

I hereby give notice that an ordinary meeting of the Auckland Development Committee will be held on:

Date: Tuesday, 7 July 2015
Time: 9.30am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Auckland Development Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	Deputy Mayor Penny Hulse	
Deputy Chairperson	Cr Chris Darby	
Members	Cr Anae Arthur Anae	Cr Calum Penrose
	Cr Cameron Brewer	Cr Dick Quax
	Mayor Len Brown, JP	Cr Sharon Stewart, QSM
	Cr Dr Cathy Casey	IMSB Member David Taipari
	Cr Bill Cashmore	Cr Sir John Walker, KNZM, CBE
	Cr Ross Clow	Cr Wayne Walker
	Cr Linda Cooper, JP	Cr John Watson
	Cr Alf Filipaina	Cr Penny Webster
	Cr Hon Christine Fletcher, QSO	Cr George Wood, CNZM
	Cr Denise Krum	
	Cr Mike Lee	
	IMSB Member Liane Ngamane	

(Quorum 11 members)

Rita Bento-Allpress
Democracy Advisor

1 July 2015

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TERMS OF REFERENCE

Responsibilities

This committee will lead the implementation of the Auckland Plan, including the integration of economic, social, environmental and cultural objectives for Auckland for the next 30 years. It will guide the physical development and growth of Auckland through a focus on land use planning, housing and the appropriate provision of infrastructure and strategic projects associated with these activities. Key responsibilities include:

- Unitary Plan
- Plan changes to operative plans
- Designation of Special Housing Areas
- Housing policy and projects including Papakainga housing
- Spatial Plans including Area Plans
- City centre development (incl reporting of CBD advisory board) and city transformation projects
- Tamaki regeneration projects
- Built Heritage
- Urban design

Powers

(i) All powers necessary to perform the committee's responsibilities.

Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (see Governing Body responsibilities)
 - (b) where the committee's responsibility is explicitly limited to making a recommendation only
- (ii) Approval of a submission to an external body
- (iii) Powers belonging to another committee, where it is necessary to make a decision prior to the next meeting of that other committee.
- (iv) Power to establish subcommittees.

EXCLUSION OF THE PUBLIC – WHO NEEDS TO LEAVE THE MEETING

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Only staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

IMSB

- Members of the IMSB who are appointed members of the meeting remain.
- Other IMSB members and IMSB staff remain if this is necessary in order for them to perform their role.

CCOs

- Representatives of a CCO can remain only if required to for discussion of a matter relevant to the CCO.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	7
2	Declaration of Interest	7
3	Confirmation of Minutes	7
4	Petitions	7
5	Public Input	7
6	Local Board Input	7
7	Extraordinary Business	7
8	Notices of Motion	8
9	Reports Pending Status Update	9
10	Summary of information memos and briefings - 7 July 2015	17
11	Plan Change 123 - Special 25, 26 and 35 Hibiscus Coast Gateway Zones to the Auckland Council District Plan (Rodney Section) 2011 and associated changes to the Auckland Council Regional Policy Statement and the Auckland Council Regional Plan: Air, Land and Water – to be made Operative	19
12	Auckland's industrial south: integrated business precinct plan	23
13	Future Urban Land Supply Strategy	29
14	Civic Administration Building - Council's Requirements	35
15	Hobsonville Point 20 hectare Block: Future Land Use	39
16	Consideration of Extraordinary Items	
PUBLIC EXCLUDED		
17	Procedural Motion to Exclude the Public	53
C1	Confidential Reports Pending Status Update	53
C2	Ararimu Development Agreements	53
C3	Special Housing Area Tranche 7 deferred recommendations	54

1 Apologies

Apologies from Mayor LCM Brown and Cr LA Cooper have been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Auckland Development Committee:

- a) confirm the ordinary minutes of its meeting, held on Thursday, 11 June 2015, including the confidential section, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

6 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-

- (i) The reason why the item is not on the agenda; and
- (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Reports Pending Status Update

File No.: CP2015/13005

Purpose

1. To update the committee on the status of Auckland Development Committee resolutions from February 2015, requiring follow-up reports.

Executive Summary

2. This report is a regular information-only report that provides committee members with greater visibility of committee resolutions requiring follow-up reports. It updates the committee on the status of such resolutions. It covers committee resolutions from February 2015 and will be updated for every regular meeting.
3. This report covers open resolutions only. A separate report has been placed in the confidential agenda covering confidential resolutions requiring follow up reports.
4. The committee's Forward Work Programme 2015/2016, approved at the 11 June 2015 meeting (resolution no. AUC/2015/116), is included under Attachment B.

Recommendation/s

That the Auckland Development Committee:

- a) note the status of Auckland Development Committee resolutions requiring follow up reports as at 7 July 2015.

Attachments

No.	Title	Page
A	Auckland Development Committee - Reports Pending Status Update - 7 July 2015	11
B	Auckland Development Committee - Forward Work Programme 2015/2016 - July 2015	13

Signatories

Authors	Rita Bento-Allpress - Democracy Advisor
Authorisers	Jim Quinn - Chief of Strategy

7 July 2015

Reports Pending Status Update – Auckland Development Committee

Meeting month	Resolution No.	Item no.	Report Title	Resolution	Status	Action by
February 2015	AUC/2015/10	12	Central Wharves Strategy	a) request that staff undertake more detailed work describing issues and opportunities, timing and funding options, on option 4 development of the Central Wharves, and comparison with the status quo, and report back to the Auckland Development Committee.	Ongoing – timing to be reviewed in light of Future Ports Study	General Manager, City Centre Integration
February 2015	AUC/2015/13	13	Aotea Precinct Development	b) agree that a proposed brief of key requirements be reported to the Auckland Development Committee for endorsement before commencing the second stage submission process with shortlisted parties.	Completed – Report in 7 July 2015 Agenda	Manager Acquisitions and Disposals – Auckland Council Properties Ltd
June 2015	AUC/2015/115	14	Housing for Older Persons	c) request Auckland Council Property Limited to report back to the Auckland Development Committee prior to the end of 2015, with recommendations in respect to clause b).	In progress – due before end 2015	Manager Property Asset and Development, Auckland Council Properties Ltd
June 2015	AUC/2015/118	18	Three Kings Land Exchange	d) request that Auckland Council Property Limited (ACPL) report back to the Auckland Development Committee for the committee to resolve to request an exchange under s.15(1) of the Reserves Act 1977 on the terms of the land exchange agreement, the final terms of which will have been finalised by ACPL to include, but not be limited to, the conditions outlined within the agenda report.	In progress – due September 2015	Manager Acquisitions and Disposals – Auckland Council Properties Ltd

Auckland Development Committee Forward Work Programme 2015/2016

August 2015 – expected reports

	Project or programme	Who	Decisions required	Workshop?
3.1	Downtown Carpark	CCI and ACPL	Agree approach to redevelopment of Downtown Carpark	Requested - 5 August TBC
5.2	Productivity Commission Submission	Auckland Council (input from Watercare, AT and ATEED)	Approve submission	9 July and 28 July
1.1	SHAs (any deferred from July)	Auckland Council	Approve or decline SHA requests	
1.1	SHA Establishment	Auckland Council	Confirm approach to SHAs for final 15 months of Housing Accord	

Auckland Development Committee

Forward work programme to June 2016

	Project or Programme	Who	Reason for work	Decisions required	ADC Delegations	LTP
Statutory						
1.1	Special Housing Areas (SHAs)	Auckland Council	Housing Accord – SHA programme	Approve or decline SHAs	Key responsibilities include designation of SHAs	Funded as part of business as usual
1.2	Plan changes to operative plan including private plan changes	Auckland Council	Statutory Process - note that there will be a number of these and they are difficult to identify in advance as council has limited visibility of upcoming private plan changes	Adopt, reject or accept private plan changes when received Approve or decline plan changes based on recommendations of independent panel	Key responsibilities include plan changes to operative plans	Funded as part of business as usual
1.3	RMA reform submissions	Auckland Council	Response to government proposals to amend the RMA	Approve submissions	Powers include approval of a submission to an external body (in relation to business of the committee)	Funded as part of business as usual
1.4	Proposed Auckland Unitary Plan (PAUP)	Auckland Council	Statutory process	Decide whether to accept Independent Hearings Panel recommendations – due mid 2016 Possible other decisions required in support of council's position in the PAUP	Key responsibilities include Unitary Plan	Funded as part of business as usual
Spatial Plans						
2.1	Aotea Framework	CCI	Next precinct in CCI work programme	Adopt precinct plan	Key responsibilities include spatial plans	Funded as part of business as usual
2.2	Quay Park Framework	CCI	Next precinct in CCI work programme (following Aotea)	Adopt precinct plan	Key responsibilities include spatial plans	Funded as part of business as usual
2.3	Puhinui Structure Plan	Auckland Council	Structure plan for area needed to guide Plan Change 28 and infrastructure decisions for the area	Adopt structure plan – interim decisions may be required	Key responsibilities include spatial plans	Funded as part of business as usual
2.4	Warkworth Spatial Plan	Auckland Council	Plan needed for area to guide future growth decisions	Adopt plan	Key responsibilities include spatial plans	Funded as part of business as usual
2.5	Tai Timu Tai Parai (Hauraki Gulf Marine Spatial Plan)	Led by external stakeholder group	Plan being recommended to council from Sea Change process – previously commissioned plan	TBC	Key responsibilities include spatial plans	Funded

	Project or Programme	Who	Reason for work	Decisions required	ADC Delegations	LTP
Major Development Projects and Partnerships						
3.1	Downtown Carpark	CCI and ACPL	Opportunity to realise value of the asset as well as enabling its development in a way that contributes to a vibrant and more connected CBD and waterfront.	Agree key requirements prior to ACPL commencing EOI process	Key responsibilities include City Centre Development and city transformation projects	No LTP impacts expected
3.2	Central Wharves Strategy	CCI	Opportunity to optimise wharf configuration by developing a coherent strategy	Decisions that do not impact on port future study, may include: <ul style="list-style-type: none"> - Replacement public space (for loss of QE2 square) - Interim solutions for long cruise ships (TBC) 	Key responsibilities include City Centre Development and city transformation projects	No LTP impacts expected at this stage
3.3	Civic Administration Building	CCI and ACPL	Opportunity to utilise the asset to achieve strategic outcomes while minimising cost to council	Agree parameters for ACPL to negotiate a commercial agreement	Key responsibilities include City Centre Development and city transformation projects	No funding in LTP currently but process will help identify funding implications of options
3.4	Britomart Development Agreement	ACPL	Development agreement has been in place for ten years and there are potential opportunities for all parties (Cooper and Co, Auckland Transport and Auckland Council) in renegotiating	Agree in principle to renegotiate including parameters for negotiations	Key responsibilities include City Centre Development and city transformation projects	No LTP impacts expected
3.5	Housing for Older Persons Strategic Review	Auckland Council and ACPL	Action from Housing Strategic Action Plan – opportunity for partnerships with private and not for profit sector to improve quality and management of the portfolio	<ul style="list-style-type: none"> • Agree a model and partner for tenancy and asset management • Agree a strategy for redevelopment 	Key responsibilities include housing policy and projects	LTP funding of \$38 million for redevelopment
3.6	Hobsonville Marine Precinct	ACPL and ATEED	Previous ADC resolution	Decide whether to keep or remove Marine Precinct and if removed, decide whether to progress film studios proposal or housing/commercial option	Delegations include to guide physical development and growth of the City and key responsibilities include city transformation projects	No LTP impact expected
3.7	Three Kings Land Exchange	ACPL	Opportunity to optimise proposed housing development proposal by exchange of council and DOC owned land with developer. Expected outcomes include better access to maunga and provision of sportsfields.	Approve land exchange (DOC approval also required)	Delegations include to guide physical development and growth of Auckland	No LTP impact expected
3.8	New Development Auckland Projects	Development Auckland	Ensure council makes or provides guidance on key decisions relating to Development Auckland	TBC	Delegations include to guide physical development and growth of Auckland including strategic projects	LTP funding as reflected in current budgets of Waterfront Auckland and APCL

