



**AGENDA FOR AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL  
PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE,  
6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON MONDAY, 12 MAY 2003 COMMENCING AT 9.30 AM**

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**1 APOLOGIES**

Cr Stone and Cr Presland for absence.



**2 URGENT BUSINESS**

Section 46A(7) and (7A) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Ordinary - Monday, 7 April 2003

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Finance and Operational Performance Committee held on Monday, 7 April 2003, as circulated, be taken as read and now be confirmed.



## **PART I - PRESENTATION**

### **4 ENTERPRISE WAITAKERE 3<sup>RD</sup> QUARTER REPORT**

#### **PURPOSE OF THE REPORT**

This report presents Enterprise Waitakere's 3<sup>rd</sup> Quarter Report to the Finance and Operational Performance Committee. This report is a requirement of the Funding and Service Agreement between Council and Enterprise Waitakere.

*A1 - A14*

The 3rd Quarterly Report submitted by Enterprise Waitakere is attached at pages A1 to A14, and will be presented by the Chief Executive Officer of Enterprise Waitakere, Mr Clyde Rogers.

#### **BACKGROUND**

Council provides a total of some \$530,000 funding to Enterprise Waitakere in the 2002/2003 financial year to provide a range of economic development services being:

- Cluster development
- Business incubator
- Small to Medium sized Enterprise support
- Tourism promotion
- Website development and maintenance
- Investment attraction
- Strategy, advocacy and networking activity

In addition to Council funding, Enterprise Waitakere attracts significant central government investment and other funding to deliver a range of business development programmes.

#### **STRATEGIC CONTEXT**

The creation of a strong local economy and more local jobs is one of Council's strategic priorities. Enterprise Waitakere is the primary mechanism for Council to fund the delivery of economic development services to businesses.

#### **ISSUES**

Enterprise Waitakere's performance over the 3<sup>rd</sup> quarter is contributing to the overall objectives and performance measures outlined in the organisation's contract with the Council.

#### **Highlights**

The section outlines the highlights from activity in the third quarter across the services Council supports:

- Cluster development – the business plan for the Henderson Valley Studios is complete, and is to be presented to the June 2003 meeting of the City Development Committee. Some 5 industry suppliers are now housed permanently at the site.
- Business incubator - on-line capacity built in support of the WestSmart business incubator premises and services.
- Small to Medium sized Enterprise support - this period saw over 180 businesses mentored, and a high demand for marketing services.
- Tourism promotion – over 30 Waitakere operators will be featured at Tourism Rendezvous New Zealand (TRENZ).

- Website development and maintenance – reached targets of 1,000 hits for each month and request for further information.
- Investment attraction – considerable effort has been focused around Lincoln Road initiatives and the North Western sector projects.
- Strategy, advocacy and networking activity – under the Gateway contract over 250 work experience placements have been secured with 200 employers. Also a project manager has been appointed to support the Waitakere Employment and Skills Project (the launch of this project was highlighted in the 2<sup>nd</sup> Quarter report).

These will be expanded on in the presentation.

### **CONCLUSION**

The 3<sup>rd</sup> Quarterly Report of Enterprise Waitakere will be presented for the Finance and Operational Performance Committee's consideration.

### **RECOMMENDATION**

That the information be received.

Report prepared by: Jen Cook, Partnerships and Advocacy Leader: Economic Development.



**PART II - PROPERTY**

**5 LEASE OF LAND AT GLEN EDEN FROM NEW ZEALAND RAILWAYS CORPORATION**

**PURPOSE OF THE REPORT**

This report seeks the Finance and Operational Performance Committee's approval to enter into a lease of land at the Glen Eden Railway Station site from the New Zealand Railways Corporation.

**ISSUE**

On 8 April 1998 under resolution 755/98, Council authorised the relocation of the historic Glen Eden Railway Station Building to its present site.

*A15*

Part of the land on this site consisted of a Council road which was stopped on 20 December 2000 by Council resolution 4389/2000 under the provisions of the Tenth Schedule to the Local Government Act 1974. The remainder of the site is owned by the New Zealand Railways Corporation who have agreed to lease it to Council. The area to be leased is shown on the diagram attached at page A15.

A draft lease has been presented to Council which appears in all respects to be satisfactory. The annual rent is \$250.00 plus GST. It includes a clause which gives approval to the sub-lease by Council to the Glen Eden Railway Station Restoration Trust Incorporated over that part of the historic Glen Eden Railway Station Building site which is on railway land.

**RECOMMENDATIONS**

1. That the information be received.
2. That the Chief Executive be authorised to complete negotiations for a Deed of Lease to Council over the land shown on the diagram attached at page A15 in the agenda report from New Zealand Railways Corporation.
3. That the Deed of Lease as negotiated be executed under seal.

*A15*

Report prepared by: Maurice Hieatt, Solicitor.



**6 VARIATION OF LEASE OF COMMERCIAL PREMISES AT 39 GLENMALL PLACE,  
GLEN EDEN**

**PURPOSE OF THE REPORT**

This report seeks the Finance and Operational Performance Committee's approval to vary the terms of an existing lease at 39 Glenmall Place, Glen Eden to provide for two further terms each of one year.

**ISSUES**

A16

On 6 July 1998, Council granted a Deed of Lease of the premises at 39 Glenmall Place, Glen Eden to Westpac Trust Properties Limited. The Glen Eden Branch of the Bank is situated on these premises. Their location is shown on the diagram attached at page A16.

The lease provides for a term of three years from and including 1 January 1998 and a renewal thereafter for a further term of three years. This renewal has been exercised and the final expiry date of the lease is 1 January 2004.

Westpac, who have proved to be an excellent tenant, have now requested Council to consider varying the lease to provide for two further renewals of one year each which will have the potential to extend the term of the lease to 1 January 2006. It is proposed that the rent for the extended terms be the subject of negotiation between the parties.

The Bank premises were, for a time, considered as an alternative site for the new Glen Eden Library but now that the library site has been confirmed to be elsewhere, there is no reason why the extension of lease should not proceed. There is nothing in such course of action which is inconsistent with current strategic planning in this area.

**RECOMMENDATIONS**

1. That the information be received.
2. That Council agree to vary its existing lease of 39 Glenmall Place, Glen Eden to Westpac Trust Properties Limited to provide for a right of renewal for two further terms of one year each with the rent to be negotiated
3. That such documents as are necessary to achieve this be executed by Council under seal.

Report prepared by: Maurice Hieatt, Solicitor.



