



# Panuku Development Auckland

An Auckland Council Organisation

## Board Report

### Date

Wednesday, 25 October 2017

### Time

Commencing at 10:00 am

### Venue

Panuku Development Auckland  
Ground Floor, 82 Wyndham Street, Auckland

# Board Agenda

**Where:** 82 Wyndham Street, Auckland

**When:** Wednesday, 25 October 2017 | 9.00 am – 2:00 pm

**Board Members:** Richard Aitken – Chair  
 Anne Blackburn – Director  
 Evan Davies – Director  
 Richard Leggat – Director  
 Dr Susan Macken – Director  
 Paul Majurey – Director  
 Mike Pohio – Director  
 Martin Udale – Director

**In attendance:** Roger MacDonald – Chief Executive  
 David Rankin – Chief Operating Officer  
 Carl Gosbee – Director Corporate Services  
 Angelika Cutler – Director Corporate Affairs  
 Rod Marler – Director Place and Design  
 Ian Wheeler – Director Portfolio Management  
 Allan Young – Director Development

		Page #	Timing
1.	<b>Opening of Meeting</b>		9:00 am
2.	<b>Confidential Board Papers (papers which are fully confidential)</b> <b>Decision Papers</b> 2.1 20 Barrowcliffe Place <i>Withheld from the public under S7(2)(i) of the LGOIMA</i>		9:00 am
3.	<b>Strategy Papers</b> 3.1 Unlock Avondale HLPP <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i> 3.2 Strategic Development Fund for Acquisitions <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i> 3.3 Panuku Business Strategy 2017-2020 <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i>		9:30 am
4.	<b>Opening of Public Meeting</b>		10:00 am
5.	5.1 Apologies 5.2 Directors' Interests 5.3 Directors' Board Meeting Attendance Register 5.4 Minutes of the 27 September 2017 Board (public)		10:00 am
6.	<b>Chief Executive's Report (public)</b>		10:15 am
7.	<b>Decision Papers</b> 7.1 30 June 2017 Annual Report 7.2 Disposal Recommendations		10:30 am

		Page #	Timing
<b>8.</b>	<b>Information Papers</b> 8.1 Long Term Plan (LTP) 8.2 Projected Housing Supply 8.3 Grants and Donations Quarterly Report (30 September 2017)		<b>11:00 am</b>
	<b>Morning Tea</b>		<b>11:15 am</b>
	<b>Procedural Motion to Exclude the Public</b> Put the motion that, pursuant to the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.		
<b>9.</b>	9.1 Auckland Plan Refresh – presentation by Jim Quinn, Chief of Strategy, Auckland Council		<b>11:30 am</b>
<b>10.</b>	<b>Confidential matters</b> 10.1 Confidential Minutes of 27 September 2017 Board meeting 10.2 Board Action Plan 10.3 Discussion of confidential matters in CE Report <ul style="list-style-type: none"> <li>• Leaderkit Report</li> <li>• Financial Dashboard</li> <li>• Health and Safety Report</li> <li>• Risk Update</li> <li>• Acquisitions Summary</li> <li>• Disposals Summary</li> </ul>		<b>12:00 pm</b>
	<b>Lunch</b>		<b>12:45 pm</b>
<b>11.</b>	<b>Information Papers</b> 11.1 Panuku Priority Location Master Programme Update <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i> 11.2 Panuku Staff Engagement Survey Action Plan <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i> 11.3 Northern Corridor Improvement Project <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i>		<b>1:15 pm</b>
<b>12.</b>	<b>Board Committees</b> (verbal update where appropriate) 12.1 Britomart Board Committee <i>Withheld from the public under S7(2)(f)(i) of the LGOIMA</i>		<b>1:45 pm</b>
<b>13.</b>	<b>General Business</b>		<b>1:55 pm</b>
<b>14.</b>	<b>Close of Board meeting</b>		<b>2:00 pm</b>

## Directors' Interests as at 10 October 2017

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>Richard H. AITKEN</b>	Chairman	Panuku Development Auckland Limited	
	Director	BGCF Trustee Ltd	
	Shareholder	Beca Group Ltd	
	Director	BGL Custodian Ltd	
	Director	BGLIR Trustee Ltd	
	Director	BGL Management Share Trustee Ltd	
	Director	BGL Nominees Ltd	
	Director	BGS Trustee Ltd	
	Director	Derceto Trustee Ltd	
	Director	Hopetoun Pitt Ltd	
	Director	Gands Plan Pty Ltd (Australia)	
	Director	John Scotts Investments Ltd	
	Director	Trust Power Ltd	
	Director	Te Punaha Matatini Advisory Board	
	Trustee	BAS Custodian Trust	
	Trustee	Beca Indemnity Fund Custodian Trust	
	Trustee	BGLIR Custodian Trust	
	Trustee	BGL Custodian Trust	
	Trustee	BGS Custodian Trust	
	Trustee and Discretionary Beneficiary	The Glade Trust	
Trustee	The Sunnybrae Trust		
Trustee	The Waimarama Trust		
<b>Dr Susan C. MACKEN</b>	Deputy Chair	Panuku Development Auckland Limited	
	Director	Treasury Advisory Board	
	Director	Blossom Bear Ltd	
	Director	STG Ltd	
	Deputy Chair	Tāmaki Redevelopment Company Ltd	Possible
	Chair	Spa Electrics Ltd (Aust.)	
	Chair	Kiwibank	

Member	Interest	Company / Entity	Conflicts pre-identified?
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<b>M. Anne BLACKBURN</b>	Director	Panuku Development Auckland Limited	
	Member	Commercial Operation Advisory Board to the Treasury	
	Director	New Zealand Venture Investment Fund Limited	
	Director	NZVIF Investments Ltd	
	Director	Warren & Mahoney Ltd	Supplier
	Director	Warren & Mahoney Architects Ltd	Supplier
	Director	Committee for Auckland Ltd	
	Director	Fidelity Life Assurance Company Ltd	
	Director	Fisher Funds Management Ltd	
	Director	TSB Bank Ltd	
	Director	TSB Group Capital Ltd	
	Director	TSB Group Investments Ltd	
	Director	Ten Gracie Square Ltd	
	Trustee	Wairaka Land Company Ltd (Unitec land development subsidiary)	Possible

<b>Evan W. DAVIES</b>	Director	Panuku Development Auckland Limited	
	Director	Welch Securities Ltd	
	Director	Paris Magdalinos Architects Ltd	
	Director	Kokako Fames Ltd	
	Director	Todd Property Group & subsidiaries	
	Director	Todd Property Ormiston Town Centre Ltd	J/V with Panuku
	Trustee	Melanesian Mission Trust	
	Trustee	Anglican Trust for Women and Children	
	Chair	Capital Investment Committee, Nation Health Board	
	Chair	Christchurch Hospital Redevelopment Partnership Board	
	Director	FMS Ltd (Australia)	

<b>Richard I. LEGGAT</b>	Director	Panuku Development Auckland Limited	
	Director	New Zealand Post Ltd	
	Deputy Chair	Tourism NZ	
	Director	Cycling NZ	
	Director	Education NZ	

Member	Interest	Company / Entity	Conflicts pre-identified?
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	Member	Union Cycliste Internationale Ethics Commission	
	Chairman	NZ Cycle Trail Incorporated	
	Director	Snowsports NZ	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Director	Trophy Metropolitan Ltd	
	Director	Mortleg Ltd	
	Director	Winter Games New Zealand	
	Advisor	MyMoneyFit Ltd	