	Project or Programme	Who	Reason for work	Decisions required	ADC Delegations	LTP
Long term strategies and programmes						
4.1	Future Urban Land Supply Strategy	Auckland Council	Strategy required to support statutory PAUP process	Adopt final strategy – October	Delegations include to guide physical development and growth of the City through a focus on land use planning, housing and the appropriate provision of infrastructure	Funded as part of business as usual
4.2	Port Future Study	External stakeholder group	Study required to support a range of decisions about the future of the port, the port precinct, and development of the wider waterfront area	Decide whether to adopt study recommendations Note interim reporting likely but form of this still being determined	The committee leads the implementation of the Auckland Plan, including the integration of social, economic, environmental and cultural objectives for Auckland for the next 30 years. It guides the physical development and growth of Auckland.	Funded
4.3	Affordable Housing Programme Review	Auckland Council	Recent changes in central government housing policy, continued pressure on housing in Auckland, Strategic Housing Action Plan in its third year of implementation, and the formation of Development Auckland by council signal an opportunity to review the council's approach to affordable housing.	TBC – this programme of work is still being developed	Key responsibilities include housing policy and projects	Funded as part of business as usual
Other						
5.1	Development Auckland Location Analysis	Auckland Council	Council role to determine how Development Auckland Development locations are selected	Agree methodology for selecting major development locations	Delegations include to guide physical development and growth of Auckland including strategic projects	Funded as part of business as usual
5.2	Productivity Commission report – Using Land for Housing	Auckland Council	Response to report findings and recommendations	Approve submission	Powers include approval of a submission to an external body (in relation to business of the committee)	Funded as part of business as usual

Summary of information memos and briefings - 7 July 2015

File No.: CP2015/13006

Purpose

1. To receive a summary and provide a public record of memos or briefing papers that may have been distributed to committee members since 11 June 2015.

Executive Summary

2. This is a regular information-only report which aims to provide greater visibility of information circulated to committee members via memo or other means, where no decisions are required.
3. Since 11 June 2015, the following memos and briefing papers have been distributed to ADC members:
 - 15 June 2015 Memo and supporting documents: East West Connections (Attachments A and B).
 - 30 June 2015 Briefing Paper: City Centre Integration Progress Update to 25 June 2015 (Attachment C).
4. These and previous documents can be found on the Auckland Council website, at the following link:
<http://infocouncil.aucklandcouncil.govt.nz/>
 - at the top of the page, select meeting "Auckland Development Committee" from the drop-down tab and click 'View';
 - Under 'Attachments', select either HTML or PDF version of the document entitled 'Extra Attachments'
5. Note that, unlike an agenda report, **staff will not be present to answer questions about items referred to in this summary.** Committee members should direct any questions to memo/briefing paper authors.

Recommendation/s

That the Auckland Development Committee:

- a) receive the summary of information memos and briefings – 7 July 2015.

Attachments

No.	Title	Page
A	15 June 2015 Memo: East West Connections (<i>Under Separate Cover</i>)	
B	15 June 2015 Supporting Documents: East West Connections Feedback Form (<i>Under Separate Cover</i>)	
C	City Centre Integration Briefing Paper: Progress Update to 25 June 2015 (<i>Under Separate Cover</i>)	

Signatories

Authors	Rita Bento-Allpress - Democracy Advisor
Authorisers	Jim Quinn - Chief of Strategy

Item 10

Plan Change 123 - Special 25, 26 and 35 Hibiscus Coast Gateway Zones to the Auckland Council District Plan (Rodney Section) 2011 and associated changes to the Auckland Council Regional Policy Statement and the Auckland Council Regional Plan: Air, Land and Water – to be made Operative

File No.: CP2015/12153

Purpose

1. To approve the Plan Change 123 to the Auckland Council District Plan (Rodney Section) 2011, Proposed Private Change 15 to the Auckland Council Regional Policy Statement and Proposed Plan Change 5 to the Proposed Auckland Council Regional Plan: Air, Land and Water, operative.

Executive Summary

2. Plan Change 123 Zone to the Auckland Council District Plan (Rodney Section) 2011 alters the District Plan by introducing three new zones to an area of land to the south east of Silverdale.
3. Change 15 to the Auckland Council Regional Policy Statement (Change 15) shifts the Metropolitan Urban Limit (MUL) in relation to the land and Plan Change 5 to the Proposed Auckland Council Regional Plan: Air, Land and Water (Plan Change 5) extends the Urban Air Quality Management Area over the land.
4. They have been progressed through public notification, submissions and hearings and a decision was released in 22 May 2013.
5. Appeals were received to the decision on Plan Change 123 and these were resolved by Environment Court Consent Orders on 21 August 2014 and 19 May 2015.
6. Final approval of Plan Change 123 and the associated changes to the regional documents is now required by the Council under Clause 17 of the First Schedule of the Resource Management Act 1991 (RMA) to enable the changes to become operative.

Recommendation/s

That the Auckland Development Committee:

- a) approve pursuant to Clause 17 of the First Schedule of the Resource Management Act 1991:
 - i) Plan Change 123 - Special 25 (Hibiscus Coast Gateway Specialist Retail) Zone, Special 26 (Hibiscus Coast Gateway Recreation and Entertainment) Zone and Special 35 (Hibiscus Coast Gateway) Zone to the Auckland Council District Plan (Rodney Section) 2011 (Attachment A to D of the agenda report);
 - ii) Proposed Private Change 15 to the Auckland Council Regional Policy Statement (Attachment E of the agenda report);
 - iii) Proposed Plan Change 5 to the Proposed Auckland Council Regional Plan: Air, Land and Water (Attachment E of the agenda report).
- b) authorise the Manager Planning North/West to complete the statutory processes under Clause 20 of the First Schedule of the Resource Management Act 1991 to make the changes operative.

Comments

7. Plan Change 123 alters the District Plan by introducing the Special 25 (Hibiscus Coast Gateway Specialist Retail) Zone, the Special 26 (Hibiscus Coast Gateway Recreation and Entertainment) Zone and the Special 35 (Hibiscus Coast Gateway) Zone. The Special 35 Zone includes a Gateway Business Policy Area and a Gateway Residential Policy Area. They apply to an area of approximately 95ha between East Coast Rd, the Hibiscus Coast Highway, the Motorway (SH1), and the southern boundary of the “Snow Planet” site. These changes variously enable recreation and entertainment activity, business activity and residential activity.
8. Private Plan Change 15 shifts the Metropolitan Urban Limit (MUL) to include the land. This change was treated as a private change to the Regional Policy Statement as it was lodged by the former Rodney District Council.
9. Plan Change 5 incorporates the area subject to the proposed changes within the Urban Air Quality Management Area. This change was originally notified as a variation because at the time the Air Land Water Plan was itself still proposed. It has since been made operative and the variation becomes a plan change under the RMA.
10. Decisions on submissions were released on 22 May 2013. Several appeals were received to the decision on Plan Change 123 and these were resolved by Environment Court Consent Orders on 21 August 2014 and 19 May 2015.
11. All that remains is for the Auckland Development Committee to approve Plan Change 123, Private Change 15 and Plan Change 5 pursuant to Clause 17 of the First Schedule of RMA, and authorise the Manager Planning North/West to complete the statutory processes under Clause 20 of the First Schedule to make the changes operative.

Consideration

Local Board views and implications

12. This report addresses a procedural matter in making the plan changes operative and the decisions requested are not a matter that requires the input of the Local Board.

Māori impact statement

13. Iwi were consulted on the Hibiscus Coast Gateway Concept and the Proposed Changes as part of the clause 3 of the First Schedule of the RMA and the section 32 process. The following Iwi groups were consulted:
 - Ngati Whatua Nga Rima o Kaipara.
 - Ngati Manuhiri (Ngati Wai).
 - Ngati Paoa Whanau Trust.
 - Te Kawerau a Maki.
14. No concerns were raised by any of these groups.
15. There were no specific issues relating to Maori raised in the submissions process in respect of these Proposed Changes.

Implementation

16. Declaring the plan changes operative is the last phase of the RMA process for the changes.
17. The recommendation to make the changes operative is consistent with Council's policies and strategies and does not trigger the significance policy.
18. Pursuant to clause 17 of the First Schedule of the RMA, Council can now approve the plan changes and once approved, publicly notify them as operative under Clause 20 of the First Schedule of the RMA.
19. There will be some administrative costs involved in making the changes operative and consequential updating of the Auckland District Plan (Rodney Section) 2011, the Auckland Regional Policy Statement and the Auckland Council Regional Plan: Air, Land, Water. These costs can be accommodated within existing budgets.

Attachments

No.	Title	Page
A	Special 26 Zone (<i>Under Separate Cover</i>)	
B	Special 25 Zone (<i>Under Separate Cover</i>)	
C	Special 35 Zone (<i>Under Separate Cover</i>)	
D	Consequential Amendments and Plans (<i>Under Separate Cover</i>)	
E	MUL Shift and Regional Plan Change (<i>Under Separate Cover</i>)	

Signatories

Authors	Dave Paul - Principal Planner
Authorisers	Penny Pirrit - GM - Plans & Places Jim Quinn - Chief of Strategy

Auckland's industrial south: integrated business precinct plan

File No.: CP2015/11823

Purpose

1. To adopt the integrated business precinct plan for Auckland's industrial south.

Executive summary

2. The zoned industrial areas identified within the Integrated Business Precinct Plan (IBPP) make a significant contribution to the Auckland economy. The Auckland plan anticipates that a quarter of the additional jobs that will be needed in Auckland by 2041 will be provided in south Auckland.
3. With increasing pressures for alternative land uses in and around the IBPP industrial areas there is a need to support the industrial areas in a coordinated way so that they can continue to contribute to the delivery of the economic priorities of the Auckland Plan, Auckland's Economic Development Strategy and the Southern Initiative.
4. The IBPP has been developed to provide a framework to support business and employment growth and inform the strategic approach to the future supply of industrial land to meet anticipated need. The IBPP sets out a vision and high level actions that are required in order to work towards achieving the IBPP's objectives.

Recommendation/s

That the Auckland Development Committee:

- a) adopt the Integrated Business Precinct Plan (Attachment A of the agenda report).