**PART III - LEGAL AND CONSTITUTIONAL**

**7 AFFIXATION OF COMMON SEAL**

**EXECUTION OF DOCUMENTS: 1 APRIL 2003 – 2 MAY 2003**

<b>N°</b>	<b>NAME</b>	<b>PARTICULARS</b>
2544	WCC – McCahon House Trust	Memorandum of Transfer – CTs.723/55 and 812/284 – 67 and 69 Otitori Bay Road
2545	WCC – MA Parker and MA Shanahan	Fencing Agreement – CT.73238 – 1232 Huia Road – SPW 21635
2546	WCC – LA and J Fletcher	Drainage Easement in gross – CT.77792 – 45 Evans Road – SPW 21634
2547	WCC – GA and MP Van Kuijk	Drainage Easement in gross – CT.72976 – 220 Henderson Valley Road – SPW 20944
2548	WCC – GA and MP Van Kuijk	Drainage Easement in gross – CT.72977 – 220 Henderson Valley Road – SPW 20944
2549	WCC	Discharge of Memorandum of Encumbrance D.206843.1 – CT.NA71D/207 – 94 Victory Road – SPW W20460
2550	WCC – A Wadsworth	Authority for Use of Dedicated Road – CT.NA743/132 – 47 Whatipu Road
2551	WCC – Waitakere City Holdings Limited	Deed relating to a tax loss offset and subvention payment
2552	WCC – Stuart Richard Liddell	Warrant of Appointment and Evidence of Identity – No.0050
2553	WCC – Geoffrey Keith England	Warrant of Appointment and Evidence of Identity – No.0051
2554	WCC – Don Samaranayaka	Warrant of Appointment and Evidence of Identity – No.0052
2555	WCC – WG, GR and K-L Miller	Memorandum of Transfer – CT.74409 – Stopped road at 657 South Titirangi Road – Resolution 218/2003
2556	WCC – Ranui Action Project Inc – Child, Youth and Family Services	Ranui Site Agreement – Stage 2 Pilot – Stronger Communities Action Fund – Resolution 412/2001
2557	WCC – Henley Kiwi Co Limited	Acceptance by WCC as Grantor of surrender of R.O.W. easements created by Transfers 553598.4 and C.210805.16
2558	WCC – Henley Kiwi Co Limited	Memorandum of Transfer creating public pedestrian easement in gross over “A” on DP.317094 – CT.NA67082
2559	WCC – NZ Post Limited	Acceptance by WCC as Grantor of surrender of R.O.W. easement created by Gazette Notice A53140 – NA122B/914
2560	WCC – NZ Post Limited	Memorandum of Transfer creating public pedestrian easement in gross over “C” on DP 317094 – CT.NA67085
2561	WCC – Eurest NZ Limited	Deed of Lease of Aquatic Centre Cafeteria – Resolutions 1024/2002 and 2235/2002 – Contract AQ01002A

N°	NAME	PARTICULARS
2562	WCC – Tranz Rail Limited	Deed of Grant No.60613 of pedestrian right-of-way over rail land (in favour of Council) at Ranui as an easement in gross
2563	WCC	Declaration of Catherine Place as a Pedestrian Mall – Resolution 2998/94 dated 21 August 1994
2564	WCC – Ecomatters Environment Trust	Deed of Lease – 4 Olympic Place, New Lynn (Lot 8 DP 36352) – Resolution 3597/2002
2565	WCC – Laingholm Fishing Club Inc	Deed of Lease – part Sandys Parade, Laingholm – Resolution 2191/2002
2566	WCC – Ronald Irwin Henderson	Drainage and Sanitary Sewer Easement in gross – CT.76246 – 7 Tawa Road – SPW 20651
2567	WCC – Corbans Village Custodians Limited	Release of Uncompleted Works and Maintenance Bond – CTs.NA137C/821, NA137C/823 and NA137C/825 – SPW 21308
2568	WCC – BX Yang and LY Zhou	Surrender of Drainage Easement in gross created by Transfer 613288 – CT.NA1840/39 – 10 Ascot Avenue – SPW21054
2569	WCC – RW Greenland and LW Houghton	Release of Uncompleted Works and Maintenance Bond – CT.NA56B/720 – 29A West Coast Road – SPW 21164
2570	WCC – Neil Construction Limited	Water Supply Easement in gross – CTs.38937, 38938 & 38939 – Lake Panaroma Stage 2 – SPW 21284
2571	WCC – Neil Construction Limited	Fencing Agreement – CTs.38920 to 38930 inclusive – Lake Panaroma Stage 2 – SPW 21284
2572	WCC – JN Peters and MA Muir	Release of Uncompleted Works and Maintenance Bond – CT.NA95A/496 – 730A South Titirangi Road – SPW 17818
2573	WCC – Jonathan Bruce Reddell	Warrant of Appointment and Evidence of Identity – No.0053

### **RECOMMENDATIONS**

1. That the information be received.
2. That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Magdalene Conceicao, Executive Officer (Legal).



## 8 BANKRUPTCY PROCEEDING - RECOVER OF RATE ARREARS

### PURPOSE OF REPORT

The purpose of this report is to seek approval for the commencement of bankruptcy proceedings against the owner of the property which is the subject of Rate Account No. 34870, to facilitate the recovery of land rates arrears in relation to that property which is currently not subject to any mortgage.

### BACKGROUND

Section 23 of the Insolvency Act 1967 provides that a creditor may file a bankruptcy petition against a debtor where a final judgement has been obtained and a bankruptcy notice has been served upon the debtor. The High Court would then consider the petition and upon adjudication the Official Assignee would be appointed to manage the debtor's affairs and ultimately see to the liquidation of available assets.

To prevent the further escalation of the rate arrears on the subject Rate Account, the following matters are reported for recommendation to Council as the power to commence High Court proceedings cannot presently be delegated to officers:-

### Rate Account 34870

Annual rates levy: \$2,038.25 (2002/2003 Rating Year)      Capital value of property: \$385,000

Legal proceedings were commenced in July 2002 in the District Court against the owner of the subject freehold property, as authorised by Council's Principal Administrative Officer as required under the Rating Powers Act 1988. Those proceedings were served personally on the owner and judgement by default was obtained against him in September 2002 in the sum of \$3,802.82 including costs. A subsequent letter seeking payment of the debt received no response. No payments have been made on this Rate Account since March 2002 while payments made before then dating back to June 2000 had consistently been dishonoured. The balance now due and payable on this Rate Account is \$6,212.82.

In August 2002, shortly after commencement of the above proceedings, the owner had written to Council seeking compensation for Council allegedly 'allowing' road waters to flood and hence damage his fruit orchard on the property. No response however has been received to Council's Issue Resolution Manager: Roger Wilson's letter of August 2002 requesting further information and details justifying the claim as alleged.

**Note:** The information contained in this report is accurate as at 22 April 2003. Any significant change in the circumstances relating to the account in the intervening period will be advised at the meeting.

### RECOMMENDATIONS

1. That the information be received.
2. That it be recommended to Council that a Bankruptcy Notice be served in respect of the arrears outstanding in respect of Rate Account 34870 and for which judgement by default has been obtained, and, if settlement is not achieved within one month of the service of the Notice, that a bankruptcy petition be filed in the High Court so as to secure the Official Assignee to deal with the debtor's affairs.

Report prepared by: Magdalene Conceicao, Executive Officer (Legal).



## PART IV - FINANCE

### 9 FUTURE USE OF REGIONAL ARTS FUNDING

#### **PURPOSE OF THE REPORT**

This report presents to the Finance and Operational Performance Committee the deliberations of the Regional Arts and Cultural Funding Allocation Subcommittee in relation to the \$1 million of funding held by the City for purposes specifically related to strengthening arts infrastructure in the region and outlines the recommendations it wishes to make in regard to those funds.

#### **BACKGROUND**

The history of the \$10 million arts budget allocated by Central Government to the Auckland Region on the dissolution of the Auckland Regional Services Trust is a complex one. The expectation of the arts sector had been that this funding would be allocated as a regional fund. Central Government chose to allocate it as a 'per capita' fund to each of the seven Local Authorities in the wider region.

Events to date are as follows:

- **October 1998** - Waitakere City receives \$1.45million as its per capita share for arts projects of regional significance.
- **March 1999** - Council rejects a proposal to join a Regional Arts Trust (N.B. At this point there is no formal trust structure).
- **March 2000** - The Regional Arts and Cultural Funding Allocation Subcommittee, as appointed by Council, commissions research on regionally significant arts and cultural needs in Waitakere City in order to inform subsequent decision-making.
- **August 2000** - The Subcommittee resolves that \$1million be retained in a capital fund, to be reviewed in one year, and that the balance of funds be allocated through a regionally advertised funding round. (\$655,000 inclusive of interest).
- **June 2001** - The funding allocation process is completed. Eighteen projects receive funding. (The Waitakere Arts and Cultural Trust – Corban Estate Arts centre, Lopdell House Gallery, McCahon House Trust and Playhouse Theatre Trust receive over half the funds - \$380,0000.
- **June 2001** - Council approves \$30,000 from the remaining Auckland Regional Services Trust funding to develop a Waitakere City Arts and Cultural Strategy.
- **August 2001** - The Regional Arts and Cultural Funding Allocation Subcommittee defers making further decisions on allocation of funds until the Arts and Cultural Strategy is completed.
- **December 2001** - Sir Barry Curtis requests that Council reconsider joining a newly formed regional trust - Arts Regional Trust. This is declined.
- **December 2002** - The Waitakere City Arts and Cultural Strategy is approved and adopted.
- **December 2002** - Arts Regional Trust hosts a public launch of its funding programme for the next three years. This comprises Creative Solutions/Toi Whenua – a regional arts incubator project involving the four Territorial Local Authorities (see attached at pages A17 to A19) and ArtWeb - a Unitec/Arts Regional Trust partnership.
- **February 2003** - The Regional Arts and Cultural Funding Allocation Subcommittee considers options for the remaining \$1million and requests a presentation from the Arts Regional Trust. Arts Regional Trust Chairperson, Dr Hinemoa Elder, and Trustee Sandi Morrison subsequently present the Arts Regional Trust programme and future plans.