<b>Paul F. MAJUREY</b>	Director	Panuku Development Auckland Limited	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Tāmaki Makaurau Community Housing Ltd	
	Chair	Mana Whenua & Crown Working Group (proposed Hauraki Gulf / Tikapa Moana Recreational Fishing Park)	
	Chair	Marutūāhu Rōpū General Partner Ltd	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Hauraki Collective (12 iwi collective)	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Co-Chair	Tāmaki Healthy Families Alliance	
	Director	Museum of New Zealand Te Papa Tongarewa	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Taimoana Marine Farms Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Ngāti Maru Pouarua Farm Ltd	
	Director	Half Moon Bay Venture Ltd	
	Director	Atkins Holm Majurey Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Ngāti Maru Rūnanga Trust	
	Trustee	Hauraki Fishing Group	
	Mana Whenua Representative	Hauraki Gulf Forum	
	Tainui Waka Representative	Iwi Working Group (review of Te Ohu Kaimoana)	
Chair	Whenuapai Housing General Partner Ltd		

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>Michael E. POHIO</b>	Director	Panuku Development Auckland Limited	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	KiwiRail Ltd	
	Chairman	BNZ Partners Waikato	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	TBFree	
	Director	Ospri New Zealand Ltd <ul style="list-style-type: none"> <li>National Animal Identification and Tracing Ltd</li> </ul>	

<b>C. Martin UDALE</b>	Director	Panuku Development Auckland Limited	
	Director	Essentia Consulting Group Ltd	
	Director	Fleming Urban Ltd	Possible Onehunga development
	Director	Innovation Waikato Ltd	
	Director	Paparata Ltd	
	Director	Tall Wood Ltd	
	Director	Tall Wood Distribution Ltd	
	Director	Forest Group Ltd	
	Director	Tāmaki Redevelopment Company Ltd	Possible
	Director	Tāmaki Regeneration Ltd	
	Director	Waikato Innovation Park Ltd	
	Chair	Wairaka Land Company Ltd (Unitec land development subsidiary)	Possible
	Trustee	Cardinal Trustees Ltd	
	Director	TW Twenty Twenty Ltd	
	Director	Hobsonville GP Ltd	
	Director	New Ground Living (Hobsonville Point) Ltd	
	Director	Tall Wood Assembly Limited	

## DIRECTORS' MEETING ATTENDANCE REGISTER – 2017 / 2018

	2017					2018						
	26 Jul	30 Aug	27 Sep	25 Oct	30 Nov	25 Jan	28 Feb	28 Mar	26 Apr	30 May	27 June	TOTAL
R.H. Aitken	✓	✓	✓									
Dr S.C. Macken	✓	✓	✓									
M.A. Blackburn	✓	✓	X									
E.W. Davies	✓	✓	✓									
R.I. Leggat	✓	✓	✓									
P.F. Majurey	✓	✓	✓									
M.E. Pohio	✓	✓	✓									
C.M. Udale	✓	✓	✓									



MINUTES OF THE MEETING OF DIRECTORS OF DEVELOPMENT AUCKLAND LIMITED (PANUKU DEVELOPMENT AUCKLAND), HELD IN PUBLIC SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 27 SEPTEMBER 2017 COMMENCING AT 9.00 AM.

<p><b>1 BOARD ONLY TIME</b></p>	<p>1 09/17</p>	<p><b>Board:</b> Richard Aitken (Chair), Evan Davies, Richard Leggat, Paul Majurey, Mike Pohio, Dr Susan Macken, and Martin Udale.  <b>Executive:</b> Roger MacDonald (Chief Executive), David Rankin (Chief Operating Officer), Carl Gosbee (Director Corporate Services), Rod Marler (Director Place and Design), Ian Wheeler (Director Portfolio Management), Allan Young (Director Development), Letechia Connell (Minute Taker), Katie Walton (Minute Taker)</p> <p>Noted that a Board members only time commenced at 9am.</p> <p>Remuneration Framework including gateway objectives</p> <p>The board approved the remuneration framework, including gateway objective.</p> <p>The executive attended from 9:50am.</p>								
<p><b>6.3 APOLOGIES</b></p>	<p>2 09/17</p>	<p>Anne Blackburn</p> <p>Mike Pohio left the meeting at 11:30am</p>								
<p><b>3 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC</b></p>	<p>3 09/17</p>	<p>It was <b>RESOLVED THAT</b>, pursuant to the provisions of clause 12.3 of the Panuku Constitution, the public be excluded from the Meeting for the following proceedings; the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" data-bbox="616 1088 1430 1469"> <thead> <tr> <th data-bbox="616 1088 983 1196">General subject of matters to be considered</th> <th data-bbox="983 1088 1430 1196">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 1196 983 1303">Governance; Committee report</td> <td data-bbox="983 1196 1430 1303">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="616 1303 983 1368">Finance and Risk</td> <td data-bbox="983 1303 1430 1368">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="616 1368 983 1469">Management and operations</td> <td data-bbox="983 1368 1430 1469">Commercially sensitive issues</td> </tr> </tbody> </table> <p><i>Moved Paul Majurey, seconded Martin Udale; CARRIED.</i></p>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									
<p><b>CONFIDENTIAL DECISION PAPER 4.1 – AVONDALE HLPP</b></p>	<p>4 09/17</p>	<p><i>Withheld from the public under S7(b)(ii) of the LGOIMA</i></p>								
<p><b>6.1 OPENING OF THE PUBLIC MEETING PUBLIC DEPUTATION</b></p>	<p>5 09/17</p>	<p>Public Deputation – Peter Haynes and Glenda Fryer</p> <p>Peter Haynes and Glenda Fryer joined the meeting. They sought a decision to alter the Panuku planned development at Dominion Road, Mt Eden, to not incorporate what they argued was to be a “gated community”.</p> <p>Renders of the design were presented to the Board by Panuku staff. There will be a letter sent to Peter Haynes and Glenda Fryer in response to their request.</p>								
<p><b>6.1 OPENING OF THE PUBLIC MEETING PUBLIC DEPUTATION</b></p>	<p>6 09/17</p>	<p>Public Deputation, Chair Takapuna Local Board</p> <p>There was a recommendation to dispose of 4 Blomfield Spa on the board agenda.</p> <p>The Takapuna Local Board representative spoke regarding the challenges</p>								

		<p>over the sale of parks in Takapuna, in particular 4 Blomfield Spa. His request was not to recommend the site for sale.</p> <p>The Board <b>RESOLVED</b> to delay the decision by 3 months whilst the Council decided its position on the principle of reinvestment as part of the LTP process.</p> <p><i>Moved Richard Leggat, seconded Susan Maken; CARRIED</i></p>
<b>6.5 BOARD ATTENDANCE REGISTER</b>	7 09/17	The Board <b>received</b> the Board Attendance Register.
<b>6.6 PUBLIC MINUTES OF THE BOARD MEETING OF 30 AUGUST 2017</b>	8 09/17	The Board reviewed and <b>approved</b> the Public Minutes of the Board Meeting of 30 August 2017.
<b>6.4 DIRECTORS' INTERESTS</b>	9 09/17	The Directors' Interests Register was <b>noted</b> .
<b>PUBLIC INFORMATION PAPER 7.1 – HEALTH AND SAFETY PLAN</b>	10 09/17	The plan was <b>RECEIVED</b> , with comment that it was comprehensive and ambitious.
<b>PUBLIC INFORMATION PAPER 7.2 – AUCKLAND COUNCIL Q4 REPORT</b>	11 09/17	This paper was taken as read and was not discussed.
<b>PUBLIC INFORMATION PAPER 7.3 – ENTERPRISE RISK MANAGEMENT POLICY</b>	12 09/17	<p>This policy had been endorsed by the audit and risk committee, and was <b>APPROVED</b> by the board.</p> <p><i>Moved Mike Pohio, seconded Susan Maken; CARRIED</i></p>
<b>PUBLIC DECISION PAPER 8.1 – DISPOSAL RECOMMENDATION</b>	13 09/17	<p><b>Disposals recommendations</b></p> <p>It was <b>RESOLVED</b> that the Board delay the decision on 4 Blomfield Spa, Takapuna for 3 months as per item 6.2</p> <p>It was <b>RESOLVED</b> that the Board <b>APPROVE</b> the recommendation to the Finance and Performance Committee that the following properties are surplus to council requirements and should be divested:</p> <ul style="list-style-type: none"> <li>ii. Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay -</li> <li>iii. Lot 1 DP 198461 BLK II Opaheke, Papakura (aka 28 Lockwood Road, Papakura)</li> <li>iv. 9 Matama Road, Glen Eden</li> </ul> <p><i>Moved Martin Udale, seconded Mike Pohio; CARRIED</i></p>
<b>9. DISCUSSION OF PUBLIC MATTERS IN CE REPORT</b>	14 09/17	This paper was taken as read and due to time constraints was not discussed.
<b>10 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC</b>	15 09/17	It was <b>RESOLVED THAT</b> , pursuant to the provisions of clause 12.3 of the Panuku Constitution, the public be excluded from the Meeting for the following proceedings; the subject matter, the reasons and specific grounds for exclusions being set out below:

		<table border="1"> <thead> <tr> <th>General subject of matters to be considered</th> <th>Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td>Governance; Committee report</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Finance and Risk</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Management and operations</td> <td>Commercially sensitive issues</td> </tr> </tbody> </table>		General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
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		Governance; Committee report	Commercially sensitive issues								
		Finance and Risk	Commercially sensitive issues								
Management and operations	Commercially sensitive issues										
		<i>Moved Paul Majurey, seconded Martin Udale; CARRIED.</i>									
<b>CONFIDENTIAL DECISION PAPER 4.2 MANUKAU PROGRAMME BUSINESS CASE</b>	16 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL DECISION PAPER 4.3 DISPOSALS PROGRAMME REPORT</b>	17 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL DECISION PAPER 4.4 – ANNUAL REPORT</b>	18 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL BOARD COMMITTEES 5.1 DRAFT MINUTES FROM HEALTH AND SAFETY STEERING GROUP</b>	19 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL BOARD COMMITTEES 5.2 DRAFT MINUTES FROM AUDIT AND RISK COMMITTEE</b>	20 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL BOARD COMMITTEES 5.3 VERBAL UPDATE FROM BUSINESS INTERESTS COMMITTEE</b>	21 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>CONFIDENTIAL BOARD COMMITTEES 5.4 VERBAL UPDATE FROM WYNYARD QUARTER COMMITTEE</b>	22 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>11 CONFIDENTIAL MINUTES OF THE BOARD MEETING OF 30 AUGUST 2017</b>	23 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>ADJOURNED FOR LUNCH</b>	24 09/17	1:10pm. Resumed at 1:30pm									
<b>15 NGATI WHATUA RUNANGA PRESENTATION</b>	25 09/17	Ngati Whatua Runanga chair and delegation attended and discussed the signing of its Memorandum of Understanding with Panuku. Both Chairs then signed the document.									
<b>12 CHIEF EXECUTIVE'S REPORT (CONFIDENTIAL)</b>	26 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									
<b>13 GENERAL BUSINESS</b>	27 09/17	<i>Withheld from the public under S7(b)(ii) of the LGOIMA</i>									

<b>14 CLOSE OF BOARD MEETING</b>	28 09/17	The meeting closed at 2:30pm
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**READ AND CONFIRMED**

\_\_\_\_\_ **Chairman**

\_\_\_\_\_ **Date**

## Chief Executive's Report to the Board

<b>Document Author</b>	Roger MacDonald - Chief Executive
<b>Contributors</b>	David Rankin – Chief Operating Officer Rod Marler – Director Place and Design Allan Young – Director Development Ian Wheeler – Director Portfolio Management Carl Gosbee – Director Corporate Services Angelika Cutler – Director Corporate Affairs
<b>Date</b>	18 September 2017

### 1. Overview

This report provides the Board with a summarised overview of the opportunities and the issues facing the organisation.

### 2. Key issues

This section outlines issues that are not otherwise covered by a Decision or Information Paper elsewhere in the agenda and are either:

- Strategically significant issues;
- Emerging and developing issues; or
- Project updates.

#### 2.1 Strategically significant issues

##### 2.1.1 Panuku Board / Executive Workshop with Councillors

On the afternoon of Wednesday 1 November the Panuku Board and senior executives have a workshop with Councillors which has been diarised for some time.

The workshop slot from 1:30 to 4:00pm is an opportunity for us to discuss key business issues and challenges with the Councillors in an informal workshop setting.

In terms of any feedback from the shareholder, there are two topics that have been indicated as being of interest. Firstly, to work through with Councillors our process in development locations from the high level project plan going forward, with a live example, and secondly some discussion on the issue of affordable housing. It is also our opportunity to bring in issues such as funding.

Work is underway on some draft material on a timeline to enable engagement with the Board Chairman on its content, and circulation well in advance for Board members.

##### 2.1.2 Mana whenua engagement update

Panuku has been leading discussions with the Auckland Council Chief executive and senior staff regarding the request from mana whenua for co-ownership of new Waitemata

reclamation (Pile Mooring Project) and the impact this may have on the ability to deliver new harbour infrastructure for the staging of the America's Cup (AC36).

The Council has agreed that this is a significant issue and has agreed to early engagement with mana whenua, in partnership with the Crown, to resolve a way forward.

Panuku, Council, Crown agencies and Mana Whenua are all agreed in principle of the potential to create a lasting and meaningful legacy from AC36. Engagement with mana whenua will explore how this legacy can be realised. The challenge is making sure that a robust engagement approach is also agile enough to respond to compressed timeframes.

Panuku continues to host mana whenua engagement about AC36 until a Council-level engagement hui is up and running. Panuku is providing a key advisory role to Council in terms of best practise recommendations for how the council whānau can streamline and coordinate its mana whenua engagement through the early stages of AC36.

## **2.2 Project updates**

### **2.2.1 Transform Manukau**

### **2.2.2 Civic Administration Building**

### **2.2.3 Unlock Takapuna**

### **2.2.4 Britomart**

The Britomart Board Committee met on 3 October and the report and minutes of that meeting are elsewhere on this agenda. The Britomart Board Committee chair has a delegated role in terms of the decision making on the resolution of a commercial settlement and it would be prudent to appoint a new chair to replace the outgoing director.

### **2.2.5 Settlement – 150 Mt Wellington Highway**

### **2.2.6 Sale - Lot 3, 187 Flat Bush School Road**

### **2.2.7 Emirates Team New Zealand**

### **2.2.8 Sale – Retail, Merchant Quarter - New Lynn Central Ltd**

### **2.2.9 Ormiston Town Centre – Acquisition Block FJ, Part Stage 2, Ormiston Town Centre (OTC)**

### **2.2.10 Willis Bond, 30 Madden Street**

Willis Bond has launched their marketing for West 1 known as 30 Madden Street.

Construction commencement of sub-stage 1 is forecast early 2019 subject to achieving the required pre sales threshold. Marketing activity continues in earnest with a reasonable level of unconditional contracts being achieved.

### **2.2.11 Site 18, Beaumont Street, Wynyard Quarter**

### **2.2.12 Marine Village**

### **2.2.13 Gaunt Street, Wynyard Quarter Site**

### **2.2.14 Manson Site, Daldy Street Linear Park**

Manson's resource consent application to develop the former Caltex site has been approved. In short, the application was to develop commercial premises with vehicle access across the Daldy Street Linear Park designation. The application was assessed as a non-complying activity under the Unitary Plan. The application was considered by an independent planning commissioner and was granted consent on a non-notified basis.