Comments

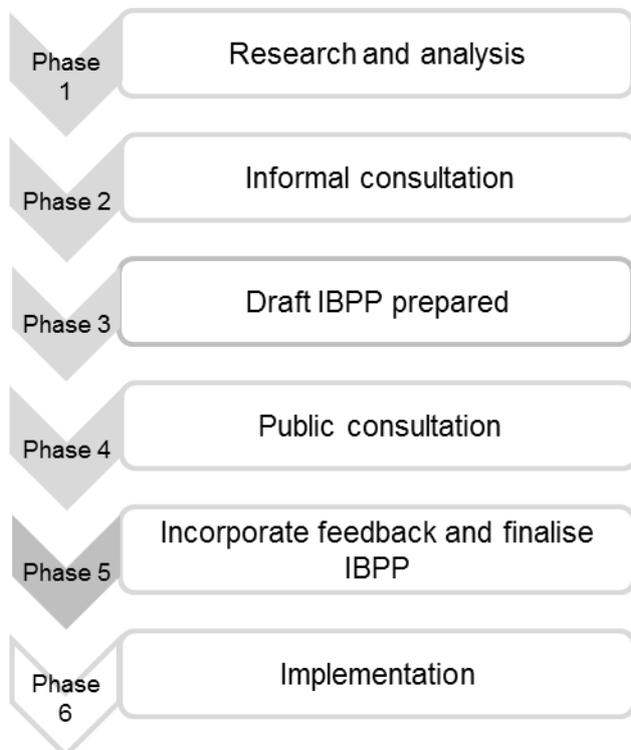
Why have an integrated business precinct plan

5. In 2012, the industrial locations within the Integrated Business Precinct Plan (IBPP) area contributed an estimated \$18 billion towards Auckland's GDP, employed 149,154 people (23% of Auckland's total employment), and has seen employment grow by 27.5% since 2002.
6. The Auckland Plan anticipates that an additional 276,700 jobs will be needed in Auckland by 2041. A substantial share of these jobs (51%) will be located in central Auckland with a further 25% in south Auckland.
7. With increasing pressure for alternative land uses in and around the IBPP industrial locations, there is a need to support Auckland's industrial areas in a coordinated way so that they can continue to contribute to the delivery of the economic priorities of the Auckland Plan, Auckland's Economic Development Strategy and the Southern Initiative.
8. In order for the southern industrial precincts to continue to make a significant contribution to the regional economy and realise their future potential in the context of a growing residential population we need to:
 - co-ordinate the efficient use and supply of brownfield and greenfield industrial land
 - improve transport infrastructure
 - encourage high quality amenity in industrial areas
 - align growth with planned investment
 - develop partnerships with and between businesses and educators

9. The IBPP has been developed to provide a coordinated framework to support business and employment growth within the Proposed Auckland Unitary Plan, including zoned light and heavy industrial areas located south of central Auckland and to inform the future release of industrial land to meet forecast demand.

Process to date

10. The following diagram outlines the process that has been followed for the preparation of the IBPP.



11. A project team was established to inform and guide the development of the IBPP. The project team was drawn from across council and included representatives from Auckland Transport (AT) and Auckland, Tourism, Events and Economic Development (ATEED). The project team prepared topic reports and topic based sessions were held to help identify issues and opportunities for the IBPP area.
12. In addition to the project team a working group of local board members was established to ensure that the relevant local boards were able to input into the development of the IBPP, and steer the strategic direction of the IBPP. This has ensured that the plan responds to the priorities of the local board's as defined in their Local Board Plans.
13. To further identify the key issues and opportunities facing the IBPP area, an informal consultation process was undertaken at an early stage in the process to gain the views of businesses within the scope of IBPP. This included a series of workshops held with business associations, and Auckland International Airport as well as telephone interviews with businesses.

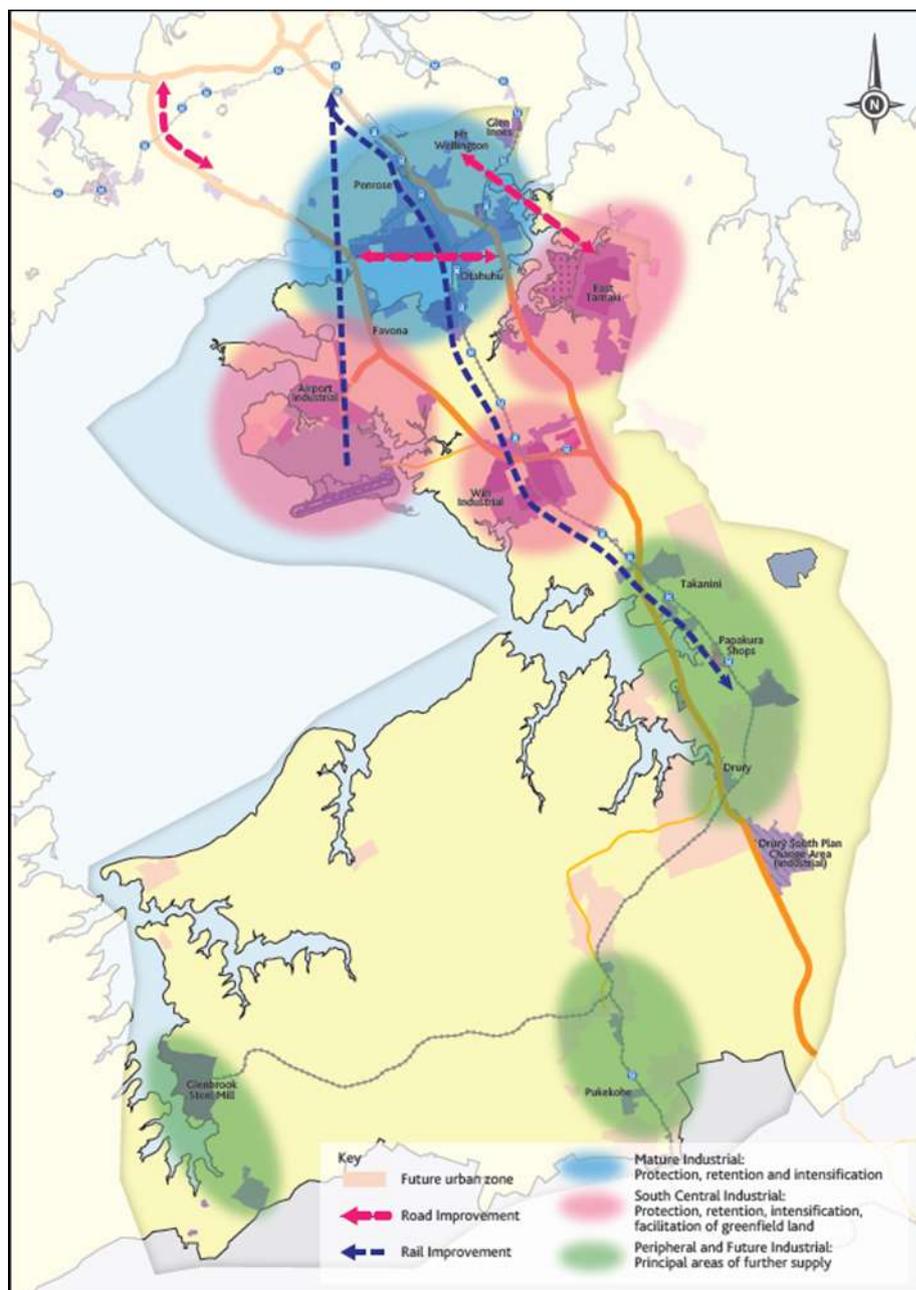
Key components of the draft IBPP

14. The IBPP includes the following key sections:
- Vision for the IBPP area
 - Issues and opportunities for the industrial south
 - The spatial strategy for the industrial south
 - High level actions for the industrial south
 - Appendices:

- Strategic context
- Economic characteristics of the IBPP area
- Key sectors within the IBPP area
- Industrial change in the IBPP area 2002-2012

Spatial strategy

15. The IBPP sets out a spatial strategy for the zoned industrial areas in south Auckland. The key elements of the spatial strategy are identified in the diagram below.



Vision for the IBPP

16. The vision within the IBPP is as follows:

“Auckland’s southern industrial locations continue to be diverse, innovative and sustainable locations that provide opportunities to a local workforce, take advantage of transport connections, to maximise trade and export opportunities and act as a key driver for the Southern Initiative and wider Auckland economy”.

17. This vision is supported by the following high level actions that will help to form the implementation plan for the IBPP once adopted:
- i) support continued growth of industrial activities in the Airport area, East Tamaki, Wiri and the industrial areas at Takanini, Drury, Papakura, Pukekohe
 - ii) retain industrial zoned land and promote the identification of further industrial land in the southern part of the IBPP to support the objectives of the Auckland Plan.
 - iii) Work with business to avoid potential reverse sensitivity effects associated with more sensitive residential and business uses in close proximity to industrial areas.
 - iv) support the retention of heavy and light industrial businesses in the IBPP area
 - v) support the key sectors identified in the industrial zones
 - vi) promote the industrial south as a place to do business and invest in.
 - vii) support local boards in developing and promoting the zoned industrial areas and the opportunities within them
 - viii) develop a partnership between employers and education providers to ensure that skills and training needs for businesses are met now and in the future
 - ix) promote the efficient movement of people and goods through a range of transport options
 - x) align growth with infrastructure planning and investment.

Consultation

18. Consultation on the IBPP was undertaken during September and October 2014. The focus of the consultation was with iwi, existing businesses in the zoned industrial areas (by presenting to Business Associations and companies previously consulted on during the informal consultation process), and key stakeholders including Auckland International Airport, Auckland Chamber of Commerce, and the Employers and Manufacturers Association (EMA) and national government agencies.
19. This was undertaken through meetings as well as direct communication using an e-flyer, asking for feedback to be given via an online questionnaire.
20. The feedback received generally supported the objectives of the IBPP. The main issues raised in the feedback received were :
- Concern over improving amenity and what this means
 - Recommendation for the IBPP to be a living document and subject to periodic reviews
 - Supply of industrial land in Auckland needs to be addressed
21. These issues have been addressed in the revised IBPP attached to this report.

Consideration

Local board views and implications

A working group was established with representatives from the following local boards, Maungakiekie –Tamaki, Howick, Otara–Papatoetoe, Mangere–Otahuhu, Manurewa, Papakura and Franklin. The IBPP has been presented to the working group at various stages throughout its development. In addition to this a joint workshop was held with the six other local boards on the 6 May where they endorsed the plan to proceed to the Auckland Development committee. The Maungakiekie – Tamaki Local Board formally endorsed the plan at its business meeting on the 18 June 2015.

Māori impact statement

The Schedule of Issues of Significance to Māori produced by the Independent Māori Statutory Board identifies the need to plan adequately for the increased demand for 'business land' under Economic Development. The IBPP seeks to identify a spatial strategy for industrial land and

incorporates an action that seeks to retain industrial zoned land and promote the identification of further industrial land to support the objectives of the Auckland Plan, in order to help address this issue.