## CRITERIA

At the time of the original disbursement of the Auckland Regional Services Trust monies, clear criteria were identified for disbursement. (i.e. that they were to be used for **'significant projects in the Auckland region in the area of arts and culture'**.)

This was further defined in the criteria for the first Waitakere City funding allocation as follows:

Priority will be given to projects, activities or events that:

- help to meet an identified and proven need in the region;
- promote innovation and/or excellence in the area of arts and culture;
- reflect the demographics of the region;
- provide opportunities for participation to occur across the region;
- raise the profile and promote arts and cultural development in the region;
- promote and celebrate cultural diversity across the region.

N.B. Applications for the Waitakere City funding round were sought regionally and significant grants were made to arts organisations that, although not based in Waitakere City, contributed to the art regionally.

## STRATEGIC CONTEXT

Waitakere City's Arts and Cultural Strategy acknowledges the City's role in the wider regional and national context.

It also sets out a range of priorities. Those that have relevance to this funding are as follows:

- Development of youth facilities for cultural activity and development;
- Development and support for Maori led arts and cultural initiatives;
- Development of arts precincts (Corban Estate and Lopdell House);
- Development of arts incubators;
- Development of a rich programme of festivals;
- Development of performance venue/s.

## ISSUES

The issue of 'regional significance' is one that can be argued many ways. In general terms it applies to projects of such scope and significance as to attract a regional interest, or to significant projects which may occur locally but do not occur anywhere else and therefore have 'rarity' value.

The Regional Arts and Cultural Funding Allocation Subcommittee has been mindful of the importance of the decision they have been charged with. The \$1 million is a significant budget and they wish to see both long-term sustainable benefits for the City and some more immediate and tangible benefits.

- 1) In relation to the desire for long-term benefits the Subcommittee believes that a substantial contribution to the Arts Regional Trust will secure an investment in the ongoing future of art and cultural development in the region and that will have clear benefits for Waitakere City. Arts Regional Trust is committed to growing the capital fund from the present asset of \$6.5 million to \$20 million over the next ten to twenty years. They will not be disbursing monies from the capital sum but will fund an expanding number of projects from interest. Their focus is on sustainable, regional arts development. The Subcommittee's recommendation is conditional on Waitakere City having equal rights to both Auckland and Manukau Cities in relation to the present governance structure of Arts Regional Trust. i.e. That the Mayor and CEO of Waitakere City are Settlers to the trust. Appointment of trustees to Arts Regional Trust are decided by the Settlers of the trust and at least one new appointment is made annually from nominations called for from the public. The Subcommittee expects to be actively involved in promoting the nomination of potential trustees from Waitakere City.
- 2) In relation to the more immediate needs for arts development in Waitakere City, the Subcommittee has used the Arts and Cultural Strategy as a guideline and requested further investigation into several key areas of potential investment. (See following recommendation). The recommendation also takes into account that the major arts precincts in the city are eligible for funding from the major funding bodies. (ASB Trust, Lotteries Board and the Licensing Trusts etc).

As a consequence of the Subcommittee's considerable enquiry and discourse on the issue of contribution to Arts Regional Trust they resolved at their meeting of 3 April 2003 to make the following recommendations to Council.

*"1. That it be recommended to Council that Waitakere City contribute \$500,000 to the Arts Regional Trust (ART) from its share of the Auckland Regional Services Trust (ARST) funds, on the conditions that:*

- (i) The Waitakere City Council Mayor and Chief Executive become settlers on the Arts Regional Trust on Council's confirmation of the contribution.*
- (ii) Consideration be given to appointing a Trustee from Waitakere City in the near future should vacancies arise*

*2. That a report be brought back to the Regional Arts and Cultural Funding Allocation Subcommittee on allocating the remaining funds of \$500,000 on one or a mixture of:*

- Music infrastructure for young people (Recording studios, mentoring, graphic design facilities etc)*
- Arts incubator models*
- A major arts and cultural event/s infrastructure in the City*
- Provision of a large art space for multi-use".*

436/2003

Investigation of these four areas of potential development will be undertaken by staff over the next six to eight weeks and a report brought back to the Subcommittee by late May 2003 / early June 2003.

The current balance of the funds is \$1,037.243.

The Subcommittee has considered this issue in detail in making its recommendations. While it has made clear recommendations to the Finance and Operational Performance Committee, officers feel obliged to bring to the Committee's attention the different perspectives in relation to this issue.

The recommendations made by the Subcommittee may well lead to the outcomes sought by Council through its Arts and Cultural Strategy. The presentation by the Arts Regional Trust was impressive and the projects they outlined are likely to deliver measurable benefit to Waitakere City. However, the decision would hand over control of funding allocation to a regional body over which Waitakere City would have only minor influence. Waitakere City is traditionally been disadvantaged in regional funding and decision making processes, and this is a factor the Committee should consider. Essentially, the question for Council is whether it thinks it can guarantee better outcomes by acting on its own or by entrusting decision making to a regional trust.

## **CONCLUSION**

The Regional Arts and Cultural Funding Allocation Subcommittee has examined a wide range of options for the disbursement of the remaining funding held by Waitakere City. Their recommendations reflect a desire to maximise both long-term and more immediate benefits to the City. The recommendation to contribute \$500,000 to Arts Regional Trust is seen as an investment in a much larger fund and projects which will bring substantial and ongoing benefits to the arts regionally and consequently to the arts and cultural practitioners of Waitakere City. The investigation of a range of local projects reflects a desire to support more immediate needs within the City.

However if Council does not follow the Subcommittees suggestion and retains the \$500,000, it is still free to contribute to Regional projects should it see fit. In that manner it will be able to select Regional projects of value to this City and not hand over the funds and with that action lose control of how these are spent. As pointed out, the record of Regional approaches to funding has not been to this Council's benefit. Senior staff favour the status quo.

## **RECOMMENDATIONS**

1. That the information be received.
  2. That the Finance and Operational Performance Committee give consideration to:
    - a) the recommendation of the Regional Arts and Cultural Funding Subcommittee to make a contribution of \$500,000 from the Auckland Regional Services Trust fund, held by Council, to the Arts Regional Trust on the condition that:
      - (i) The Waitakere City Council Mayor and the Chief Executive become settlors to the Arts Regional Trust.
      - (ii) Consideration be given to appointing a trustee from Waitakere City in the near future should vacancies arise.
- or
- b) staying with the existing policy of holding the fund intact and allocating on a "benefit to this City" basis within the Regional criteria set in relation to the fund.

Report prepared by: Ross McLeod, Director: Corporate and Civic Services, Harry O'Rourke, Chief Executive and Naomi McCleary, Manager/Arts.



**10 OPERATING AND CAPITAL EXPENDITURE SUMMARIES**

**PURPOSE OF THE REPORT**

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of the year to date operating and capital expenditure by Unit compared to budget.