The resource consent is subject to requiring authority approval (Resource Management Act s171(b)), which we understand has now been declined by Auckland Council.

Auckland Council Planning and Auckland Transport are the key agents in resolving this issue. Panuku will provide support where it is appropriate.

### **2.2.15 6 Homestar Rating**

Panuku's senior leadership team has decided that 6 Homestar should be required for residential development in our Transform and Unlock locations.

Homestar is a rating tool for NZ homes that ensures a standard of health and energy efficiency over Building Code. Embedding this into our development agreements will provide a clear, consistent quality gauge for staff and industry without imposing significant time and cost. Major revision of the Homestar tool in mid-2017 streamlined the process and reduced compliance, which has helped boost uptake across industries. The New Zealand Green Building Council (which owns and administers Homestar) is now working closely with Panuku to customise the tool to meet our objectives. Panuku is particularly interested in adding innovations such as affordability to the Homestar credits able to be targeted within developments.

### **2.2.16 Housing for Older People**

### **2.2.17 Precinct Stage 2 (Site 5b) Land Value 1**

### **2.2.18 Maritime Museum rent review**

### **2.2.19 Incubator Kitchen Programme**

Panuku is leading an ATEED-Panuku-The Southern Initiative co design Incubator Kitchen programme which launches in Auckland at the end of November 2017. This is well aligned with our business leadership strategic objectives and part of our F18 business plan. The programme is modelled on and mentored by innovative San Francisco small food business incubator La Cocina. Connie Clarkson will take part in an exchange with La Cocina in the lead up to the November launch.

The programme is initially aimed at businesses or individuals in the Henderson and Manuka areas with a sustainable food proposition with a view to expand into other areas if successful.

These businesses are start-ups that have ideas and desire, but lack the know-how and support to succeed. The programme delivers low cost commercial kitchen space for product development and a three year curriculum that supports business establishment and growth.

The objectives of the visit are to engage in a peer review of Auckland's newly developed curriculum and operations plan, gain a first-hand understanding of operational logistics and the critical issues and milestones required for success. Included will be work on fund sourcing strategies and interviews of successful food entrepreneurs who have been through the San Francisco programme in the last 10 years to gain an in-depth understanding of what success looks like for them, and the critical issues and milestones that they required assistance with.

Connie will travel to San Francisco on 24 October and return on the 30 October 2017. La Cocina Deputy Leader Leticia Landa will work with our team in Auckland during the week leading up to the November 30<sup>th</sup> 2017 participant recruitment launch.

Cost for flights and accommodation is \$3700.00 to be shared equally between ATEED and the Panuku Incubator Kitchen programme.

### **3. Panuku Leaderkit Project Summary**

### **4. Financial Summary**

### **5. Organisational Summary**

#### **5.1 Chief Executive's Networks**

#### **5.3 Health and Safety**

#### **5.4 Risk Management**

##### **Introduction**

Risk management is taking on a greater significance within the projects, programmes and portfolios. Working closely with the Project Management Office (PMO), risk management is being encouraged as an everyday aspect of project management and not a standalone discipline. This is being reflected in the risk registers which are maturing in their risk content, both in terms of quantity and quality of information.

##### **Organisational Risks**

The risks associated with the seawall at Site 18 are being mitigated with immediate actions at the site with parking restrictions and movements of shipping containers away from the seawall edge to reduction loading above the seawall. Consideration will have to be given to more permanent solutions to remediate or replace the seawall as this area is close to the super yacht basin.

The Seawall at Site 18 on Wynyard Quarter is being carefully managed due to its poor condition. The load area is being increased to 6m from the seawall and containers used by 37 South are being relocated to reduce the loading on the seawall. Beca has forwarded a report stating that replaced is inevitable in the near future.



The seawall at the Ferry Building will be undergoing remedial work, commencing Monday 9 October. Auckland Transport owns the seawall and Panuku owns the land on which the Ferry Building is located. We will be monitoring progress of the contract works.

### **Master Programme and Projects**

The risk register is maturing its content of master programme and project risks and this will continue to mature as risk management is more firmly entrenched into project management and monthly reporting.

### **Emerging Risks**

We still await the outcome of the general elections. The various political parties will make known their preferences by the 19 October.

Tourism is set to increase dramatically with visitor forecasts set to reach 4.9M by 2023 due to low cost travel, increase in airline capacity and international event planned for New Zealand. We will need to ensure that we are planning for tourism growth and have attractive facilities for visitors in our strategic planning.

## **5.5 Portfolio Management Update**

### **Acquisitions and Disposals Summary**

## **5.6 Media and digital summary**

David Rankin has been a very effective spokesperson for articles on the proposed, or confirmed, sale of council-owned sites in locations across Auckland published by the Papakura Courier and Eastern Bays Courier. David has also provided valuable context to stories by Radio New Zealand about why affordable housing was not a component in the redevelopment of a site at Dominion and Valley Roads.

Prior to the release of the America's Cup protocol, the Central Leader reported on how the proposed refresh of the waterfront could impact on the marine and fishing industries' ability to continue operating. Rod Marler provided useful commentary that clearly demonstrates Panuku's commitment to retaining both industries on the city's waterfront and how they remain critical in providing the authentic, gritty experience of the area.

Staying on the waterfront, the revitalisation of Wynyard Quarter got a plug in Seattle-based architecture and design magazine ARCADE. The Herald also mentioned the role of Wynyard Quarter in an article about the project to light up Auckland Harbour Bridge being led by Vector.

The Manukau Courier mentions Panuku's support of the art exhibition Re:trace, which is currently on display in Wynyard Quarter, in an emotive and highly positive piece on a participating artist.

In an article comparing travel times of commuters in cities across the globe currently undergoing a transformation, The Standard, a nation news source in Kenya, cited Wynyard Quarter as the largest urban regeneration project currently underway in New Zealand.

Stuff.co.nz followed up a media release on the removal of public car parking on Eastern Viaduct with an interview with Rod Marler about an engagement initiative (The Place Game) Panuku is leading to understand what the public wants the space to be shaped in the future. This resulted in a very positive article on the work Panuku is doing there. Paperboy also covered the Place Game and showcased the opening of 12 Madden Street in Wynyard Quarter in its Urbanism section, mentioning Panuku's role as landowner and in supporting ATEED as the instigator of the Innovation precinct from the outset.

Various streams of Panuku's dedicated Wynyard Quarter team worked together alongside Auckland Transport and a number of other parties to facilitate an increase in truck movements through the Quarter in response to the fuel crisis. The resulting media coverage included a number of positive mentions for Panuku and its role it played in the response.

Panuku worked closely with the media – in particular the North Shore Times – during public

consultations held over the proposed change of use of 40 Anzac Street in Takapuna. The teams followed the same approach for the next stage of the process, which resulted in balanced coverage of the hearings from both the Herald and North Shore Times.

The Business Association in Henderson was at the centre of a positive stuff.co.nz article on the redevelopment we lead there. In a North Shore Times article Panuku received a positive mention in the independent commissioner's recommendation to lease the Takapuna campground for 20 years, which the Local Board has also endorsed.

A media release on Panuku's commitment to 6 Homestar Rating for its residential developments in Transform and Unlock locations was issued mid-October and Miranda James, Senior Advisor Sustainability, was interviewed by Newstalk ZB.

Lastly, in ongoing coverage following the council planning committee chair Chris Darby's interview with Radio New Zealand about the effectiveness of the city's affordable housing scheme, Panuku has received regular mentions as the agency that can make a positive difference in this sphere.