As noted under consultation, iwi representatives from the following iwi were consulted as part of the development of the IBPP:

- Ngāi Tai Ki Tāmaki
- Ngāti Paoa
- Ngāti Tamaoho
- Ngāti te Ata Waiohua
- Ngāti Whanaunga
- Ngāti Whatua
- Te Akitai Waiohua
- Te Kawerau a Maki
- Ngāti Maru
- Te Patukirikiri
- Ngāti Whatua o Ōrākei
- Ngāti Tamaterā
- Te Rūnanga o Ngāti Whātua
- Waikato - Tainui

Actions to partner with iwi have been incorporated into the IBPP. The implementation of the actions identified in the IBPP has the potential for positive effects for all businesses including Māori businesses.

Implementation

The IBPP sets out a number of high level actions and more detailed actions that will help to achieve the aspirations set out within the IBPP. These actions represent the implementation plan for the IBPP.

Attachments

No.	Title	Page
A	Auckland's Industrial South: Integrated Business Precinct Plan (<i>Under Separate Cover</i>)	

Signatories

Authors	John Norman - Strategic Planner Local Economic Development
Authorisers	Penny Pirrit - GM - Plans & Places Jim Quinn - Chief of Strategy

Future Urban Land Supply Strategy

File No.: CP2015/12250

Purpose

1. To consider and approve the draft Future Urban Land Supply Strategy for public consultation via the Local Government Act (2002) Special Consultative Procedure.

Executive Summary

2. The Proposed Auckland Unitary Plan provides for approximately 11,000 hectares of Future Urban zone land. This land is located within the Rural Urban Boundary, but outside the 2010 Metropolitan Urban Limit.
3. The Future Urban Land Supply Strategy (Attachment 1) provides direction on the next stage in planning for Future Urban zone areas as follows:
 - North: Warkworth, Wainui and Silverdale-Dairy Flat;
 - North-west: Whenuapai, Redhills, Kumeu-Huapai and Riverhead;
 - South: Takanini, Opaheke-Drury, Karaka, Paerata and Pukekohe.
4. The Strategy sets out Auckland Council's intention for when the above Future Urban areas are proposed to be development ready.

Recommendation/s

That the Auckland Development Committee:

- a) approve the draft Future Urban Land Supply Strategy for public consultation in accordance with the Special Consultative Procedure set out in s83 of the Local Government Act (2002).
- b) approve the statement of proposal for consultation.
- c) appoint three members of the Auckland Development Committee to form a hearing panel and delegate authority to the panel to attend public consultation events and consider the consultation feedback received.

Comments

Background

5. The Proposed Auckland Unitary Plan provides for approximately 11,000 hectares of Future Urban zone land. This land is located within the Rural Urban Boundary (RUB) but outside the 2010 Metropolitan Urban Limit (MUL). The Future Urban zone indicates that this land is appropriate for future urban development.
6. A key goal of the Auckland Plan Development Strategy is to achieve a quality compact form. This requires urban intensification, supplemented by well-managed urban expansion. The Auckland Plan advocates for 70 percent growth in the existing urban area and up to 40 percent growth in locations outside the 2010 MUL. This Future Urban land is intended to provide a significant portion of the growth outside the 2010 MUL – around 110,000 dwellings. The balance of growth outside the RUB and the satellite towns of Warkworth and Pukekohe, will be accommodated in rural and coastal towns, rural villages, countryside living and general rural areas.

7. The Future Urban Land Supply Strategy (the Strategy) focuses on the Future Urban land areas located in:
 - North: Warkworth, Wainui and Silverdale-Dairy Flat;
 - North-west: Whenuapai, Redhills, Kumeu-Huapai and Riverhead;
 - South: Takanini, Opaheke-Drury, Karaka, Paerata and Pukekohe.
8. The Strategy marks the next step in planning the Future Urban areas that started with the Auckland Plan. The Auckland Plan identified 'greenfield areas of investigation' to provide for future growth outside the MUL. The Proposed Auckland Unitary Plan formalised this concept through the location of the RUB and the proposed zoning of this land as Future Urban.
9. High-level planning was subsequently undertaken to provide more detail around possible land use, key infrastructure and potential housing yield and business land location. Based on this, the Strategy sequences the order for when this land is intended to be ready for development over the three decades of the Auckland Plan. It is a proactive approach to long-term planning, infrastructure provision and creating housing and business capacity.
10. Most of the Future Urban areas are predominantly rural and have not previously been identified for urbanisation. Bulk infrastructure will therefore have to be provided to these areas. All Future Urban areas require some degree of bulk infrastructure - development will therefore not be able to occur until this infrastructure is in place. In areas where bulk infrastructure projects are large and complex, longer lead in times (for design, consenting and build) are required. This affects the timing for when land can be development ready.

Purpose of the Strategy

11. The purpose of the Strategy is to provide a robust and logical sequence for when the Future Urban areas are proposed to be 'development ready' across the three decades. This will enable coordination of timely structure planning and bulk infrastructure provision to these areas and provide clarity and certainty to all key stakeholders, including infrastructure providers.
12. The Proposed Auckland Unitary Plan Independent Hearing Panel also wants to understand how Council will manage the planning and development of Future Urban land. The Strategy forms part of the overall integrated planning approach which includes the use of the Rural Urban Boundary and the Future Urban zone.

Drivers for the Strategy

13. The key driver for the Strategy is the significant current and projected growth in Auckland and the pressure this growth places on housing supply and key infrastructure. The Strategy therefore aims to proactively plan for, coordinate and deliver bulk infrastructure so that this land can be brought on stream for both residential and business development – i.e. contributing to development capacity across the region.
14. Accommodating this growth will come at a significant cost. Preliminary, high level estimates of bulk infrastructure costs are provided within the Strategy; however it does not include costs for any local network infrastructure. The significant costs are primarily driven by the size of the Future Urban areas (these equate to approximately one and a half times the area of urban Hamilton); the scale of the bulk infrastructure that will be required; and the current lack of such infrastructure in these areas. For this reason, it would be prohibitively expensive for Council, CCOs and, more broadly, for central government (e.g. the New Zealand Transport Agency and Ministry of Education) to invest in all Future Urban areas at the same time.

The Future Urban Land Supply Strategy

15. The Strategy sets out a logical timed sequence for development readiness. It integrates information on key infrastructure required to get these areas ready for urban development. The sequencing is based on a suite of principles (attached to the Strategy) that include the consideration of the lead-in times for the bulk infrastructure required. Bulk infrastructure refers to water, wastewater, stormwater and the transport network. This Strategy will also assist with the forward planning of community facilities and services critical for creating sustainable communities.
16. The analysis done for this Strategy is of sufficient scale and specificity to broadly determine bulk infrastructure requirements. There are two subsequent parallel and inter-dependent processes to get land ready for development – more detailed structure planning, and bulk infrastructure planning and build. This is the approach taken to determine the programme of sequencing and timing.
17. Structure planning and plan changes (to ‘live’ zonings) will be done prior to the areas being ready for development and will be undertaken by the Council (or in partnership with others) in line with the programme set out in the Strategy. This is the stage of the process where Local Boards, mana whenua and communities will be involved in the detailed planning of these areas.
18. The sequencing programme ensures the infrastructure costs are distributed over three decades to smooth spikes in capital expenditure, allow all infrastructure providers to forward plan their asset management, and assist with prioritising key enabling projects.
19. A monitoring programme is an integral part of the Strategy and will be used to monitor trends over time. This is to ensure that the proposed sequencing remains relevant. This monitoring will be part of an overall strategy to provide information on development capacity in brownfield and greenfield locations. Given the 30-year timeframe, a number of factors could change the proposed sequencing and timing as set out in the Strategy. These include funding constraints, possible alternative funding options and changes to population growth and housing demand. Therefore, for the Strategy to remain relevant and effective, it must be a ‘living’ document, able to respond to changes identified through the monitoring programme.

Public Consultation

20. Public consultation on the Strategy will follow the Special Consultative Procedure set out in s83 of the Local Government Act (2002). A ‘statement of proposal’ is included as Attachment 2.
21. It is proposed that a delegated hearing panel be formed as part of the Special Consultative Procedure, made up of three members of the Auckland Development Committee. This hearing panel would be required to attend consultation events and listen to people’s views. The hearing panel would also be required to consider the consultation feedback received, deliberate and make recommendations back to the Auckland Development Committee on changes required.
22. The consultation period will run from 17 July to 17 August 2015. Consultation will commence with a media release and live webpage on Friday, 17 July 2015. Advertisements will be placed in the Herald and local papers, giving notice that the Strategy and a statement of proposal are available for review and comment. It is proposed that during that period, the Strategy and a feedback form be available on the Shape Auckland website and a series of ‘have your say events’ be held across the region, open to all members of the public. These events will ensure that public feedback is received and understood by decision makers and staff.

23. A separate briefing will be held with Local Board Chairs. It is anticipated that Local Board members will also attend the 'have your say' events. Mana whenua Chairs had an information Hui in late June 2015. Additional direct consultation may occur with iwi during the consultation period.
24. At the end of the consultation period, a report from the hearing panel will be prepared, summarising the feedback received and based on the feedback, making recommendations on amendments to the Strategy as may be required.
25. The final version of the Strategy will be reported to the Auckland Development Committee in October 2015.
26. The Strategy will be used to inform the Proposed Unitary Plan hearings in October when the Rural Urban Boundary is considered by the Independent Hearing Panel.

Consideration

Local Board views and implications

27. This Strategy has significant implications for Local Boards particularly Rodney, Upper Harbour, Henderson-Massey, Papakura and Franklin Local Boards as they contain areas of Future Urban land sequenced by this Strategy.
28. Local Board Chairs were invited to a Future Urban Land Supply Strategy workshop of the Auckland Development Committee on 16 June 2015. The following Local Boards attended:
 - Rodney
 - Devonport-Takapuna
 - Mangere-Otahuhu
 - Franklin.
29. A briefing for all Local Board Members will be held on 15 July 2015 and their feedback will be reported to the ADC hearing panel.

Māori impact statement

30. This Strategy has significant implications for Maori and has the capacity to contribute to Maori well-being and development of Maori capacity. It is acknowledged that Maori have a special relationship with Auckland's physical and cultural environment. Ongoing liaison has occurred with Te Waka Angamua around the Strategy and the suite of principles which sit behind it. One of the principles reflects Council's commitment to Maori social and economic well-being as a transformational shift set out in the Auckland Plan. Independent Maori Statutory Board staff were briefed at the commencement of the project, provided with background documentation and invited to workshops as the Strategy was developed. A Hui was held with mana whenua chairs on 29 June 2015. Iwi responses will be sought as part of the public consultation outlined in this report. Consultation responses from iwi will be reported to the ADC hearing panel.

Attachments

No.	Title	Page
A	Draft Future Urban Land Supply Strategy (<i>Under Separate Cover</i>)	
B	Statement of Proposal FULSS (<i>Under Separate Cover</i>)	

Signatories

Authors	Simon Tattersfield - Principal Growth and Infrastructure Adviser
Authorisers	Jacques Victor - GM Auckland Plan Strategy and Research Jim Quinn - Chief of Strategy

Civic Administration Building - Council's Requirements

File No.: CP2015/13226

Purpose

1. To confirm the council's requirements that will form the basis for the Expressions of Interest (EOI) and Request for Proposals (RFP) process that will seek private sector investment to refurbish and develop the Civic Administration Building (CAB) and its surrounding land.