**BACKGROUND**

*A20 - A21*

This report covers expenditure for the nine months ending 31 March 2003. The financial summaries are attached at pages A20 to A21.

**ISSUES**

When collating information to the end of March 2003, budget managers were required to forecast through to the end of the year. The Half Yearly Review forecast had been reported on during the consideration of the Draft Long Term Council Community Plan and the Annual Plan in March 2003.

This current review of budgets has confirmed that the estimated surplus of \$2.15 million, that had been included in the 2003/2004 Draft Annual Plan to offset rates, is still available.

A further review of revenue and expenditure will be undertaken and reported in June 2003 to the Long Term Council Community Plan and Annual Plan Special Committee.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

**RECOMMENDATION**

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



**11 STATUS OF SPECIAL FUNDS**

**PURPOSE OF THE REPORT**

The purpose of this report is to keep the Finance and Operational Performance Committee informed as to the status of Special Funds.

**FUNDS**

A22

The summary of Special Fund balances as at 31 March 2003 and summary transactions for the nine months to date is attached at page A22.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

**RECOMMENDATION**

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



**12 BORROWING AND INVESTMENT REPORT**

This report has been circulated separately with the agenda.



**13 PAYMENTS FOR APPROVAL**

**PURPOSE OF THE REPORT**

The purpose of this report is to advise of payments made by the Council. This is in accordance with Council policy and the Public Bodies Contracts Act.

**BACKGROUND**

The Public Bodies Contracts Act requires the reporting to the Council of payments made under delegation. This report provides details of payments made to external suppliers in excess of \$5,000. In addition there is a summary listing, which aggregates payments made to various organisations and suppliers for the Committee's information. These payments have already been processed as allowed by delegations approved by the Council. If any Councillor requires information regarding the nature of any payment, that information can be provided.

**PAYMENTS**

*A23* A summary schedule of payments made for the period 28 March 2003 to 17 April 2003 is attached at page A23.

*A24 - A26* A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A24 to A26. If a committee member wishes to ask specific questions relating to any of these payments, prior to the meeting, then such questions can be directed to the Director: Finance.

**RECOMMENDATIONS**

That the information be received and that the contracts let, and the payments made, be approved.

Report prepared by: Andrew Pollock, Director: Finance.



## **PART V - GENERAL**

### **14 2002/2003 PUBLIC TOILET UPGRADE**

#### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to defer the upgrade of public toilets at Archibald Park and Te Atatu Peninsula Park until 2003/2004 and to carryover the allocated funding.

#### **BACKGROUND**

Funding to upgrade the public toilets at Archibald and Te Atatu Peninsula Park was included in the 2002/2003 Annual Plan. The design and consultation for the upgrades were finalised in September 2002 and approved by the New Lynn and Henderson Community Boards in September 2002. It was intended that the upgrading physical works would be carried out in the summer of 2003.

#### **STRATEGIC CONTEXT**

The toilet upgrades at Archibald and Te Atatu Peninsula Parks are being undertaken as part of the toilet block upgrade programme. These toilets were prioritised for upgrading on the basis of condition rating and user needs.

One of the objectives of the Parks Strategy is to increase the use and enjoyment of the parks and reserves within the City. The toilet block upgrades will help meet this objective by providing improved toilet and changing facilities at Archibald and Te Atatu Peninsula Parks for numerous parks users.

#### **ISSUES**

Tenders for upgrading these toilets under contract PK02520B – Public Toilet Upgrades have been advertised three times.

The first public tender period closed on 19 November 2002 and no tenders were submitted. The tender was then re-advertised and the tender period closed on 10 December 2002 with only one tender submitted that exceeded the budget and engineers estimate by approximately 400%. A list of invited tenderers was then compiled and these tenderers were invited to submit tenders for contract PK02520B.

The third tender period closed on 7 February 2003 with three tenders submitted. All three tenders exceeded the budget and engineer's estimate.

#### **The table below summarises the financial situation.**

Budget for Contract -	\$245,428.00
Engineer's Estimate -	\$225,000.00
First public tender -	No tenders submitted
Second public tender -	\$997,000.00 (only one tender received)
Third invitation tender -	\$524,701.00 - \$612,856.00 (three tenders received)

The reason for the significant difference in price between the estimate and tender price is that the building industry is experiencing a period of high demand, which in turn is inflating costs. Independent advice has been sought from Andrew Millard of Rawlinsons, a registered quantity-surveying company, which has verified this conclusion.

A statement from Andrew Millard on the current industry situation states that it is likely that by this time next year demand may have contracted due to increased competition for work. A copy of this statement is attached at page A27.

There is insufficient budget with which to carry out the public toilet upgrades at this stage, therefore it is recommended that the upgrading works be deferred until the 2003/2004 financial year to allow the construction market to settle.

The consequence of not upgrading the toilet blocks in the 2002/2003 financial year are that the sports clubs expecting to use the upgraded facilities for the 2003 winter sports season will be inconvenienced. The sports clubs at Te Atatu Peninsula Park will only experience minor inconvenience. However, the inconvenience to Ponsonby Kelston Rugby Club at Archibald Park will be more significant as the club had planned to use the facility in conjunction with the recently upgraded sports field to develop their youth and junior teams.

The issue has been discussed with the clubs at Archibald and Te Atatu Peninsula Park. Ponsonby Kelston Rugby Club has requested assistance from Council to provide temporary changing facilities and showers etc for this season. However there is no funding available in the current year.

### **RESOURCES**

Budget allocation of \$245,428 has been provided in the 2002/2003 Annual Plan. As stated above, this is insufficient to carry out the planned works.

### **CONCLUSION**

Tenders for contract PK02520B – Public Toilet Upgrade have been advertised three times. Due to inflated prices related to high demand in the construction industry, the tenders received were in excess of the available budget and the engineer's estimate. It is therefore recommended that the upgrade works be deferred until the 2003/2004 financial year, to allow the construction market to settle, and that the allocated funding be carried over.

### **RECOMMENDATIONS**

1. That the information be received.
2. That the upgrade project at Archibald Park and Te Atatu Peninsula Park be deferred until the 2003/2004 financial year, and that it be recommended to the Long Term Council Community Plan and Annual Plan Special Committee that the allocated funding be carried over to the 2003/2004 financial year.

Report prepared by: Alan Duxfield, Parks Project Manager Environmental.



15 **NEW LYNN PROJECTS UPDATE**

**PURPOSE OF THE REPORT**

This report serves as an update to the Finance and Operational Performance Committee on the range of projects being progressed in the New Lynn Town Centre, in order to provide context to decision-making on New Lynn issues in the future.

**BACKGROUND**

The New Lynn Charrette 1996 addressed the question: What would a sustainable town centre look like on the ground? A detailed concept plan was developed for implementation in the New Lynn Town Centre, with substantial enthusiasm from local business, the local community and other major stakeholders, such as Lynnmall owners AMP and the RSA.

To facilitate the New Lynn Development Programme objectives, Council has enabled many important achievements which have been outlined in earlier reports.

**STRATEGIC CONTEXT**

New Lynn is one of Waitakere's three major "defined town centres", along with Henderson and Massey North. Sitting astride the rail line, with a significant employment and retail base, a surrounding residential community and keen developer interest, New Lynn's continuing success is vital to attaining a sustainable future for the whole city.

**ISSUES**

**Heart of New Lynn redevelopment, including a new New Lynn Civic Precinct/ Library, Service Centre and Citizens Advice Bureau**

The design phase of this project has been budgeted within the 2002/2003 Annual Plan. Reconfigurations of land holding within the New Lynn Heart were a pre-requisite to progressing development options. The process of securing the reconfigurations is now well underway and progressing well. The Request for Proposals document was issued in February 2003, with proposals closing on 17 April 2003. A report recommending the way forward will be presented to the Finance and Operational Performance Committee's May meeting.