## **5.7 New Office update**

### **New office interactive reception wall**

As part of the move to our new office, the Communications and Marketing team delivered an interactive experience in the reception area to assist with the telling of the Panuku story. The experience features Augmented Reality (AR) technology which brings the material to life.

The wall has four sections:

- The meaning of our name Panuku and our mihi.
- Our people – with videos from our leaders brought to life by AR activated by an iPad.
- Our news – delivered on a large touch screen with content (media releases, blogs and properties for sale/lease) flowing through from our website [www.panuku.co.nz](http://www.panuku.co.nz).
- Our priority locations – displayed on a large map of Auckland with content on each location displayed through AR on iPads.

Staff are encouraged to walk their guests through the experience to help raise awareness of our activities.

# Decision Paper: 30 June 2017 Annual Report

<b>Document Author(s)</b>	Michele Harpham – Finance Manager Kingsha Changwai – Manager Business Planning and Reporting
<b>Reviewer(s)</b>	Carl Gosbee – Director Corporate Services
<b>Date</b>	17 October 2017

## 1. Purpose

The purpose of the report is to present the 30 June 2017 Annual Report for the Board to consider as part of the requirements of the Local Government (Auckland Council) Act 2009.

## 2. Background

Under the Local Government (Auckland Council) Act 2009, all Auckland Council CCO’s must hold two meetings in public each year. The first must be held before 30 June each year for the purpose of considering comments from shareholders on the organisation’s draft Statement of Intent for the following financial year. The second meeting must be held after 1 July each year for the purpose of considering the organisation’s performance under its Statement of Intent in the previous financial year.

Generally, the second meeting is held in September in conjunction with the approval of the Panuku Annual Report. However this year it was deferred until after Auckland Council had released its results to the NZX due to requirements arising from NZX rules on continuous disclosure. The Board adopted the Annual Report in the confidential section of its September 2017 meeting but it is now being made public and being considered in the public section of the Board meeting. The Annual Report is included as **attachment A**.

## 3. Recommendations

It is **recommended** that the Board:

- a) **receives** the report.

## 4. Prior Board and Council engagement and decisions

<b>Why approval is required</b>	Companies Act 1993, Local Government Act 2002, Local Government (Auckland Council) Act 2009
<b>Policy reference</b>	Board Delegated Authority   Strategy, planning and governance Authorities & Approvals Reserved by the Board - Annual Report
<b>Previous Board engagement and decisions</b>	

Date	Engagement	Document	Decision
30 August 2017	Board Meeting	Draft Annual Report	Received and feedback to be provided to author.
6 September 2017 [DRAFT MINUTES]	Audit and Risk Committee	30 June 2017 Annual Report	The Committee <b>RESOLVED</b> that: <ul style="list-style-type: none"> <li>they approve the Statement of Service Performance and the Annual Financial Statements for inclusion in the Annual Report to be adopted by the Panuku Board, subject to their particular comments already minuted being incorporated; and</li> <li>they approved the Letter of Representation to Audit New Zealand and that it be recommended to the Panuku Board for signature by the Board Chair and the Chair of the Audit and Risk Committee, subject to receipt of the letter of representation from the Panuku Executive; and</li> <li>the Committee accept the Audit New Zealand Report to the Board and request that the Executive report at the next Audit and Risk Committee meeting on progress against the recommendations, subject to their particular comments already minuted being incorporated.</li> </ul>
27 September 2017 [DRAFT MINUTES]	Board Meeting	30 June 2017 Annual Report	It was <b>RESOLVED THAT</b> the Board: <ul style="list-style-type: none"> <li><b>ADOPT</b> the Annual Report for the year ended 30 June 2017;</li> <li><b>AUTHORISE</b> the Board Chair and the Audit and Risk Committee Chair to sign the Annual Financial Statements on behalf of the Board; and</li> <li><b>AUTHORISE</b> the Board Chair and the Audit and Risk Committee Chair to sign the Letter of Representation to Audit New Zealand.</li> </ul>

## 5. Performance Targets

The performance for the year to 30 June 2017 against targets identified in Panuku's Statement of Intent is detailed in the Statement of Service Performance on pages 32 to 41 of the Annual Report.

There were 20 measures in total with some focusing on Panuku's owned portfolio of assets on the waterfront and others aimed at the portfolio of assets and developments that Panuku controls on behalf of Council.

Three of the targets are measured across a three year period and as a result are not able to be rated on a traditional scale but the targets are on track to be achieved across the three year period. Fifteen of the targets were assessed as achieved where the performance result for the year is either equal to or above the target. There were two measures where the targets were not achieved however for one of these it was noted progress was made towards achieving the target. The target not achieved related to the % of Māori groups satisfied with quality of engagement.

Panuku will use its already established Manu Whenua forum to identify and address the issues of mana whenua organisations relating to engagement.

## 6. Financial Results

The financial results for the year 30 June 2017 are detailed in the Annual Financial Statements on pages 44 to 82 of the Annual Report. On page 82 there is a note to the financial statements which variances of the financial performance to the budget which was disclosed in the Statement of Intent.

For the year ended 30 June 2017 the Panuku achieved a net surplus of \$39.2 million, \$28.4 million more than the full year budget. The favourable surplus compared to budget was mainly due to a fair value increase in investment properties of \$29.6 million, reflecting the impact of the Wynyard Central programme progression and general increase in property values.

The Panuku capital expenditure for the year was \$16.4 million; \$32.8 million lower than full year budget. The underspend was due to a number of deferrals, including the Westhaven Pile Mooring Redevelopment due to the delay in applying for resource consent as a result of longer than expected project consultation processes and the Westhaven Marine Village Stage 1 project where Panuku decided to rescope and downsize the project prior to going through market testing to ensure financial viability. The remaining budgets of both projects have been deferred to the 2017/18 financial year.

### Document Sign-off

Role	Name	Sign-off Date	Signature
Director Corporate Services	Carl Gosbee		
Chief Executive	Roger MacDonald		

# Decision Paper: Disposals Recommendation

<b>Document Author(s)</b>	Anthony Lewis – Senior Advisor Portfolio Review
<b>Date</b>	2 October 2017

## 1. Proposal

This paper seeks approval from the Panuku Board for one council owned property to be recommended to the Finance and Performance Committee for disposal.

## 2. Executive summary

9 Hall Street, Pukekohe is an off-street car park released by Auckland Transport (AT) as not required for future service purposes and having no strategic purpose to retain. Consultation with council departments and CCOs, iwi authorities, the Franklin Local Board about the subject site has been undertaken.

No alternative service uses were identified for 9 Hall Street, Pukekohe. The Franklin Local Board opposes the proposed disposal of this site due to anticipated demand from population growth and requested that Pukekohe town centre car parking data inform the proposed disposal of the property. In response to this concern, Panuku liaised with AT and provided the board with the rationale AT used to identify that it did not require this site. As no alternative service uses were identified through the rationalisation process, it is recommended that 9 Hall Street, Pukekohe be divested.

## 3. Recommendations

It is **recommended** that the Board

### 1. Approves

- a. The recommendation to the Finance and Performance Committee that 9 Hall Street, Pukekohe is surplus to council requirements and should be divested:

## 4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome

## 5. Discussion

### General

Panuku and the Auckland Council Stakeholder and Community Facilities Land Advisory team jointly work on a comprehensive review of council's property portfolio. One of the outcomes of the review process is to identify properties in the council portfolio that are potentially surplus to requirements and that may be suitable to sell. The subject properties were identified as potentially surplus through this review process.

Once a property has been identified as potentially surplus, Panuku engages with Council and its CCO's to establish whether the property must be retained for a strategic purpose or is required for a future funded project or public work. Once a property has been internally cleared of any service requirements, Panuku then consults with local boards, mana whenua and relevant ward councillors. All sale recommendations must be approved by the Panuku board before a final recommendation is made to Auckland Council's Finance and Performance Committee.