Executive Summary

2. In February 2015 the Auckland Development Committee (ADC) approved Auckland Council Property Limited (ACPL) commencing an EOI process to invite interested parties to indicate a desire to participate in a competitive process to present development proposals for the CAB. From the EOI process the preferred parties would be selected and shortlisted to submit a detailed Request for Proposal (RFP) submission from which a preferred party and approach to the development will be made to the ADC.
3. It was also agreed that ADC would endorse the key requirements that the council wishes to achieve through this private sector investment. These key requirements would form the core of the EOI requirements that would provide the context to submitters.
4. In order to provide ADC with a wider perspective on the opportunity for the Aotea Square and adjacent quarter, this report is being submitted following a workshop of the ADC on 30 June 2015 at which the issues and opportunities for the council owned land were discussed within a broader strategic context.
5. The report to ADC in February 2015 discussed market demand and the commercial viability of various use options. The recent market testing has indicated the potential for investment in a range of outcomes that include office, residential, and hotel uses.
6. This report is now seeking confirmation of the council's requirements that will form part of the invitation to private sector parties to engage on refurbishment and site development options.
7. Following feedback from the ADC workshop on 30 June, the council requirements set out in the recommendations below emphasis a desire for the existing structure to be retained. However, the recommendations reflect that the council is open to consider any viable uses that are complimentary and enhancing of the wider objectives to create a dynamic and thriving environment that supports this arts and entertainment precinct.

Recommendations

That the Auckland Development Committee:

- a) confirm, as part of the Expressions of Interest process to seek private sector investment to refurbish the Civic Administration Building, 1 Greys Avenue, Auckland Central, that:
 - i) submitters need to demonstrate proposals that restore the heritage values of the existing building, as far as practicable, and subject to a detailed heritage restoration plan that would be developed with council's heritage team.
 - ii) submitters can propose any uses for the building that are compatible and complimentary with the wider objectives of the Aotea Quarter Framework.
 - iii) the site area to be made available is approximately 5,000 square metres as shown on the plan (Image 1 of the agenda report).

- iv) submitters are encouraged to submit a proposal that intensifies the use of the site and creates a frontage to Mayoral Drive.
 - v) the council will consider the sale of the Civic Administration Building and its surrounding land to the selected development party on a freehold or long term leasehold basis.
 - vi) proposals will need to make provision for vehicle access to the Regional Facilities Auckland Aotea Centre performing arts centre.
 - vii) submitters need to recognise the importance of the location and submit proposals that contribute significantly to the urban environment through exemplary design.
- b) agree that Auckland Council Property Limited (ACPL), will manage the Expressions of Interest (EOI) process, and the Boards of ACPL and Regional Facilities Auckland (RFA) will make recommendations to the Auckland Development Committee on the parties considered most suitable to advance to the Request for Proposal (RFP) phase.

Comments

Background

- 8. The council is considering engaging with the private sector on this matter as it has not put in place any funding in the Long-term Plan 2015-2025 (LTP) for work to refurbish the building.
- 9. The building is unsuitable for long term use without significant refurbishment, particularly to address the asbestos in the building. Previous reports have detailed refurbishment costs of various use options.
- 10. The site area for the CAB opportunity is approximately 5,000 square metres and will be broadly based on the following plan. This will be confirmed through the process as submissions are received. The area will in part be determined by further work with RFA to define the location of electrical and air conditioning plant that services adjacent buildings.



11. Following consideration of a report in February 2015, the ADC resolved:
 - a) *Approve Auckland Council Property Limited (ACPL) commencing an 'expressions of interest' (EOI) process, based as generally outlined in this paper, to invite interested parties to indicate a desire to participate in a competitive process to present development proposals to respond to the council's agreed requirements brief.*
 - b) *Agree that a proposed brief of key requirements be reported to the Auckland Development Committee for endorsement before commencing the second stage submission process with shortlisted parties.*
 - c) *Agree that parties for the second stage process would be selected on track record, capability, capacity and alignment with council's agreed objectives.*
 - d) *Agree that a decision to select a preferred approach to the development of the Civic Administration Building will be made by this committee following recommendations from the Auckland Council Property Limited (ACPL) and Regional Facilities Auckland (RFA) Boards.*

Issues relating to establishing the EOI requirements

12. It has previously been reported that there is strong interest in refurbishing the building for residential related uses. There is also interest in hotel use. These possible uses have raised concerns that such uses would potentially limit civic uses of the Aotea Square, particularly those activities that generate noise disturbance. It is an overriding assumption that any residential oriented uses would need to be designed to minimise noise disturbance and that appropriate covenants would be put in place to avoid the square becoming unsuitable for civic events.
13. Previous reports have identified the high cost of restoring the CAB for office uses. There are potential uses from within the Council group, particularly RFA, but analysis to date indicates that the costs of refurbished office space is disproportionately high compared with available private sector rental options in the vicinity of the square.
14. There has also been consideration of the proposition that the council land holdings around the CAB could be developed to provide a campus of offices for Council family uses. The current view is that the needs for CBD accommodation for the Council group can be met by 135 Albert Street and the future redevelopment of the Bledisloe car park site adjacent to the Aotea CRL station.

Private Sector Engagement

15. There is strong private sector interest in engaging with the council on proposals to refurbish and develop the Civic Administration Building and its surrounds. The process to seek private sector interest commenced in 2014 and has currently established interest from approximately 20 parties with a desire to participate in a process that enables the council to select a suitable partner.
16. The ADC has previously agreed recommendations for this to be a two stage process. Firstly, to seek expressions of interest and secondly, to then shortlist a selected number of parties that would be requested to develop detailed proposals that develop design and commercial terms.
17. ADC has previously agreed that the ACPL (soon to be part of Development Auckland) and RFA Boards would make recommendations on the proposed parties that are to be selected to progress to the RFP stage.
18. Within the RFP process there would be design and development negotiations to explore the commercial terms that the shortlisted parties may propose.

19. The recommendations in this report reflect a desire for council to retain the CAB and seek refurbishment options that retains agreed heritage elements. However, if the private sector engagement process is unsuccessful in identifying any satisfactory or viable proposals from development parties that can achieve council's

Consideration

Local Board views and implications

20. The Waitemātā Local Board has received briefings on the issues associated with the options to address the CAB, and were represented at the workshop with the ADC on 30 June 2015.

Māori impact statement

21. Consultation with iwi is underway.

Implementation

22. Implementation will follow the process outlined in this report

Attachments

There are no attachments for this report.

Signatories

Authors	Clive Fuhr - Manager Acquisitions & Disposals
Authorisers	David Rankin - Chief Executive Officer - ACPL Jim Quinn - Chief of Strategy

Hobsonville Point 20 hectare Block: Future Land Use

File No.: CP2015/13184

Purpose

1. To determine the future use of Auckland Council's 20 hectare (ha) block of land at Hobsonville Point, Auckland.

Executive Summary

2. The report recommends that council should not proceed with the Marine Industry Precinct (previously a legacy project from Waitakere City Council), and sets out two future options for the land.
3. The report requests that Auckland Development Committee (ADC) select the option which best meets the council's overall mix of strategic objectives.
4. The first option – *14/6 Masterplan* – is that 14ha of land be committed for residential development and 6ha become an Employment Hub. This is Auckland Council Property Limited (ACPL) recommended option.
5. An alternative option – *Film Studio Campus* – recommended by Auckland Tourism, Events and Economic Development Limited (ATEED), is that 10ha of land be committed for residential development and up to 10ha be allocated as a Screen Industrial Precinct to provide for the development of a film studio campus through a public private partnership (PPP) process.
6. The report addresses a range of factors to be considered when assessing both options, including financial and economic implications, urban design outcomes, stakeholder feedback, and contribution to council's housing agenda.

Recommendation/s

That the Auckland Development Committee:

- a) agree that Auckland Council will not proceed with a Marine Industry Precinct at Hobsonville Point and that no further work be undertaken on the Marine Industry Precinct apart from existing contractual obligations.
- b) request that Auckland Council Property Limited do the following:
 - i) advise the marine industry of the decision under clause a) and the reasons for it;
 - ii) thank the marine industry for its attempts to activate this precinct over the last five years; and
 - iii) encourage the marine industry to continue working with Waterfront Auckland and Auckland Tourism, Events and Economic Development Ltd on refit options.

In the event that the 14/6 Masterplan option is selected:

- c) adopt the 14/6 Masterplan for the 20ha Hobsonville Point block involving predominantly high density residential development with a mix of typologies and incorporating an employment hub/local centre/mixed use zone of up to 6 hectares.
- d) endorse the affordable housing offer of a minimum 10 percent up to 15 percent of the Auckland Regional median house price.

- e) agree that Auckland Council Property Limited be authorised to seek a Special Housing Area classification for the remaining 10ha block at Hobsonville Point.
- f) agree that Auckland Council Property Limited continues to provide accommodation for the one remaining marine industry tenant within the planned employment hub.
- g) recommend to the Finance and Performance Committee that the area described as Launch Road in the Development Masterplan be vested as a Public Road.
- h) recommend to the Finance and Performance Committee that the Hobsonville Land (Lot 4 Deposited Plan 463057 contained in Certificate of Title NA134C/26) is approved for sale subject to the satisfactory conclusion of any required statutory processes and that the Auckland Council Property Limited Chief Executive be delegated the authority to approve the terms and conditions of any sale.
- i) request that Auckland Council Property Limited and Auckland Tourism, Events and Economic Development Limited work together to undertake a market exercise to identify other suitable sites for the Film Studio Campus and report these as part of a separate overall validation exercise.

In the event that the Film Studio Campus option is selected:

- j) agree that Auckland Tourism, Events and Economic Development Limited completes the market validation exercise currently underway with KPMG.
- k) agree that council adopt an appropriate procurement process to identify best potential partners, subject to the completion of a successful market validation (assuming 3 months' work).
- l) agree to council's analysis of proposed solutions and the commercial return they represent to council (assuming 2 months' work).
- m) agree to council's negotiation of the best possible deal to secure council's objectives in acquiring a profitable and professionally managed Film Studio Campus (assuming 6 months' work).

Comments

Background

7. Following the Government decision in 2000 to close the Hobsonville Air Force base, Waitakere City Council sought to establish a Marine Industry Precinct (MIP) on 20ha of land at Hobsonville Point for new-build Superyacht businesses.
8. This was for two reasons. The first was to promote economic development by supporting the marine industry in Auckland, based on the view that the industry would significantly benefit from the opportunity to cluster at a single location. The Hobsonville Point land was originally seen as a significant opportunity for the marine industry because it was one of the very few locations on the Auckland Waterfront which was close to the harbour with deep water access. The second reason was to assist in providing local employment.
9. The MIP project was adopted by Auckland Council as a legacy project in 2010 and was placed under the management oversight of ACPL.
10. ACPL revised the Masterplan and conducted a review of the launch infrastructure in consultation with the marine industry. Funding approval for the infrastructure was received from the Strategy and Finance Committee in September 2011.
11. Given the significant investment required for the MIP infrastructure, ACPL indicated to the marine industry that in order to justify the ratepayer expenditure, three significant committed boat building pre-sales were required before council would trigger the development process.