**McCafé/ McDonalds land swap**

A Resource Consent application for a new McCafé premises fronting Memorial Avenue has now been filed and is currently being considered by consents with comment being sought from other key business units. Informal advice from the developer suggests that matters are progressing well, with plans for an opening around Christmas 2003.

### **Business and community relationship management**

The newly revitalised “New Lynn Village Association” (previously “Business Association”) expressed an interest in engaging with Council on improving the business vitality of New Lynn, through an Annual Plan submission and their recent petition requesting Council reconsider the library location. Key aspects of their submission included general improvements to the pedestrian shopping environment and redeveloping the Todd Triangle. Work is progressing to appraise the group of the current work plan and constraints, and develop a shared vision and programme for the next five years. This will include commissioning some detailed work to:

- Identify the reasons businesses are located in that precinct, their level of business confidence, and identify gaps in the retail profile of New Lynn, as a basis for addressing those issues in the short and medium-term future, and
- Produce a joint Council/ business community 4-5 year development plan.

### **Development of New Lynn Town Centre Action Plan**

Dean Wilson of Wilson Promotions has been contracted to produce the Action Plan for the development of New Lynn Town Centre. He has an extensive background in town centre management and has spent the last couple of years working with various New Zealand towns, helping them to develop action plans to revitalise and grow their centres. Dean has also been involved in event management, fundraising and journalism and public relations and will be taking a “hands-on” approach to working with the New Lynn business community.

Over the next few months Dean and Chris Fourie, Project Manager Revitalisation New Lynn will work in partnership with the New Lynn Town Centre business community, building owners, New Lynn commercial property owners, Council staff, elected representatives, and other stakeholders. They will meet with business owners, key groups and individuals, conduct surveys, circulate newsletters, and hold workshops. The outcome will be a jointly developed Action Plan for the next four to five years.

The Action Plan will capture the collective ‘vision’ for the development of New Lynn Town Centre and outline a staged programme for its development, identifying the resources required, assigning tasks and responsibilities to those people who are committed to achieving the vision and monitoring progress.

### **Retail and Economic Investigations**

Studies recently commissioned by the Council, Prosperous Places - Kemp and Macroplan, have looked at both the current situation and future prospects for the New Lynn Town Centre. A number of opportunities and challenges have been highlighted in the areas of economic, social and environmental performance, and options to address these will be pursued through the process of the Business Development Action Plan outlined above and other initiatives. There is also increasing interest in bulk retail development potential in the New Lynn working environment. It is important Council can respond to this interest, within the context of an integrated development plan focused on movement towards sustainable urban form. A further study has been commissioned by Market Place NZ to identify potential impacts of further retail development on the New Lynn Town Centre.

### **Transport interchange/ public transport development**

Since the 1996 charrette options for Rail Station development to improve conditions for rail users pedestrians and vehicles was considered a priority. A report reviewing the options for the development of the New Lynn Rail Station was put to the City Development Committee's April 2003 meeting, with further investigations to be undertaken prior to a decision being made.

### **'Moon' Festival for New Lynn**

A 'Moon Festival' is being planned in conjunction with Public Affairs for the first week of September 2003. This initiative is being progressed in response to a proposal by Peter Chan, to capitalise on the growing numbers of business owners and residents in New Lynn of Asian background. It is to be held in the New Lynn Community Centre hall and grounds.

### **Todd Triangle organic market**

Contact has been re-established with the individuals previously interested in holding the organic market in Todd Triangle. A meeting has been suggested to help the group develop an action plan so that some degree of momentum is maintained to enable the market to become a reality.

### **RESOURCES**

The New Lynn Project is funded in the 2002/2003 financial year and into 2003/2004 and future financial years. The Project Manager: Revitalisation will continue to ensure strategic coordination of the above range of projects.

### **CONCLUSION**

The New Lynn redevelopment is progressing, with key actions in the next six months relating to the New Lynn Civic Precinct and Library, the business development work and production of an action plan for the development of the main street and town centre.

### **RECOMMENDATION**

That the information be received.

Report prepared by: Chris Fourie, Project Manager: Revitalisation.



**16 INFRASTRUCTURE AUCKLAND: DRAFT ANNUAL PLAN AND LONG TERM FUNDING PLAN**

**PURPOSE OF REPORT**

*A28 - A29*

The purpose of this report is to request the Finance and Operational Performance Committee to approve the letter attached at pages A28 to A29 as Waitakere City's submission on Infrastructure Auckland's 2003 Draft Annual Plan and 2003/2013 Long Term Funding Plan. Infrastructure Auckland released the draft plan in April 2003 and invites submissions to be submitted by Friday, 16 May 2003.

The Committee is further requested to nominate a representative to attend a public hearing and present the submission. The hearing date set by Infrastructure Auckland is, at this stage, Wednesday, 4 June 2003.

**BACKGROUND**

Infrastructure Auckland was established under the provisions of the Local Government Act following the divestment of assets from the Auckland Regional Services Trust in October 1998. Its principal function is to contribute funds, by way of grants, for projects (or parts thereof) within the Auckland Region, in the areas of:

- Land transport
- Any passenger service
- Any transport operation
- Stormwater infrastructure

where there are identifiable benefits to the general community arising from the grants process. Funding is primarily granted for capital project costs.

**GOVERNANCE**

Waitakere City's governance role in Infrastructure Auckland is facilitated through the Mayor and Deputy Mayor's representation on the Electoral College. The Electoral College is a regional body that appoints the Infrastructure Auckland board of directors and is assisted by an officer's working group.

Under its founding legislation, Infrastructure Auckland is a Local Authority Trading Enterprise for some of its functions, and has the status of a Territorial Local Authority for other aspects of its business. Unlike the case with other regional Local Authority Trading Enterprises, the councils of the Auckland region have no shareholding of Infrastructure Auckland. Governance is limited to final determination of the performance measures in the Statement of Corporate Intent, and subsequent performance review of the Board Members in meeting the performance measures.

Waitakere City also has influence on the role and operation of Infrastructure Auckland by making submissions to the organisation's Annual Plan, Long Term Funding Plan and Grants Policy (included in the Annual Plan). A copy of Infrastructure Auckland's draft Annual Plan and Long Term Funding Plan was placed in the Councillor's Lounge for perusal and councillors should each have received a copy from Infrastructure Auckland itself. Submissions on the plan are invited to be presented to Infrastructure Auckland by Friday, 16 May 2003.

## Summary of Plans

There are two parts to Infrastructure Auckland's plans, as below:

1. The draft Annual Plan covers Infrastructure Auckland's activities for the financial year 2003/2004.
2. The draft Long Term Funding Plan is designed to direct Infrastructure Auckland's business to June 2013.

In summary, Infrastructure Auckland has identified the following desired outcomes:

- A complete and integrated road, rail, bus and ferry network that promotes effective access to transport for people and goods;
- An integrated passenger transport system that provides a viable and regionally-agreed alternative to the use of private vehicles; and
- That water quality in and around the region is preserved or enhanced

The draft Annual Plan identifies a role for Infrastructure Auckland as:

"...Making grants to transport and stormwater projects undertaken in the Auckland region that generate optimal community benefits; and

Managing a portfolio of regional investments on behalf of the region by applying sound business practice to maximise its value." [p5].

In its previous plan, the organisation committed funds for the years to 2006 in the following amounts:

- \$410 million to be allocated to passenger transport projects.
- \$90 million to be allocated to roading projects (examples being; Transit-controlled corridors, Territorial Authority roads; Ports of Auckland connections).
- \$75 million to be allocated to innovative projects that make it easier for people to travel and move goods around the region.
- \$100 million to be allocated to stormwater improvements.

This year, Infrastructure Auckland has significantly increased its notional granting commitments to 2008. The current draft plan provides for notional allocations to 2008 as:

- \$730 million to be allocated to passenger transport projects
- \$90 million to be allocated to roading projects
- \$75 million to be allocated to travel demand projects
- \$150 million to be allocated to stormwater projects.