### Background

9 Hall Street, Pukekohe is an 889m<sup>2</sup> site that was acquired by the former Franklin District Council in 1995 to complete the service lane between Stadium Drive and the North Central Service Lane and to provide additional town centre car parking.

In October 2015, an area of 140m<sup>2</sup> of the property was declared and vested as road (service lane). The Auckland Transport Board resolved that the remainder of 9 Hall Street, Pukekohe was no longer required for its' current or future transport related purposes. 9 Hall Street, Pukekohe was subsequently transferred to Panuku for rationalisation.

The Unitary Plan zoning of 9 Hall Street, Pukekohe is town centre. It has a 2014 capital value of \$440,000. The property must to be offered back to the former owners in accordance with section 40 of the Public Works Act 1981 if it is no longer required for a public work.

### Internal consultation

The internal consultation for this site commenced in May 2016. No expressions of interest were received during the internal consultation process and no issues were raised.

### Local board views and implications

The Franklin Local Board opposed the proposed disposal of 9 Hall Street, Pukekohe at its 18 April 2017 business meeting on the basis of anticipated future demand from population growth and requested that Pukekohe town centre car parking data from AT inform the proposed disposal of the property.

Staff liaised with AT to respond to the concerns raised by the board. The board was provided with the rationale against which the AT real estate optimisation review was undertaken in 2015 and were advised that while AT is undertaking a Pukekohe parking study later in 2017, existing data shows that utilisation of the site is for medium term parking at an occupancy rate which could be accommodated elsewhere in the town centre and that since the release from service to Panuku for rationalisation there has been no noticeable change of use of the car park.

### Iwi feedback

11 iwi authorities were contacted regarding the potential sale of 9 Hall Street, Pukekohe. The following feedback was received:

- i) **Te Kawerau a Maki**  
No feedback was received regarding this site.
- ii) **Ngai Tai ki Tāmaki**  
No feedback was received regarding this site.
- iii) **Ngāti Tamaoho**  
No feedback was received regarding this site.
- iv) **Te Akitai - Waiohua**  
No feedback was received regarding this site.
- v) **Ngāti Te Ata - Waiohua**  
Ngāi Te Ata has confirmed general cultural interest in the area and expressed an interest in discussing potential purchase of any council properties that may come available for sale.
- vi) **Ngāti Paoa**  
Ngāti Paoa has reinforced their desire to be kept in the loop for property disposals.
- vii) **Ngāti Whanaunga**  
No feedback was received for this site.
- viii) **Ngāti Maru**  
No feedback was received for this site.
- ix) **Ngāti Tamaterā**  
No feedback was received for this site.
- x) **Patukirikiri**  
No feedback was received for this site.
- xi) **Waikato-Tainui**  
Waikato-Tainui signalled an interest in all sites identified for disposal and recommend development align with the Waikato-Tainui Environmental Plan including consultation with marae.

## 6. Financial implications

There are financial implications for Council if it chooses to retain this site, as there was a book value transfer of \$396,000 from Auckland Council to Auckland Transport upon transfer of the site. Advice from Council's Financial Strategy and Planning team is that if this site were to be retained for car parking purposes, as requested by the Franklin Local Board, the book value could be deducted from a yet to be determined council budget. This would result in a neutral impact on the Council's financial position. Alternatively, Council would incur an unanticipated additional \$396,000 debt due to the foregone asset sales opportunity should this site be retained, which would have consequential budget implications.

## 7. Implementation

The results of the rationalisation process are that this property is not required for current or future service requirements. As such, we recommend that 9 Hall Street, Pukekohe be divested. Should a resolution be obtained from the Finance and Performance Committee approving the divestment of this site, we will undertake a disposals process for this site that provides an optimal return to council and ideally delivers a housing outcome.

There was interest registered in acquiring this site prior to the rationalisation process commencing. This can be explored further should the Finance and Performance Committee approve the proposed disposal.



**Document Sign-off**

Role	Name	Sign-off Date	Signature
Chief Operating Officer	David Rankin		
Chief Executive	Roger MacDonald		

# Images



# Information Paper: Projected housing supply

<b>Document Author(s)</b>	Marian Webb – Manager Portfolio Strategy
<b>Reviewer(s)</b>	David Rankin – Chief Operating Officer
<b>Date</b>	8 October 2017

## 1. Purpose

The purpose of this information paper is to update the Panuku Board at a programme level on the approximate dwelling yield and commercial and noncommercial gross floor area (GFA) being delivered within Panuku’s development/disposal work programme. The figures capture the completed, currently underway, or projected over a ten year timeframe. .

## 2. Executive summary

Panuku makes a material contribution to Auckland’s housing supply through leveraging off council owned land and working with external partners. Panuku facilitates development through the controlled sale of land, or by removing constraints and barriers that the private sector might otherwise struggle to overcome. Additionally, Panuku releases under-utilised land from Council’s balance sheet directly to the market through the asset sales programme on which housing outcomes are achieved.

The total net new dwellings being reported across 67 projects in 18 locations is circa 11,000 units. This figure includes completed dwellings, dwellings underway and projected future dwellings being delivered within Panuku’s development and disposal programmes of work. The projected future dwellings figure has increased by almost 10% since the Executive last reported the dataset to the Board. This is as a result of further circa 1300 dwellings being projected for delivery in Panmure and Wynyard Quarter. An overview is set out in table 1 below.

Panuku’s GFA contribution to commercial mixed use development is currently estimated to be 325,000 m2 with its provision of public open space GFA particularly in the Transform and Unlock locations currently estimated at 14ha. The GFA and open space contribution is broadly similar to what was reported to the Board earlier this year. However, we anticipate an increase over the next quarter particularly in Wynyard Quarter as developments such as 12 Madden Street are completed.

Panuku’s mandate through its Statement of Intent is to deliver a mix of residential typologies, unit sizes and price points in all development agreements including affordable housing relative to our priority locations. The report includes high level examples of Panuku’s contribution to affordable housing. These are set out in the discussion section below.

The project list and total supply number of dwellings and contribution to GFA is actively reviewed, updated and will be reported to the Board on a quarterly basis.

## 3. Strategic context

Panuku actively considers how it contributes to housing, commercial GFA and non- commercial outcomes as it progresses in more detail across each development site. The development objectives align with Panuku’s Statement of Intent and include the following:

- strategically creating value from assets
- catalysing urban redevelopment
- the provision of housing

- demonstrating business leadership

As Panuku progresses its programme through the development/ disposal pipeline stages performance and proposed key outcomes are measured against the following goals and objectives detailed in Panuku’s Business Strategy 2017-2020 :

Goals	Objectives
Catalyse urban redevelopment – through projects to “transform, unlock and support”	<ul style="list-style-type: none"> <li>• To facilitate the high quality urban redevelopment of strategic brownfield locations including the waterfront and selected metropolitan and town centres and transport nodes.</li> <li>• To facilitate investment in these locations through collaboration with the private sector, third sector, Iwi and government as partners in the urban redevelopment</li> <li>• To facilitate an increase in housing supply, and residential choices, including housing in the affordable spectrum and Housing for Older People, working with partners, in order to accommodate growth</li> <li>• To continue the urban redevelopment of the waterfront, in particular the Wynyard Quarter, including commercial, residential and marine development and new and enhanced public spaces, in accordance with the Waterfront Plan and in a way that balances commercial and public good objectives</li> </ul>
Strategically create value from assets – to drive strategic and commercial value from existing and planned assets	<ul style="list-style-type: none"> <li>• To drive, in partnership with Council, improved commercial and strategic value from assets (both service and non-service), through strategic portfolio review</li> <li>• To optimise returns from development and disposals in a commercially robust manner</li> </ul>
Key initiatives	Goal
Building lead agency role and alignment	Catalyse urban development
Project and programme management to enhance project delivery	Drive business performance Catalyze urban development
Securing pipeline	Strategically create value from assets Catalyse urban development