12. In May 2013, the Strategy and Finance Committee considered the future of the Hobsonville Point land and resolved to future-proof two options. The first was a 20ha residential development of the site. The second was a combined residential – MIP solution of up to 10ha marine industry, and 10ha residential. The potential for up to 10ha marine area was on the basis that a minimum of three pre-sales was achieved by financial year 2015/16. If not, the full 20ha would be committed to residential.
13. In essence, the committee resolved to:
 - i) reduce the MIP from 20ha to 10ha, recognising the feedback from the marine industry and analysis of international trends;
 - ii) commit the residual 10ha to the council's housing agenda and that the land should be zoned Residential;
 - iii) retain the opportunity for the marine industry for up to 10ha of land at Hobsonville until the 2015/16 year. If the marine industry could secure the necessary three significant presales from major boat builders, then the MIP would be triggered. If it could not be achieved by 2015/16, then the remaining 10ha would also be committed to the council's housing agenda.
14. In line with the May 2013 resolutions, in order to future proof the MIP, ACPL:
 - i) engaged with the marine industry on the strategy for the MIP, articulating the parameters of ACPL's involvement and the required pre-commitment of three significant boat building pre-sales;
 - ii) secured approval for a 10ha Comprehensive Development Plan (CDP) for the MIP site and also secured resource consent for an amended road network design around the MIP;
 - iii) progressed key infrastructure in line with the Infrastructure Funding Agreement (IFA) between HLC & ACPL to service the area.
HLC activated Hobsonville Point Road and the Launch Road section of these works in 2013. This required Launch Road and associated infrastructure to be fully designed and constructed to MIP standards.
 - iv) negotiated with NZTE with a view to extending the \$2m Major Regional Initiative grant for a period of up to three years.
15. A number of other factors have also changed since the May 2013 decision including:
 - i) Waterfront Auckland committed berthage and land to the marine refit industry at Wynyard Quarter;
 - ii) It was demonstrated that a far better urban design solution could be achieved if the whole 20ha is comprehensively planned for residential, local centre and mixed use development. In other words, certainty of the way forward for the whole 20ha site is needed;
 - iii) The introduction of the Housing Accord and the opportunity for a SHA at Hobsonville Point brought forward the opportunity for the council to achieve its housing policy objectives;
 - iv) The fire at Auckland Film Studios prompting review of council's commitment to the screen industry as identified in the EDS and the feasibility of locating a facility at Hobsonville.
16. In June 2014, ACPL sought to terminate the Marine Industry Precinct. The marine industry requested that the land was made available for a further 12 months to enable time to allow for discussions to proceed and firm proposals to be received by end of financial year 2014/2015. The Auckland Development Committee (ADC) accepted this request (resolution number AUC/2014/70). No proposals were ever received.

17. In accordance with ADC's resolution (AUC/2014/70), ACPL has worked to continue to future proof the two options set out in the May 2013 Strategy and Finance resolutions. ACPL has:
 - i) completed Launch Road, without travel lift capability as it was identified that given the reduction in size of the MIP from 20ha to 10ha, it is very unlikely that any marine tenants activating the MIP could afford this;
 - ii) along with HLC, implemented and built wastewater pump station 3 to service the MIP and HLC land as well as future proof the MIP for future housing;
 - iii) commenced construction of storm water ponds which allows for any final development option service development of the 20ha;
 - iv) created a new CDP for the 10ha marine/10ha residential option (herein referred to as the 10/10 Masterplan) which is appended to this report as **Attachment B**;
 - v) undertaken a full masterplanning exercise for the 20ha residential option which includes 6ha mixed employment hub referred to as the 14/6 Masterplan attached as **Attachment C** with HLC and taken this through the Housing Project Office as a virtual consent (consent requires the residual land to become a SHA before it can be formally processed);
 - vi) undertaken engagement with the marine industry and other key stakeholders who are supportive of the 14/6 Masterplan;
 - vii) it should be noted that ACPL has reached agreement with HLC over the 14/6 Masterplan which satisfies their employment objectives for the wider Hobsonville Point area.
18. Over the last four months ATEED has:
 - i) consulted with HLC to understand the Crown's objectives and the requirements of council in terms of the original Scheme of Development.
 - ii) engaged MBS3 to provide a comprehensive report on the infrastructure options for Auckland's screen production industry, in particular, to provide a commercial model that would allow private sector investment in any proposed solution by council, making land available at Hobsonville and retiring the existing site at Henderson;
 - iii) engaged M.E. to show that acquiring a professionally managed and profitable Film Studio Campus in the future, with or without the provision of ground rental payments, would constitute an acceptable commercial return for council that compares favourably with the counter-factual represented by ACPL's preferred option;
 - iv) appointed KPMG to undertake a market validation exercise to determine private sector interest to invest in a Film Studio Campus on council-owned land based on cost and revenue forecasts prepared by MBS3.
19. ACPL is again recommending that council should not proceed with the MIP as there have been no sales of land at the MIP for boat-building premises, nor any significant pre-commitment. There is no realistic prospect before ACPL that provides any level of comfort that a thriving and viable MIP can be established at this location.
20. ACPL has undertaken a full master planning exercise in conjunction with Hobsonville Land Company (HLC) for the 20ha residential option. This is made up of 14ha residential and 6ha of employment hub. The Masterplan provides for an integrated quality urban design outcome which will exceed the Special Housing Area affordable housing targets. Significant employment will be generated over the next 10 years while housing and infrastructure services are developed. Employment will also be significantly catered for within the employment hub zone.
21. The development will provide a broad range of housing typologies and an employment hub to compliment the adjoining HLC land.

22. ACPL prefers the 14/6 Masterplan as it has a number of significant advantages. These are:
 - i) removes uncertainty for ACPL, HLC and other key stakeholders;
 - ii) reduces infrastructure costs;
 - iii) generates considerable employment opportunities now and into the future;
 - iv) increased housing supply;
 - v) enables residential housing development to proceed immediately and takes advantage of the current market conditions;
 - vi) integrates with proposed residential development on adjoining sites by HLC and their builder partners;
 - vii) consistent and enhanced urban design outcomes, including improved linkages, public connections, open spaces and street frontages;
 - viii) allows for 80 homes to be immediately developed on ACPL land in partnership with HLC;
 - ix) council recompensed all historic costs inclusive of land of \$36.6 million plus a surplus of \$34 million.
23. If 10ha of land is committed to a film studio campus on the BOOT basis proposed, a high level analysis undertaken by CBRE property consultants indicates that the net present value (NPV) differential between the two scenarios is \$24m, or, in nominal terms \$50m, relative to the 14/6 Masterplan.
24. In short Auckland Council would be \$24m worse off in cash terms, if it progresses with the Film Studio Campus scenario at Hobsonville. This has also been independently verified by Colliers International Property Consultants.
25. The ACPL proposal will return to ratepayer the entire \$36 million spent to date, and is projected to secure an additional \$34 million surplus.
26. Auckland Tourism, Events and Economic Development Ltd (ATEED) have confirmed that their market testing will now also include other options for the delivery of the film campus. This may result in differing financial outcomes than those originally proposed under a BOOT scheme.
27. ACPL considers a realistic alternative for the Film Studio Campus location would be within the Northern Strategic Gateway (NorSGA) and north-western and Hobsonville corridors. This area is better suited to industrial and commercial development in terms of proximity to motorways and the metropolitan centre of Westgate, and is only some ten minutes from Hobsonville. ACPL has offered to assist ATEED with site selection and acquisition.
28. ATEED proposes up to 10ha of the land designated as MIP be now designated a Film Studio Campus to accommodate screen industries and retain the existing marine tenant, but more importantly to facilitate discussions with the private sector to deliver a Film Studio Campus on council-owned land that will deliver council an acceptable commercial return and significant economic benefits. The remaining 10ha of land will contribute to council's housing agenda.
29. In July 2014, fire damaged buildings at council-owned Auckland Film Studios (AFS) in Henderson. The facilities at Henderson are no longer fit for purpose if Auckland is to continue to grow its screen production sector, which Statistics New Zealand report contributed nearly \$650m to Auckland's economy in 2014.
30. Following the fire and after consulting with industry and ATEED, AFS engaged US-based consultants, MBS3, to review Auckland's film studio infrastructure and indicate the best way forward – reinvesting in the current site, or on a potential new site.

31. MBS3 carried out a full investigation, including visiting Auckland, and identified the MIP at Hobsonville as being well-suited as a site for a possible new Film Studio Campus that could provide significant economic growth opportunities for the Auckland screen industry.
32. MBS3 recommend adopting a 'hotel model' of studio management at Hobsonville, ensuring optimal configuration of fit-for-purpose offices, sound stages and ancillary businesses to deliver the efficiencies and productivity missing from the first-come, first-served 'landlord model' adopted by AFS on the constrained Henderson site.
33. Following the MBS recommendation, ATEED engaged, economic consultants, Market Economics Ltd, (M.E) which produced a report last month showing the value of the screen industry to Auckland. The M.E. report showed that a successful Film Studio Campus on the site would sustain approximately 435 workers annually (i.e. new jobs to Auckland, not involving displacement or substitution of jobs from elsewhere in Auckland) and that the net present value of GDP generated over 25 years would be \$483m (in \$2007).
34. ATEED refers to the M. E. report showing that on a per capita basis Aucklanders would be better off by \$207.77 in net present value GDP with a Film Studio Campus versus residential development; 3.3 times better than were the site to accommodate a mixed use development as contemplated by ACPL. Over 25 years, in GDP terms, the benefit cost ratio is 2.9 in favour of developing a Film Studio Campus.
35. ATEED contends that the M. E. report represents the best possible return to the Auckland economy from the use of the land at Hobsonville.
36. Guidance from council's Research and Monitoring Unit (RIMU) is that: "it is worth considering the time scale of impacts when deciding upon land uses. In principle, Auckland Council should be willing to trade short-term returns for longer term benefits"
37. Land at Hobsonville provides a unique opportunity to deliver on Auckland's Economic Development Strategy (EDS) of which a key priority is "to support the development of clusters, precincts and industry infrastructure that support innovation in key sectors of competitive advantage", and of which a key initiative is "to support and deliver the development of an internationally competitive screen-production studio complex, accommodating latest sector requirements, such as motion capture technology (to develop digital/animated content)".
38. ATEED consider that creating a Film Studio Campus provides the opportunity for a market-led solution to address the shortfall in Auckland's studio infrastructure by:
 - i) delivering council a commercial return through the reversion of land and transfer of a profitably and professionally managed Film Studio Campus at Hobsonville Point at the end of a fixed period of time;
 - ii) meeting the prevailing gap in Auckland's studio infrastructure by providing larger, higher quality space than is currently available in the region;
 - iii) being commercially sustainable under current government policies to support film and television;
 - iv) encouraging the development and co-location of ancillary businesses (e.g. rental of film equipment), either through direct investment by the studio or by encouraging others to invest;
 - v) aligning with the council group's desire to investigate alternative funding opportunities;
 - vi) providing employment opportunities;
 - vii) allowing a consortium to form by drawing on a range of expertise for example:
 - A global studio operator;
 - New Zealand and overseas equity;
 - A construction company;
 - A facilities management company;