## **INFRASTRUCTURE AUCKLAND'S ASSET BASE**

Infrastructure Auckland's strategic assets take the form of both cash investments and ownership of subsidiaries. These include:

### **Ports of Auckland Limited**

80% of this company is owned by Infrastructure Auckland. Infrastructure Auckland is legally entitled (under the provisions of the Local Government Act) to trade up to 24.9% of the shares in Ports of Auckland but is restricted from trading further shares without support being shown through a majority of votes in a regional poll. The estimated value of the 80% shareholding as at June 2003 is \$576,200,000.

### **America's Cup Village Limited**

America's Cup Village Limited is a wholly-owned, non-listed property management and development company, which owns some property interests around the Viaduct Basin. Although this company is fully tradeable, there are public consultation restrictions around that trading. The estimated value as at June 2003 is \$41,300,000.

### **Northern Disposal Systems Limited**

Northern Disposal Systems is wholly owned by Infrastructure Auckland. The company invested in waste disposal systems under a joint venture with Fulton Hogan Limited. Under the terms of the joint venture, each party needed to offer the other party their 50% share if sale was desired. Infrastructure Auckland's 50% share was sold to Fulton Hogan 2001/2002. The company is now used by Infrastructure Auckland as an 'investment company', which can undertake investments outside the bounds of the Infrastructure Auckland legislation, and which do not come under the governance of the Electoral College. The estimated value of Infrastructure Auckland's holding as at June 2003 is \$22,900,000.

### **Treasury Fund**

Infrastructure Auckland holds significant cash investments, held as either New Zealand Government Bonds or New Zealand Cash Deposits, managed by AMP Henderson and Alliance Capital Management. The estimated value of these holdings as at June 2003 is \$557,100,000.

### **Property**

Infrastructure Auckland owns a commercial property near the Viaduct Basin, valued at June 2003 as \$3,300,000.

In summary, the total estimated holding value of Infrastructure Auckland's investments as at June 2003 is some \$1.2 billion.

## **ISSUES**

Waitakere City Council's main governance relationship with Infrastructure Auckland is through its Electoral College membership. However, the Council also contributes to the strategic direction and policies of Infrastructure Auckland by making a submission to the organisation's draft Annual Plan and draft Long Term Funding Plan.

For the current draft Annual Plan, Infrastructure Auckland has taken steps to better align its granting programme to meet the region's needs for significant funding in the short term, rather than "drip-feed" funding over a much longer period. These efforts have not gone unnoticed in the proposed submission.

Similarly, the steps taken by Infrastructure Auckland to rectify a legislative breach and recall treasury investments from overseas may well have protected those investments from a global downturn that has thus far not impacted as fully on the local market. Again, the submission is supportive of Infrastructure Auckland's efforts.

However, there are several proposed modifications to the Annual Plan, which would enhance the policy modifications made by Infrastructure Auckland to help resolve the region's current need for infrastructure grants:

Timing of Debt:

In general, the proposed submission is supportive of Infrastructure Auckland's plan to incorporate a debt facility into its granting and investment management policies. The plan represents a way to leverage capital grants without disposing of the community's 80% shareholding in Ports of Auckland. However, debt always comes at a cost, and the submission expresses concern that the timing of debt creation shown in the financial forecast needs to be optimised to reduce debt service costs. All cash generated from treasury investments and subsidiary holdings should be granted before recourse to borrowing.

Using remaining funds to offset debt creation:

Similarly, while the proposed submission accepts that allocations incorporated in the Annual Plan are notionally based, concern is expressed that the revised notional allocations do not fully reflect granting trends over the five years of Infrastructure Auckland's existence. Infrastructure Auckland needs to confirm that, in line with its policy of completing the granting programme by 2008, uncommitted funds from all categories will be used to offset against the \$136 million, to reduce borrowing.

Using unanticipated income to offset debt creation:

The proposed submission also recommends that Infrastructure Auckland develop a policy that allows unanticipated income to be used to offset debt financing. The notes to the accounts in the draft Plan confirm that Infrastructure Auckland's financial forecasts are quite conservatively calculated.

While conservative forecasting is considered prudent, it is consequently quite possible that Infrastructure Auckland's investments will generate additional income beyond that forecast, and the proposed submission recommends that a policy to use such income to offset the planned post-2008 debt creation be developed and incorporated within the Plan.

The proposed submission proposes that any unanticipated income be used to offset the creation of debt in 2008

Using 100% of subsidiary investments for granting purposes, including Northern Disposal Systems Limited:

On p16, the draft Annual Plan explains that, after 2008, 100% of the subsidiary investments will have been utilised for grant payments, save for the region's investment in Ports of Auckland. This is supported by the text and graphs on p48 of the draft Plan, indicating that the borrowing that takes place post-2008 can be supported by the income from Ports of Auckland dividends.

The Statement of Forecast Financial Position appears to conflict, however, showing the value of Northern Disposal Systems Limited increasing from \$22.9 million in 2003 to \$27 million in 2013. Waitakere City Council supports Infrastructure Auckland's commitment to utilise 100% of subsidiary investments for granting purposes, including the value presently incorporated in Northern Disposal Systems Limited.

The submission proposes that Infrastructure Auckland should not raise debt, while more than \$22 million of regional funds is retained within a subsidiary company for the purpose of loans or other commercial investments.

Managing Ports of  
Auckland investment post-  
2008:

While the proposed submission supports the retention of the region's investment in Ports of Auckland, it suggests that, when granting is completed and all other subsidiary investments have been exhausted in 2008, a plan needs to be developed to define the means of managing the region's Ports of Auckland investment.

Infrastructure Auckland has budgeted \$1 million in 2013 for its operational costs. This is considered to be an expensive management fee given that the granting programme is scheduled to have been completed and there are no other subsidiary investments. The Annual Plan and Statement of Corporate Intent are the two most likely means of developing regional consultation on this issue.

Support for Auckland City  
Council's proposal to  
acquire Americas' Cup  
Village Syndicate Base  
land:

With the loss of the America's Cup, America's Cup Village Limited, a subsidiary of Infrastructure Auckland, intends to regard the syndicate base sites as property investments. It is likely that these will be sold for development.

Auckland City Council recently announced a proposal to acquire the syndicate base sites for the purpose of creating public space, and transfer the value of above-ground development rights to nearby land owned by Ports of Auckland (known as Tank Farm). This would retain the valuable waterfront marine area for public use, which may well be lost if the sites are sold for private development.

The proposed submission endorses Auckland City's proposal, provided that the transfer is at no net cost to Infrastructure Auckland or the ratepayers of the Auckland region.

### **Regional Co-operation in Submissions**

Officers at Auckland City, North Shore City and Waitakere City have shared in the development of individual submission items, covering the major issues of importance to all three councils. These have been distributed to officers in the other Auckland Territorial Authorities. A more unified approach on issues of concern will assist the impact of each council's submission and clearly indicate to Infrastructure Auckland those issues of importance to the region as a whole, rather than as submissions of individual, disparate, Territorial Authorities.

### **Request for Feedback**

As was the case in 2002, this year's proposed submission also requests Infrastructure Auckland to provide written feedback to Waitakere City Council, noting changes made as the result of this city's submission, together with reasons for adopting or not adopting suggestions made.

### **CONCLUSION**

Infrastructure Auckland has provided the regional Territorial Authorities with copies of its draft Annual Plan and Long Term Funding Plan for 2003 and beyond.

The content of the draft plan poses several issues of concern for the region as a whole, together with issues affecting individual councils. With this in mind, officers of Auckland, North Shore and Waitakere Cities have shared in the development of individual submissions, for potential use by other regional Territorial Authorities, with or without modification or addition. Importantly, this year's proposed submission also asks for specific feedback to issues raised, for presentation to councillors.