## 4. Discussion

### Current dataset – overview

All reported dwelling figures are “net” i.e. total new dwellings less existing dwellings, irrespective of whether they are removed/demolished. Consequently, the criteria for including a project within the reported housing figures are as follows and remain unchanged since the last update:

- Projects within Council’s control or influence, either directly or indirectly are included.
- Land sold by Council subject to binding obligations (typically in the form of a development agreement) to construct housing, or consented land owned or sold by Council, are included.
- Residential within a mixed use project, typically comprising a mix of commercial, retail and residential outcomes are included.
- Non-permanent accommodation, e.g. hotels, is excluded.
- Refurbished stock is excluded unless additional dwellings are created.
- Student accommodation is included if the dwelling unit would otherwise be used as residential accommodation, i.e. there is no restriction on the occupation being education –related. Dwellings

that are in effect bedrooms requiring shared communal facilities, such as kitchen, bathroom etc are excluded.

- g) Housing delivered within a joint venture, whereby Panuku has partnered in an arrangement with a third party(s) is included.
- h) The Housing for the Older Persons (HfOP) portfolio is included on the broad assumption that on average across the portfolio new stock created will replace existing on a ratio of 2:1, resulting in one net new unit created for each existing. Over time as conceptual plans progress and development projections are sharpened through more detailed design, the projected dwelling numbers across this project will be refined.
- i) For the avoidance of doubt, Councils stake in Tamaki Redevelopment Company (“TRC”) is excluded. However, projects undertaken in the surrounding area by Panuku such as Panmure are included.

The total number of net new dwellings is approximately 11,000 units. This comprises:

**Table 1: Overview of Net New Dwelling projections**

PROJECT NAME	NND
Transform Manukau	2000
Transform Wynyard Quarter	1550
Transform Onehunga	650
Unlock Panmure	600
Unlock Ormiston/Flatbush	1000
Unlock Hobsonville	900
Unlock Northcote	700
Unlock HFOP	1400
Unlock City Centre	250
Unlock Takapuna	250
Unlock Henderson	100
Unlock Papatoetoe	100
Support Colin Maiden Offsets	300
Support New Lynn	250
Support Avondale	400
Support Whangaparoa	100
Support Mt Eden	100
Optimisation and disposals	350
<b>TOTAL</b>	<b>11,000</b>

Of the 11,000 units, Panuku projects approximately 9,450 new residential dwellings will be delivered through developments across the Transform, Unlock and Support locations.

It is anticipated that the housing supply forecast in Transform locations will increase over time as the projects are rolled out and as feasibility assessments are completed on council land holdings such as community facilities and at grade carparks as they are unlocked.

In a number of Unlock locations such as Northcote, Panuku’s strategic relationship with Crown agencies, such as Housing New Zealand (“HNZ”) is of critical importance to the delivery of housing in these areas particularly where HNZ is an adjacent landowner. Crown agency housing delivery is not being counted in our numbers reported above.

To date, there have been circa 300 dwellings completed in Papatoetoe, Whangaparoa, Ormiston and Avondale. A further 900 dwellings are currently underway across Auckland across these locations. In addition to this, 300 residential dwellings have been or will be created as a result of Panuku’s direct sale of land.

### **Affordable housing contribution**

Panuku has a mandate through its Statement of Intent is to deliver quality housing through a mix of residential typologies, unit sizes and price points. This includes contributing to affordable housing across its priority locations where market take-up allows. A number of Panukus locations are considered to be

more affordable locations relative to the Auckland region such as Manukau, Papatoetoe, Avondale and Henderson.

Panuku has selected Barrowcliffe Place for significant affordable product. Similar approaches will be considered for other priority development locations as plans progress and we determine our objectives on each site.

There is a requirement to provide 10% market affordable housing in Hobsonville.

As mentioned above, Panuku is working closely with HNZ in a number of priority locations, supporting a mix of social, affordable and market housing, e.g. in Transform Onehunga, Unlock Northcote, Unlock Panmure and the HfOP network. Panuku has sold sites to HNZC in Avondale and Otahuhu for social housing purposes. It is anticipated that HNZC will deliver approximately 100 dwellings in Avondale and a further 25 dwellings in Otahuhu. We are currently investigating other sites that may be potentially considered for social housing.

Panuku has sold two sites to New Zealand Housing Foundation in Avondale and Papatoetoe for affordable housing. The development at Cambridge Terrace in Papatoetoe is complete with 8 detached dwellings constructed. A further 31 dwellings are under construction at Trent Street in Avondale

Panuku has also facilitated the development of a circa 1000 unit student accommodation in Whitaker Place, Auckland through the controlled sale of this land

The multi-year redevelopment programme of the Housing for Older Persons Portfolio will both replace current stock with better quality social units and deliver a projected 1400 additional units which will be a mix of social, affordable and market housing.

Panuku continues to work with Community Housing Providers on options such as the potential to use Council owned land for temporary/relocatable housing, until the land is required for its intended transport or open space service purpose.

Panuku is currently exploring more affordable prefabricated options for consideration across its development programme.

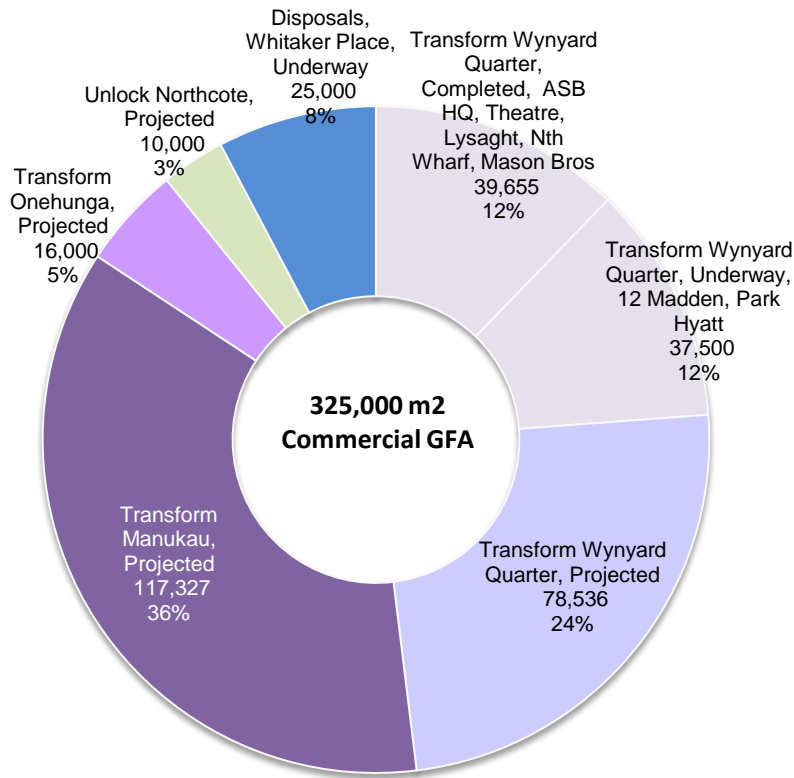
It is acknowledged that affordable housing is typically a mandated component or requirement in international urban regeneration projects. Given that there is no commonly agreed definition for affordable housing, no funding specially available for this and an immature third sector of Community Housing Providers relative to other countries, Panuku actively reviews how it can contribute further to affordable housing objectives as it progresses its development objectives in more detail across each development site. Panuku will consider additional affordable housing initiatives over time in line with market conditions and funding mechanisms involving government funding where applicable, and non-financial outcomes. We will be incorporating a record of these outcomes in our ongoing data capture.

