucklanders
10-year Budget debt

![Graph showing 10-year Budget debt]

CRL funding required

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Council share</th>
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<tbody>
<tr>
<td>Existing</td>
<td>$3.4 billion</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Updated</td>
<td>$4.4 billion</td>
<td>$2.2 billion</td>
</tr>
<tr>
<td>Change</td>
<td>$1 billion</td>
<td>$500 million</td>
</tr>
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</table>
Key considerations

- Maintain borrowing at sustainable levels - below the 26.9% safety margin

Can we provide funding commitment?

- We can accommodate the $500 million additional funding commitment within debt policy limits with a combination of initiatives:
  - Interest cost savings
  - Reduced cash holdings
  - Operating commitment re-assessment
  - Off-street parking asset strategy
  - Timing of CRL contributions.
**Interest cost savings**

- Recent drops in interest rates that can be locked in
- Results in lower future interest costs – cash savings that can be used to fund CRL

![Comparative Interest Rates Chart]

**Reduced cash holdings**

- Day-to-day cash management required the council to hold around $200 million of cash
- By entering into a new revolving credit facility we are able to drop this holding by around $100 million
- Use the $100 million cash to pay down debt now – means we can borrow $100 million more in the future to pay for CRL
**Operating commitments re-assessment**

- Reviewed our commitments to certain contracts that are seen as debt for ratios
- Better understanding of long-term AT contracts – no change to contracts

![Operating commitments chart](chart)

- These firm financial commitments tie up our headroom – lower commitments allow us to use debt headroom for CRL

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**Off-street parking asset strategy**

**Overview**

- AT’s existing parking strategy is focussed on encouraging mode shift and helping minimise traffic congestion
- Future parking requirements are likely to be different from today

- Potential exists to recycle capital from existing off-street parking assets
  - Principally focussed on the four central city assets (Downtown, Civic, Victoria and Fanshawe)
  - A range of capital recycling options exist including outright divestment, partnership with a developer, or a long-term concession arrangement

- Our objective is to release $100m of capital to reinvest
  - $50m in CRL
  - $50m in park and ride facilities
Off-street parking asset strategy

Proposed Next Steps

- We first need to clearly define our future off-street parking requirements. Key considerations will include:
  - Updating the Off-Street Parking Strategy and Park and Ride Strategy
  - Finalising the Accelerated Mode Shift Plan
  - Accessibility plan for the City Centre
  - Urban design objectives, including pedestrianisation of certain areas
  - Technology changes (e.g. EVs, charging stations)

- We will then need to evaluate how any proposed transactions can be structured to assist us in achieving our objectives. This will require site specific considerations:
  - Preferred use for each site
  - Existing concessions and seismic considerations
  - Optimal timing – Including the impact of ongoing disruption prior to CRL being fully operationalised
  - Preferred locations for new or expanded Park and Ride facilities

Off-street parking asset strategy

Decision required

- Agreeing that it is appropriate to include within the budget an assumption that $50 million of revenue is received by the financial year 2023/2024, as the result of a sale, concession or development agreement from the implementation of the strategy.

- Specific decisions on individual transactions would come to the Finance and Performance Committee in due course, in line with standard process.
Timing of CRL contributions

- Phasing of council’s contribution is important to affordability of our commitment
- Existing budgets assume quarterly contributions from Auckland Council and central government are equal
- Flexibility around contribution shares would allow the council and the Crown to work together to ensure council remains within its debt policy limits

Scenario

Potential CRL contributions

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
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</tbody>
</table>

- Council contribution
- Government contribution
Borrowing position after

Auckland Council Group debt to revenue ratio

Funding summary

Additional commitment required
Existing funding commitment $1.7 billion

Interest cost savings
Reduced cash holdings
Operating commitments
Off-street parking assets
Timing of contribution

Base funding
$1.7 billion
Looking ahead
Barry Potter

Timeline

- Investigation, design and land purchases begin
- Enabling works begin
- CRL established and construction begins
- CRL goes into first train running (TTC)
- Sale of excess property complete (TTC)

- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026

- Current budget update
- 10-year Budget 2021-2031
- 10-year Budget 2024-2034
Resolutions for 2 May

That the Governing Body:

a) approve the council’s funding commitment to CRL be increased to $2.2 billion and agree that budgets are updated to reflect this.

b) agree that budgets are updated to reflect the funding capacity created by
   i. interest cost savings due to lower market interest rates;
   ii. a reduction in cash holdings from improved cash management;
   iii. re-assessment of the valuation of operating lease commitments;
   iv. development and implementation of the off-street parking strategy, including recycling assets to invest in CRL and new or upgraded park and ride facilities; and
   v. flexibility around the timing of the council’s CRL contributions.

c) delegate to the Mayor, Deputy Mayor and Chief Executive the authority to approve any changes to agreements necessitated by the above resolutions.