Councillors are requested to consider the proposed submission for Waitakere City Council and to nominate a representative to present the final submission in person at a public hearing.

### **RECOMMENDATIONS**

A28 - A29

1. That the information be received.
2. That the Finance and Operational Performance Committee approves the letter attached at pages A28 to A29, together with any addition or modification arising from discussion at its meeting, as its submission on Infrastructure Auckland's draft Annual Plan and Long Term Funding Plan.
3. That the Finance and Operational Performance Committee nominates a representative to present the submission at a public hearing to be held by Infrastructure Auckland after Saturday, 17 May 2003 and tentatively scheduled for Wednesday, 4 June 2003.

Report prepared by: Michael Riley, Partnerships and Advocacy Leader: Governance and Infrastructure.



## **17 NEW LYNN LIBRARY DEVELOPMENT OPTIONS**

### **PURPOSE OF THE REPORT**

At the November meeting of the City Development Committee, the Committee passed a resolution 3255/2002, adopting a 'Request for Proposals' method of addressing the redevelopment of the heart of New Lynn.

The purpose of this report is to update the Council on the outcome of the Request for Proposals process and to make recommendations for the next course of action.

### **BACKGROUND**

The Heart of New Lynn sub-project, which includes creating a new library, has been more protracted because Council's aspirations for excellent urban design, architectural, retail and civic outcomes have depended on resolving complex property and legal issues, while also meeting high community and commercial expectations. As a way of creating an opportunity for private sector involvement in the New Lynn Library and Heart of New Lynn project, the Request for Proposals process was initiated at the November meeting of the City Development Committee.

The meeting resolution consisted of the following:

- “1. That the information be received*
- 2. That staff initiate a Request For Proposals process for the New Lynn Heart development as outlined in the report, including a Library, Service Centre, Citizens Advice Bureau, Memorial Square, and McCrae Way, and exploring the opportunity to achieve an integrated carpark building, complementary activities above the Library, connection/s between the Mall and the older shopping area, and complementary retail.*
- 3. That Waitakere Properties Limited be briefed to manage the New Lynn RFP process, beginning with securing options on key adjacent landholdings.*
- 4. That a progress report be brought back to the Finance and Operational Performance Committee at the Development Agreement milestone.*
- 5. That the New Lynn Heart Request For Proposals process remains confidential until the formal launch at the Mayoral function with local businesspeople on Monday 25 November 2002, to be followed by the recommended communication programme.”*

3255/2002

## STRATEGIC CONTEXT

The ‘Town Centre Revitalisation Strategy’ can be summarised as the following inter-related objectives:

- Holistic: recognising the relationship between city form, resource use, environmental impacts and community wellbeing.
- Innovative: committed to finding innovative solutions to accommodating and servicing growth, to city revitalisation and design issues, and encouraging developers to do the same.
- Forward looking: anticipating the needs of the future and the consequences of changing trends and preferences on future demand (for example the likely increase in travel costs as pressures increase for true cost pricing for vehicle use.)
- Empowering: encouraging individual, community and business initiatives in all aspects of city form and design, consistent with Council’s strategic direction.
- Non Parochial: recognising that while Waitakere City Council forms a separate entity, it also interacts in complex ways with the greater Auckland region, and that regional co-operation will be crucial.

The City’s programme has been extraordinarily very successful in achieving these outcomes, and there is ongoing work to document and quantify these successes.

In New Lynn, successes include the Community Centre, Manawa Wetlands and the Rewarewa Bridge, which all won awards, Memorial Drive and the Ambrico Place medium-density housing precinct – all within 10 minutes walk of the rail station. Each of these projects contributes to multiple programme objectives.

## ISSUES

### Request For Proposals Process

The objective of the Request for Proposals process was to produce a transparency to the redevelopment of the heart of New Lynn. The intention was to deliver the greatest amount of development potential to the community by involving the private sector and their expertise. To this endeavour, the development, retail and landowner sectors of New Lynn were invited, via an extensive communication plan through newsletters and public meetings to respond to a request to submit a proposal for the development of the New Lynn Civic precinct. All surrounding landowners were contacted individually to give them the opportunity to input into the process.

The 'Request for the Submission of Proposals' was issued on 21 February 2003. The document was sent to the following respondents who made a registration of interest:

1. McCleod Group
2. Landplan Property Group Limited
3. Warren and Mahoney Architecture
4. AMP Henderson global investors
5. Redwood Group Limited
6. Hames Sharley
7. Pacific Retail Group
8. Vault Investments Limited

On 12 March 2003, a briefing session for the registered interested parties was organised. This was an opportunity for the development community to ask any questions that they may have about the process and for the answers to be heard by all parties. Minutes to this meeting were taken and distributed to the attendees. In the event, the session was poorly attended. Staff emphasised that particular attention would be paid to the concept and deliverability when evaluating the submissions.

The closing date for the submission of proposals was 17 April 2003.

*A30 - A51*

The evaluation team was convened and sat on 22 April 2003 to evaluate the submissions. There were only two submissions and these are attached at pages A30 to A51. The findings of the evaluation team are as follows.

*A49 - A51*

a) Architecture Warren and Mahoney (pages A49 to A51)

The format requested for submissions was to consist of:

1. a concept plan, and
2. a maximum ten-page document outlining the 'intention and capabilities' of the submitter.

The submission from Warren and Mahoney did not include a concept plan and so was deemed to be non-complying in the instance of the first requirement.

In regards to the second requirement, the submitter was to declare evidence of their 'intention and capabilities' in a document no greater than ten pages in length. On analysis, the document submitted ran to fifty pages and consisted of general promotional material on past developments and the curriculum vitae of employees. There was mention of an intention of working collaboratively with other consultants on the project, but no evidence of a proposed concept or financial backing. The authors had made mention of their attempts to forge a development proposal with McLeod Group and Willis Bond, however these negotiations had come to nothing. Overall the document was promotional rather than a firm and viable proposal. Consequently, it was considered non-complying in various aspects.

A30 - A48

b). AMP Henderson Global Investors New Zealand (pages A30 to A48)

The submission from AMP was received on 23 April 2003 at 1.15 pm. The Request for Proposals document does reserve the right of Council staff to consider late submissions and so the proposal was put before the evaluation team.

As a brief overview, the proposal contained a proposition to place the Library, Citizens Advice Bureau and the Service Centre into the Lynn mall. The submission proposed that AMP grant a long lease to Council through the Lynn mall. The Library itself would be split on two levels with connection from the railway/bus transport nodes and the top level carpark in Lynn mall.

After careful consideration, the submission was rejected on the basis of non-compliance with the following 'primary deliverables';

- i) The submission was contrary to the objective of the buildings and land being vested in the Council.
- ii) The submission did not involve the library being developed within the potential development area bounded by Great North Road, Memorial Drive and Totara Avenue as required.

In relation to the project design considerations the proposal does not link the library and civic facilities well with the rest of the New Lynn Business area, and in particular would not better link the Lynn mall development with the rest of New Lynn. No additional catalytic effect on the New Lynn Business area would be felt from the development and in considering the proposal it was felt that the submission suggested a poor use of civic leverage. Although it could meet the operational requirements, it did not revitalise the western side of the town centre, providing a clear balance of amenity on both sides of Memorial Way in order to establish it as a two sided high activity street.

Furthermore, the submission provided no consideration to the secondary deliverables listed in the Request for Proposals, and proposed the closing of Memorial Drive to vehicular through traffic from the main entrance to Lynn mall, through to the railway line.

There were no further submissions.

In recent telephone conversations with the registered parties and developers, it became apparent that they were not keen to participate in the competitive environment of the Request for Proposals process. There was a reluctance to expend monies on the progression of a concept / proposal plan with no guarantee that this would generate into an opportunity for them.