- Domestic production house or other anchor tenant;
 - Third-party funders, investors and/or developers.
39. The difference in the options preferred by each CCO is essentially a reflection of the different roles, purpose and statements of intent of each organisation.
40. There is no inherently “right” or “wrong” option however there is considerable risk around uncertainty moving forward. Council, as shareholder of both organisations, needs to choose which option best matches its overall objectives given the information provided.
41. Prior to completion of this report ATEED suggested an alternative procurement timetable that reduces the market testing and selection process from eleven months to four months.
42. Under this new approach a final decision as to the future of the film campus will be able to be made at the Auckland Development Committee meeting in November.
43. ACPL’s preference is that the 14/6 master plan be activated immediately, however there is a window of opportunity up to November 2015 for ATEED to undertake further market testing without delaying the delivery of housing.
44. ACPL will incur costs of \$200,000 if the ATEED proposal is progressed in November 2105 and would look to ATEED to underwrite this cost as part of the Film Campus proposal.
45. If a decision is made to hold open ATEED’s proposal after November 2015, then the delivery of housing will be delayed by at least a year and further additional costs will be incurred by ACPL. A summary of the various scenarios is attached as **Attachment A**. In summary additional delays will incur real and substantial, both financial and non-financial.
46. HLC have indicated significant concern over ongoing uncertainty as to the development of the site. The delay in a final decision until November 2105 will have a material effect on HLC.
47. In summary, we request that the committee note the following:
- i) that despite extensive marine industry consultation and national and international marketing of the marine industry opportunities at Hobsonville, no presales were achieved, nor is there any current substantive prospect of presales;
 - ii) the marine industry’s view that the refit industry offers prospects for the New Zealand marine industry, and that Waterfront Auckland offers opportunity for the refit industry, in addition to other options that are available in the region;
 - iii) the significant demand for additional housing within Auckland as outlined in the Auckland Housing Accord and the opportunity the 20ha Hobsonville Point block provides to assist in furthering the council’s housing objectives;
 - iv) the analysis completed by CBRE property consultants in support of ACPL’s preferred option for a 20ha residential development with up to 6ha employment hub (referred to as the 14/6 Masterplan);
 - v) significant employment will be generated by the development of 14ha housing and continue on by up to 6ha of employment hub;
 - vi) the economic development benefits of a Film Studio Campus scenario as outlined by ATEED, and the related employment opportunities;
 - vii) the economic modelling by M.E. undertaken on the basis of extensive reports previously undertaken by both PWC and MBS3 supporting the commercial and economic validity of ATEED’s proposal.

Marine Industry Demand

48. The MIP has been ready to proceed to physical works since late 2011. It has only been deferred because of the inability to get the pre-commitment of three large Superyacht builders to locate at Hobsonville.

49. One Superyacht operator did try and establish in the former Sovereign Yachts building. However, this operator was unable to make its operation work and exited the premises in December 2013.
50. Yachting Developments Limited (YDL), relocated from the Wasp Hanger building (which is now vacant) to the former Sovereign Building after securing a substantial new Superyacht build project. YDL is currently on a medium term lease at market rental.
51. Discussions with Alloy Yachts took place from June to December 2014. Alloy Yachts intended to purchase land to relocate their boat building operation to Hobsonville. However, no offer was ever made. It transpired that no future workload was secured and Alloy Yachts was unable to conclude a commercial arrangement.
52. Despite developing a close working relationship with the marine industry, redesigning the MIP complex and launch facilities to meet industry needs, obtaining all consents, and initiating national and international marketing of the facility in an attempt to activate the MIP, there is still no substantiated commercial interest in the MIP from the boat building/marine industry necessary to trigger the development even on a reduced scale from the original 20ha. Nor is there from ACPL's perspective any indication of firm interest in the long term or foreseeable future. There is therefore no realistic prospect before ACPL that provides comfort that a thriving and viable MIP can be established at this location. With the required significant marine specific infrastructure spend.
53. In addition to the lack of commitment from the marine industry, the following points should also be noted:
 - i) While a significant financial investment in the MIP has been made to date, to turn the MIP into reality, there is still significant investment required in roading, buffer zones, dredging channels, sea-wall strengthening, and constructing the launching ramp and slipway, forecourts and hardstands. This additional investment required to activate the MIP has been estimated at circa \$33 million;
 - ii) NZTE has advised that due to the length of time that the project has taken and the delays in securing pre-sale commitments, the \$2 million funding is no longer available;
 - iii) ACPL sought a report from Auckland Tourism Events and Economic Development (ATEED) on the future of the marine industry. The findings were generally consistent with the research previously commissioned by ACPL. The report identified:
 - The fundamental change in focus that is occurring in the New Zealand marine industry from the manufacture of new vessels, to refitting existing vessels. This has seen a significant reduction in the demand for new Superyacht construction into the New Zealand market and the number of new vessel orders for New Zealand operators remains very low;
 - This change has been driven off the high New Zealand dollar, new manufacturing capacity in competitive markets, particularly Asia, and the lasting impact of the global financial crisis which has reduced demand for new Superyachts;
 - There is significant economic development potential for the refit part of the industry.
 - iv) Waterfront Auckland has committed berthage and land to the marine refit industry at Wynyard Quarter. This operation is clearly attractive to the market, based on the number of Superyachts that have stayed in New Zealand for refit purposes. Further, Wynyard Quarter accommodates a marine cluster consisting of numerous marine industry support activities and operations. Wynyard Quarter is the logical location to provide land for the refit industry;
 - v) The concept of making Hobsonville Point available for small operators to try and grow the industry does not provide a solution. There is a number of small boat operators throughout Auckland located within industrial areas. They operate well in these locations and there are no particular requirements as to why they would need to locate specifically at Hobsonville Point;

- vi) The purpose of the Hobsonville Point MIP was to attract mega boats or Superyachts that could not be accommodated elsewhere in Auckland, and the necessity for this size and weight of vessel to have a direct coastal location including deep water access. These are the primary elements that support the Hobsonville Point land to be committed to marine industrial purposes rather than residential. There is not a shortage of land within Auckland to provide for small marine operators.
- 54. ACPL therefore retains the view expressed in the June 2014 report to ADC that council should not proceed with the MIP.
- 55. If the MIP does not proceed, Launch Road would no longer be required to be retained as a private road for marine purposes and would be vested as a public road as part of the subdivision consent process for the land. Any future road closures can be dealt with the standard provisions available to all parties via Auckland Transport.

ACPL's preferred option

- 56. ACPL in conjunction with HLC, has undertaken a significant Masterplanning exercise for the 20ha residential option which includes a 6ha employment hub and 14ha residential development. This is ACPL's preferred option. It has been taken through the Housing Project Office as a virtual consent. The consent requires the residual 10ha land, which is currently MIP, to become a SHA.
- 57. The Masterplan provides for a high quality urban design outcome that is consistent with and complementary to the form of development throughout Hobsonville Point. It provides for a mix of housing typologies to promote a diverse residential community.
- 58. The 14/6 Masterplan provides for 6ha of land adjoining Launch Road to become an employment hub which adjoins HLC. The employment hub comprises an initial 3.8ha block which already provides employment for 80 staff at Yachting Developments. There is also a 2.2ha employment hub expansion area on the west side of Wallace Road, which will also be developed assuming sufficient demand.
- 59. The employment hub can and will include marine businesses. The intention is that Yachting Developments Ltd (YDL) will be retained in its current location for the term of its current tenure. No further marine specific infrastructure will be provided.
- 60. This plan will complement and strengthen the HLC development for a neighbourhood centre on its adjoining land to the north of Launch Road, which has approval as part of the Sunderland Comprehensive Development Plan. HLC sees this land as providing a community hub at this eastern end of Hobsonville Point adjacent to "The Landing" and the ferry terminal. The proposed ACPL Masterplan underpins and complements this approach by providing an area for a local centre as well as ongoing opportunities for employment.
- 61. Significant employment opportunities will be generated while housing and infrastructure is developed. This will complement the opportunities for businesses to locate into the employment hub. ACPL will continue to work closely with HLC to ensure that employment opportunities are actively pursued.
- 62. The Wasp Hanger building is currently vacant and is not safe to occupy due to services and asbestos issues. The main component of the building has architectural significance and will be adaptively reused for employment opportunities. All other subsidiary buildings will be demolished.

ATEED's preferred option

- 63. From ATEED's perspective:
 - i) The general unavailability of large parcels of land in Auckland ideally suited to significant industrial requirements and industry clusters is problematic for Auckland's economic growth;
 - ii) Guidance from RIMU is available in a briefing note: "Uses of council-owned land: What factors should Auckland Council and CCOs consider?", which states:

- “Urban land, once it becomes residential very seldom gets used for other purposes, so the sale of the land on the open market is likely to be the last time council has an ability to determine the nature of activity that occurs on the land”; and
 - “It is worth considering the time scale of impacts when deciding upon land uses. In principle, Auckland Council should be willing to trade short-term returns for longer term benefits”
64. ATEED prefers that 10ha of land be committed for residential development and up to 10ha be allocated as a Marine and Screen Industrial Precinct to provide for the development of a film studio campus through a PPP process.
65. ATEED’s recommendation sees council:
- i) Secure a successful Film Studio Campus that will grow the screen industry (content production and ancillary services) and create productive employment in the creative sector;
 - ii) Identify a profitable economic model to support an attractive investment proposition for the private sector;
 - iii) Minimise cost and maximise benefit for the Auckland ratepayer within acceptable (minimal) levels of risk.
66. ATEED’s recommendation does not involve selling the land nor necessarily leasing it at full market rates, but may result in some form of ground rent being charged and the future acquisition of a fully operational and professionally managed Film Studio Campus on council-owned land.
67. In February, ATEED presented ACPL with a proposal to develop a Film Studio Campus covering an area of approximately 10ha on ACPL’s land at Hobsonville.

Financial

68. The financial implications are significant for council. The ACPL proposal will ensure a return to the ratepayers of all the \$36 million spent to date on the site including acquisition. An additional \$34 million surplus will be achieved.
69. ACPL commissioned CBRE property consultants to complete an analysis of the financial implication of proceeding with a Film Studio Campus on the basis proposed by ATEED. This essentially involves no return on the land for approximately 20 years as opposed to ACPL’s preferred option of a 14/6 Masterplan. The report, dated 14 May 2015 appended to this report as **Attachment D**. This analysis has also been peer reviewed by Colliers International Property Consultants which is in agreement with CBRE’s findings.
70. CBRE’s high level analysis indicates that the net present value (NPV) differential between the two scenarios is \$24m, or, in nominal terms \$50m. Relative to the Status Quo, the council would be \$24m worse off, if it progressed with the Film Campus scenario. Therefore the Film Studio Campus project would need to contribute (or pay) \$24m upfront, to acquire and service the land, to offset this loss.
71. ATEED believe the appropriate methodology is to represent ACPL’s option as the counter-factual by which alternative land uses should be measured. To be preferred, ATEED’s Film Studio Campus option should meet or exceed the value and/or other substantial benefits provided by ACPL’s option.
72. Comparing ATEED’s option with ACPL’s option requires two basic comparisons to determine the better outcome:
- i) The first is a financial consideration: whether the enterprise value of a Film Studio Campus business acquired in the future generates an acceptable commercial return, something market participants will determine through their willingness to invest and conclude an agreement with council;

- ii) The second is an economic consideration: what is the value of externalities given ATEED's option includes support of an industry that has generous multiplier effects and creates jobs, and the land at Henderson is made available as a consequence of council exiting its existing commitment there?
- 73. M.E has undertaken this work and concluded that the economic benefits of ATEED's recommendation are 1.8 times greater than ACPL's recommendation in terms of GDP outcomes with projections the Film Studio Campus will sustain 435 workers annually once it is fully operational, 2.4 times better than ACPL's proposal (at any one time up to 1,000 people could be working on the site once it is fully operational). The M.E. report is appended to this report as **Attachment E**.
- 74. AFS records the value of its land being in excess of \$10million. The value of this land would be returned to council as a result of council adopting ATEED's proposal.