## **Current GFA dataset across the priority locations – overview**

This report also sets out at a programme level the addition of GFA with an emphasis on recording the provision of mixed use and commercial outcomes as a result of the Panuku development pipeline. Criteria for including a project within the GFA data capture have been set and remain unchanged since the last update.

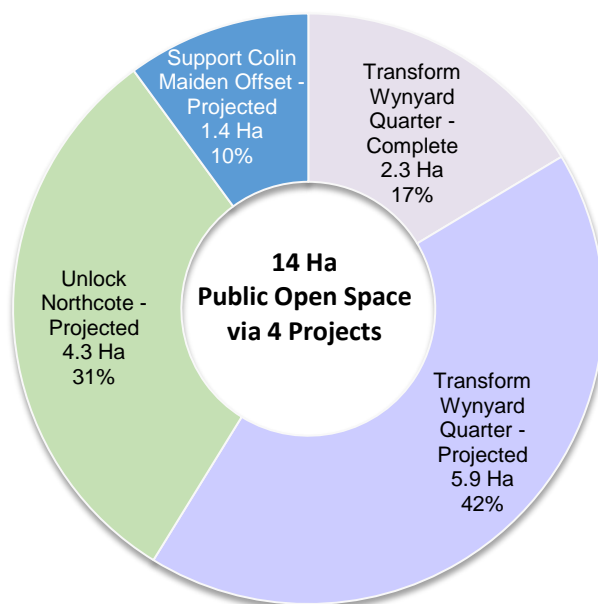
As demonstrated in Figure 1 below, data collected to date illustrates a substantive supply of commercial GFA across Wynyard Quarter with approximately 40,000m<sup>2</sup> already completed through the delivery of projects such as the ASB Waterfront Theatre, the Lysaght building and North Wharf retail area. 37,500m<sup>2</sup> is currently being constructed through the delivery of the Park Hyatt and the commercial development at 12 Madden Street. In Transform Manukau, it is anticipated that Panuku will facilitate the delivery of two hotels and a mixed use commercial development over the next three years. 25,000m<sup>2</sup> of additional commercial GFA in the form of student accommodation is currently being made available within the city centre as a direct result of a sale of surplus council land by Panuku.

**Figure 1: Total projected commercial GFA across five projects**



Furthermore, through its urban regeneration mandate Panuku projects a notable 14 hectare contribution to public open space across the region. This figure is estimated to increase significantly as our plans and programmes are refined and further developed particularly across Manukau and Onehunga. Noteworthy, are the community and cultural outcomes already realised in the 2.3 hectares in use across Wynyard Central and Wynyard Quarter. Similar outcomes are expected within the Northcote Town Centre area as outlined in figure 2 below.

**Figure 2: Total Public Open Space GFA across four projects**



The Portfolio Strategy team will continue to build the dataset with an emphasis on recording the provision of housing, mixed use and commercial outcomes in our Transform and Unlock areas as they progress.

# Information Paper: Grants and Donations Quarterly Report 30 September 2017

<b>Document Author(s)</b>	Maxine Waugh, Manager Business Systems and Processes
<b>Reviewer(s)</b>	Carl Gosbee, Director Corporate Services Ian Wheeler, Director Portfolio Management Roger MacDonald, Chief Executive
<b>Date</b>	12 October 2017

## 1. Purpose

This information paper represents the first quarter report to 30 September 2017 on grants and donations provided by Panuku Development Auckland, against the Board approved annual budget for 2017/18.

The 2017/18 budget for grants and donations was approved at the Panuku Development Auckland Board meeting dated 29 June 2017. As per the Grants and Donations Policy, a quarterly update is provided to the Board.

## 2. Background

Panuku provides grants and donations typically for businesses and activities in and around the Auckland waterfront that provide a reciprocal benefit to Panuku. Donations are also provided from time to time for a worthy cause or customary activity, without expecting a reciprocal advantage. The Panuku Grants and Donations Policy provides guidance for approving sponsorships, making our requirements open and clear to the community, and ensuring consistency and transparency of operation across the organisation.

Cash donations are limited, and generally payments in support of sponsored conferences, education, or other supportive community activities, consistent with Panuku strategic objectives.

Grants and donations 'in-kind' are represented by the provision of free or discounted rental of property assets, i.e. land, commercial buildings, car parks and marina berths. The 'value' of grant or donation is defined as the revenue forgone for the rental of the property as if there is a customer available and prepared to pay market rates at the time of the event. This potential income forgone may not have actually been achievable, but represents what would have been charged if someone wanted to use the space. We exclude income forgone for instances where it is unlikely an alternative customer was available and willing to pay market rates, or for circumstances that have become normal business practise to provide free or discounted rental (e.g. Maritime Museum lease discounted for museum use for 25 years).

## 3. Criteria for providing grants and donations

As per the Grants and Donation Policy, criteria for providing sponsorship to businesses and activities are that the grant or donation will:

- assist in the implementation of the Panuku Corporate Strategy, contributes to our Business Plan objectives, or strengthens and broadens our relationship with key stakeholders and the community;
- contribute to our reputation management and marketing;



- support a worthy cause or customary activity of a worthy organisation;
- support activities occurring within the Panuku area of influence and/or to organisations that contribute to Panuku's delivery of public good, and
- be considered value for money and within acceptance levels of risk.

Panuku may consider providing grants and donations to organisations that:

- are legal entities, individuals operating under an incorporated society or registered charitable trust, and
- have corporate values that align with those of Panuku and do not compromise the agency's reputation, public image, or probity, and
- do not pose a significant risk to Panuku or its staff perceived to have a current or future conflict of interest.

Panuku will consider providing grants for activities that:

- contribute to the advancement of Panuku's strategic priorities and the vision and goals of the Corporate Strategy and Business Plan, or deliver on specific place-making objectives (e.g. Wynyard Quarter Curation Strategy), and/or
- have measurable beneficial outcomes commensurate with the level of investment, and/or
- increase public awareness of the contribution being made by Panuku to the creative, events, and entertainment sectors e.g. on Auckland's waterfront, and/or
- are able to communicate key messages to target audiences, engage or build relationships with key stakeholders and our tenants, and ideally lead an ongoing two-way partnership between Panuku and the stakeholders, and/or
- have demonstrated community support for the project, and/or
- appropriately acknowledge Panuku as sponsor, indicating clearly our support for rather than ownership of the sponsored activity, through forms including signage and acknowledgment in speeches and media releases, and/or
- enhance Panuku's brand attributes, core values, and reputation and promote Panuku's civic and social responsibility.

Panuku will consider giving donations for activities and events that:

- have no perceived or actual influence on decision making, integrity, and impartiality; and
- are undertaken in accordance with established and recognised custom; and
- promote Panuku's civic and social responsibility.

Panuku reserves the right to refuse a request for a grant or donation from any party and terminate an existing agreement should the association cease to be appropriate.

#### 4. First quarter 2017/2018 actual against plan

A summary of all grants and donations for the three months to 30 September 2017 is provided in the table below.

Location/activity/type \$000s	Actual 3 months to 30 Sep 2017	Plan 3 months to 30 Sep 2017	Variance against Plan
Cash	-	1.0	1.0
Marinas	26.3	26.3	-
Commercial property and car parks	89.8	47.7	(42.1)
<b>TOTAL</b>	<b>116.1</b>	<b>75.0</b>	<b>(41.1)</b>

Actual results for the first three months are higher than the plan due to the extension of grants for Emirates Team New Zealand, pending confirmation of requirements prior to the next America's Cup event. The actual results include \$9.3k of rates recharges forgone which were not taken into account in the plan.