Other problems were:

- Not commercially viable (no demand). Finance problems with pre sales
- Land Ownership complexities
- Lack of total control over the land holdings
- Perception that there were too many barriers to development (i.e. resource consent issues becoming protracted)
- Inability to secure key land holdings.

Consequently, the outcome of the Request for Proposals process is that the development community would find it very difficult to provide a commercial venture on the land offered, in the current economic climate.

### **McDonalds land swap**

Council has expended considerable amounts of time and effort into the transfer of land from and to McDonalds for the purposes of gaining control over lots with a greater development potential.

The complex negotiations between Council staff and McDonalds are now coming to fruition with the land swap and consequent development agreement expected to go unconditional by the end of June. This will see the re-orientation of the McDonalds restaurant onto Memorial Drive, spurring the momentum on the completion of this street into the vibrant thoroughfare that was initially contemplated in the 1996 New Lynn charrette.

These recent land swap deals have meant that Council are now in possession of a site that because of the shape, has a greater degree of development potential and Council will be in a position to complete Memorial Square and redevelop the central triangle carpark.

### **Location of the New Lynn Library**

Council has previously passed confidential resolution number 2836/2001 (City Development Committee - 10 December 2001).

This plan provides for the location of the New Lynn Library in the central triangle carpark, behind the Memorial Square fronting onto Memorial Drive, and adjacent to the new McDonalds restaurant.

This position is the only location that will facilitate an immediate commencement of the development process. Other locations would require additional investigation and land purchase negotiations, which would inevitably lead to greater delays and expense. In the absence of a viable development partner, if Council's aspiration is to move forward in a timely manner with the development of the New Lynn Library, within the central triangle area, then the central triangle carpark is the only possible location for the Library.

Any other site would require land acquisition and either modification or demolition of existing buildings with the associated time delays.

## Development of the New Lynn Library

In the absence of a viable development partner, Council has two options available to it in the development of the New Lynn Library, either to proceed and construct the Library itself, or to utilise its development company, Waitakere Properties Limited to develop the Library in conjunction with other associated commercial and / or residential development. At this stage it is recommended that Waitakere Properties Limited be allowed to investigate if there are viable commercial/residential opportunities and report back to the June meeting of the Committee before it makes a decision to proceed with the Library development.

## CONCLUSION

The Request for Proposals process has not succeeded in delivering a viable proposal or partner within the framework set for the New Lynn Library development, largely because of a lack of confidence in the commercial prospects of such a partnership. Through the McDonalds landswap, once successfully concluded, Council will gain control over a reshaped plot of land adjacent to the McDonalds land with improved development potential. Assuming that Council wishes to proceed with the Library development in a timely manner, then is recommended that Council precede with the most recently adopted proposal to develop the Library in the central triangle carpark of New Lynn.

In order to allow for the maximisation of the urban design and economic benefits of the New Lynn Library development, it is recommended that Waitakere Properties Limited be instructed to investigate the commercial and residential development potential within the library footprint itself and that a report be brought back to the next meeting of the Finance and Operational Performance Committee outlining any commercial development opportunities.

## RECOMMENDATIONS

1. That the information be received.
2. That no further action be taken in pursuit of the Request for Proposals process and that appropriate communications be undertaken to advise the submitters and wider community of this.
3. That the Council endorses the immediacy of the development of the New Lynn Library and reconfirm its desire to site the New Lynn Library in the central triangle carpark within the time agreed in the draft Long Term Council Community Plan.
4. That Waitakere Properties Limited be briefed to investigate the commercial and residential opportunities relating to the library.
5. That a report be brought back to the June 2003 Finance and Operational Performance Committee on the prospects of commercial development in the library, with a recommendation as to whether Waitakere Properties Limited or Council undertake the development.

Report prepared by: Mark Witherington, Project Manager, City Development Projects.



**18 DRAFT STATEMENTS OF INTENT**

**PURPOSE OF THE REPORT**

The purpose of this report is to review the draft Statements of Intent for Waitakere City Holdings Limited and its subsidiaries Waitakere Properties Limited and Techscape Limited.

The Committee's comments will be forwarded to the respective boards of Waitakere City Holdings Limited and its subsidiaries to modify their Statements of Intent.

**BACKGROUND**

In September 2002 this Council reviewed the governance arrangements in relation to its Local Authority Trading Enterprises and outlined to the boards the Council's requirements as a shareholder.

The Local Government Act 2002 requires existing Local Authority Trading Enterprises to prepare draft Statements of Intent for consideration by shareholders in accordance with the requirements of the new Act. There is a legal requirement that final Statements of Intent be in place no later than 1 July 2003.

**STRATEGIC CONTEXT**

The Council has an obligation to ensure that its investment and transactions with these companies deliver services and provide financial returns in accordance with the Long Term Council Community Plan and legislative requirements.

**ISSUES**

*A52 - A80*

Attached at pages A52 to A80 are the draft Statements of Intent. Waitakere Properties Limited has provided its current Statement of Intent. This needs to be updated in relation to 2003/2004 and the subsequent two years. The draft Statements of Intent for Waitakere City Holdings Limited and Techscape Limited are significant attempts to comply with the new requirements of the Local Government Act 2002 and to align more closely with the Council's strategic objectives. The boards should be commended for these efforts.

Some further changes are required, particularly in relation to Waitakere City Holdings Limited, to ensure legislative compliance. These include a governance statement, objectives and accounting policies.

Officers have identified some changes to the draft Statements of Intent which are of a minor nature or relate to detail. These include matters such as strategic alignment of objectives, quarterly reporting requirements, specific non-financial performance measures and restrictions on activities. These matters could be included with the Committee's comments to the boards. Staff will make a detailed presentation on these matters at the meeting.

## RESOURCES

The financial returns to the Council from Waitakere City Holdings Limited are the amounts included in the Long Term Council Community Plan. The trust distributions from Waitakere Properties Limited need to be stated in its Statement of Intent.

## CONCLUSION

Significant improvements have been made in the development of draft Statements of Intent for 2003/2004. Some additional changes are required to ensure compliance with the legislative requirements and strategic alignment.

## RECOMMENDATIONS

1. That the information be received.
2. That the Finance and Operational Performance Committee's comments on the draft Statements of Intent be forwarded to the boards of Waitakere City Holdings Limited, Waitakere Properties Limited and Techscape Limited.
3. That detailed comments on the draft Statements of Intent, including compliance with the Local Government Act 2002 and strategic alignment, be prepared by staff and included with the Finance and Operational Performance Committee's comments.

Report prepared by: Andrew Pollock, Director: Finance, and Robert Rudd, Director: Quality Assurance.



**PART VI - SUBCOMMITTEE REPORTS**

**19 REGIONAL ARTS AND CULTURE FUNDING ALLOCATION SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETING HELD ON THURSDAY, 3 APRIL 2003**

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**MATTERS CONSIDERED**

*A81 - A82*

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A81 to A82.

**The Subcommittee Recommends:**

That the Ordinary Meeting report of the Regional Arts and Culture Funding Allocation Subcommittee held on Thursday, 3 April 2003 be received.

DA Yates, JP  
**CHAIRPERSON**



**20 TENDERS SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORTS OF ITS ORDINARY MEETINGS HELD ON FRIDAY, 4 APRIL 2003 AND FRIDAY, 11 APRIL 2003 AND ITS SPECIAL MEETING HELD ON WEDNESDAY, 16 APRIL 2003**

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**MATTERS CONSIDERED**

*A83 - A88*

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A83 to A88.

**The Subcommittee Recommends:**

That the Ordinary Meeting report of the Tenders Subcommittee held on Friday, 4 April 2003 and Friday, 11 April 2003 and the Special Meeting report of the Tenders Subcommittee held on Wednesday, 16 April 2003 be received.

JM Clews, QSO, JP  
**CHAIRPERSON**