Economic

- 75. ACPL's preferred 14/6 Masterplan provides for local employment opportunities and builds on the current business base already located on the site. A local retail centre can also be based in the existing Wasp hanger building.
- 76. The ACPL proposal for a mixed use hub is expected to provide a realistic opportunity for employment activities.
- 77. The alternative option of a Film Studio Campus will also provide significant employment opportunities. As part of market validation exercise, ATEED and KPMG publically released an Investment Memorandum to solicit investor appetite to invest in a Film Studio Campus on council-owned land at Hobsonville. Significant local and foreign interest, including that from major financial institutions and internationally-renown studio management companies has been received from companies, which have registered their interest to advance discussions further with council. The Investment Memorandum is appended to this report as **Attachment F**.

Urban design and integration

- 78. The work on the Masterplan has identified that preserving 10ha for the Film Studio Campus significantly compromises the urban design outcomes for the 20ha block. While a technical solution can be found, the unusual L-shaped block of land which would be developed for residential purposes, creates inefficiencies in terms of street layout and results in a significant compromise of the overall Masterplan.
- 79. The residential, local centre and mixed use development under the 14/6 Masterplan will be designed in a comprehensive and integrated manner. A design which needs to accommodate a possible future Film Studio Campus would need to include a substantial buffer and transitional zones around the edge and limited public access.
- 80. ATEED engaged planning consultants, Campbell Brown Planning Limited, which notes that "the (ATEED) proposal accords with the overall policy framework of the Operative District Plan, the Auckland Plan, and the Proposed Auckland Unitary Plan. The company advises: "our preliminary view is that there are no significant environment effects that would arise from the proposal that could not be addressed through appropriate design measures, or operating restrictions" and: "we conclude that the proposal can be designed to obtain the necessary resource consents. Overall, it is our opinion that the development as a strong employment node within Hobsonville Point will go a long way towards fulfilling the overarching strategic direction for this location. It will assist in creating a truly mixed use urban environment". The report of Campbell Brown Planning is appended to this report as **Attachment G**.
- 81. ATEED also engaged traffic consultants, Flow Transportation Specialists Limited, which notes that the proposed activities of ATEED's proposal do not currently raise any further

significant concerns with the operation of the road network within Hobsonville Point. The report of Flow Transportation Specialists is appended to this report as **Attachment H**.

Council's housing agenda

82. The Auckland Housing Accord and the Auckland Plan have identified the importance of providing additional land for Auckland's growth. The Auckland Plan targets providing for between 60% and 70% of this growth within the Rural Urban Boundary (RUB).
83. The Auckland Housing Accord also identifies the importance of bringing significant additional areas of residential land/housing to market within a shorter time frame to assist with the significant growth Auckland is experiencing. Hobsonville Point is capable of making a good contribution to the council's housing agenda.
84. The 10ha of the council land already identified for residential development was confirmed as a SHA in 2013. It will provide approximately 315 homes under the Film Studio Campus 10/10 option includes apartment options.
85. If the remaining 10ha is confirmed for a further 4ha residential and identified as a SHA, then developing 14ha of the 20ha block for residential under the 14/6 Masterplan will enable a minimum of 371 homes, with the planned incorporation of apartments the number of total homes to be provided will rise to 441
86. Under the Auckland Housing Accord and the PAUP, 10% of new homes are targeted to meet the council's affordable housing policies. These policies target a range of criteria built around the house sale price being equal or less than 75% of the median Auckland regional house price.
87. Consequently, this report recommends that under both the 14/6 Masterplan and Film Studio Campus options that at least 10 percent of new homes meet the council's affordable housing objectives. Opportunities are being explored to exceed this expectation by a further five percent that will include innovative housing options. Such an approach would enable various methodologies or approaches to affordable housing to be tested and developed by ACPL.

Uncertainty

88. From a property development perspective, the Film Studio Campus introduces significant uncertainty and risk. The Film Studio Campus is yet to be validated from a commercial perspective and significant work is still required to progress the business case, and for ATEED to run a full market process.
89. There is no certainty as to when or if a Film Studio Campus will be developed. As such the value of the 10ha balance of the site will be negatively impacted.
90. Both ACPL and HLC have progressed significant infrastructure works in relation to waste water, storm water and roading networks on the basis that there was no marine industry demand.
91. The Film Studio Campus proposal will significantly delay current design work and stop a proposal to allow for 80 houses to be immediately developed on ACPL land in partnership with HLC and AV Jennings.
92. Further delay will add to the future cost of infrastructure works on the site given the increasingly buoyant construction market.
93. HLC are seeking certainty as to the future of the ACPL site so that they can market their remaining sites with some understanding of what will be developed. ACPL's proposal provides this certainty.

Consultation

94. ACPL has consistently engaged with the marine industry in an attempt to activate the MIP. However, the marine industry now agrees with ACPL that there is no realistic prospect that a viable MIP can be established at this location.
95. The New Zealand Marine Industry Association is supportive of the proposed 14/6 Masterplan that includes the opportunity for the marine industry to be located within the mixed use zone. A letter of support is appended as **Attachment I**.
96. HLC is the adjoining land owner on three boundaries of the 20ha ACPL block at Hobsonville. ACPL has fully consulted with HLC over the development of both the MIP and the 14/6 Masterplan and is supportive of this option however is agnostic between ACPL and ATEED proposals. HLC has set out its position on the options in the **Attachment J**.

Consideration

Local Board views and implications

97. ACPL presented the initial 14/6 Masterplan for the full 20ha residential development to the Upper Harbour Local Board in a workshop in April 2014.
98. ACPL has had continued engagement with the Board as the 14/6 Masterplan has developed. The Local Board is now generally supportive of the ACPL's 14/6 Masterplan and passed a resolution on the on the 26 May 2015 noting ACPL's proposed Masterplan split is a far more suitable use than either marine precinct or the film industry at Hobsonville. A copy of their letter and resolution is as **Attachment K**.
99. ATEED presented to the Henderson-Massey Local Board, where the existing facility is located in April. They were supportive of ATEED's proposal, in creating an urban development opportunity at Henderson to better utilise the rail connection and provide for mixed use development there.
100. ATEED will continue to engage the community post decision in terms of next steps. In particular ATEED will examine the urban development opportunities surrounding the existing Henderson site and offer resources to assist in what happens next there. Notably, a multi-year transition from the Henderson site to any new site and will provide time for a more comprehensive resolution of the opportunity Henderson represents to emerge.

Māori impact statement

101. There has been no engagement with Iwi in the preparation of this report. However, the future use of the council's 20ha land at Hobsonville has been under discussion since the development of the original Plan Change 13 to the Waitakere District Plan and through the preparation of the Proposed Auckland Unitary Plan. Iwi was extensively consulted on the development of the Draft Unitary Plan.
102. Consultation was also undertaken on specific consents for the MIP, particularly in relation to storm water management and water treatment.
103. It is acknowledged that engagement with Iwi will be required as a necessary part of the formal regulatory process.

Implementation

104. If ADC adopts the 14/6 mixed development then the following actions will be necessary to give effect to the 14/6 Masterplan.
 - i) ACPL will seek a SHA to be applied to the remaining 10ha of the MIP block;
 - ii) ACPL will seek a qualifying development under the Housing Accord and Special Housing Areas Act for the Masterplan, covering the full 20ha of the MIP block at Hobsonville Point;

- iii) ACPL will move to implement the Hobsonville development under the normal delegations and processes of the council and ACPL;
- iv) ACPL will communicate the decision and the reasons for it to the marine industry and thank them for their attempts to activate the MIP over the last five years;
- v) ACPL will hand over to Waterfront Auckland all information, material and potentially any surplus assets on the MIP to assist them in their proposals to expand refit facilities for the marine industry at Wynyard Quarter;
- vi) Launch Road will no longer need to be “a private road” and will vest as a public road as part of the subdivision consent process for the 14/6 Masterplan development.

105. If the ADC adopts the Film Studio Campus option, the following will be necessary:

- i) Completion of the market validation process with progression to a Procurement Process should market validation support ATEED’s proposal;
- ii) Creation of milestones to ensure either the timely acquisition of a Film Studio Campus through a contestable procurement process or a recommendation for a subsequent land use change to allow other solutions for the use of the land to be advanced.

Attachments

No.	Title	Page
A	Procurement Scenarios <i>(Under Separate Cover)</i>	
B	ACPL 10/10 Masterplan <i>(Under Separate Cover)</i>	
C	ACPL 14/6 Masterplan <i>(Under Separate Cover)</i>	
D	ACPL CBRE and Colliers International analysis of the financial implication <i>(Under Separate Cover)</i>	
E	ATEED Market Economics Limited, “Economic Analysis of the Hobsonville Film Cluster” <i>(Under Separate Cover)</i>	
F	ATEED Investment Memorandum, KPMG & ATEED, Market Validation Exercise <i>(Under Separate Cover)</i>	
G	ATEED Campbell Brown Planning Limited, “Report to ATEED on Marine and Screen Complex” <i>(Under Separate Cover)</i>	
H	ATEED Flow Transportation Specialists, “Hobsonville Marine and Screen Complex, Preliminary Transport Assessment” <i>(Under Separate Cover)</i>	
I	Letter of support from New Zealand Marine Industry Association <i>(Under Separate Cover)</i>	
J	Hobsonville Land Company’s position <i>(Under Separate Cover)</i>	
K	Upper Harbour Local Board resolution <i>(Under Separate Cover)</i>	

Signatories

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Authorisers	David Rankin – Chief Executive - ACPL Brett O’Riley – Chief Executive - ATEED Jim Quinn – Chief of Strategy

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Auckland Development Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Confidential Reports Pending Status Update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>In particular, the report contains commercially sensitive information regarding development proposals.</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>In particular, the report contains commercially sensitive information regarding development proposals.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

C2 Ararimu Development Agreements

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>In particular, the report contains information which may impact property values.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

C3 Special Housing Area Tranche 7 deferred recommendations

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>In particular, the report contains commercially sensitive information and information that could potentially give certain parties a commercial advantage if released..</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>In particular, the report contains commercially sensitive information and information that could potentially give certain parties a commercial advantage if released.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>