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Property Rationalisations Tranche 21

For decision:

For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- a) Approves the transfer to Auckland Council (AC) of sixteen properties listed in Tranche 21 with a current book value of \$4,854,312 as at 30 November 2020:
 - i. 116 Mount Wellington Highway, Mount Wellington
 - ii. 114 Mount Wellington Highway, Mount Wellington
 - iii. 4/126 Mount Wellington Highway, Mount Wellington
 - iv. 2/126 Mount Wellington Highway, Mount Wellington
 - v. 7/126 Mount Wellington Highway, Mount Wellington
 - vi. 3/126 Mount Wellington Highway, Mount Wellington
 - vii. 6/126 Mount Wellington Highway, Mount Wellington
 - viii. 5/126 Mount Wellington Highway, Mount Wellington
 - ix. 2/124 Mount Wellington Highway, Mount Wellington
 - x. 1/154 Mount Wellington Highway, Mount Wellington
 - xi. 1/156 Mount Wellington Highway, Mount Wellington
 - xii. 184 Mount Wellington Highway, Mount Wellington
 - xiii. 220 Mount Wellington Highway, Mount Wellington
 - xiv. 1/124 Mount Wellington Highway, Mount Wellington
 - xv. 2/224 Mount Wellington Highway, Mount Wellington
 - xvi. 1/246 Mount Wellington Highway, Mount Wellington
- b) Notes that the transfer of 114, 4/126, 2/126, 7/126, 3/126, 6/126, 5/126, 2/124, 1/154, 1/156, 220, 1/124, 2/224 and 1/246 Mount Wellington Highway, Mount Wellington are subject to Auckland Transport (AT) acquiring the remaining partial interests in the designated freehold interest in the properties and completing legalisation of sections of land required for future transport purposes.
- c) Notes that Eke Panuku will fund the acquisition of the remaining partial interests.

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- d) Notes that the book value of the residual land of the properties recommended to be transferred to AC will be adjusted according to the legalisation requirements.
- e) Notes that the property at 30 Saleyard Road, Whitford, approved by the board in March 2019 for transfer to AC, subject to AT completing legalisation of the land included in designation 1807 on the site, is not proceeding at this time.

Te whakarāpopototanga matua / Executive summary

1. Under the AT Delegation Manual, DFA 4.2 approval is required from the board for disposal of strategic assets.
2. AT recommends the transfer to AC of 16 properties listed in Tranche 21, with a current book value of \$4,854,312, as at 30 November 2020. The properties listed in this paper have been requested by Panuku Development Auckland (Panuku) to help facilitate Council funds in response to the financial impact of the COVID-19 pandemic (COVID-19) across Auckland Council. Properties requested for transfer to AC will be used to generate capital funds upon sale or development.
3. The Mount Wellington Highway properties were purchased between 2007 and 2015 for the proposed widening of Mount Wellington Highway. Fifteen of the sixteen properties are subject to designation 1657 which designates land at the frontage of each of the properties for road widening. AT has a continued need for this designated area for future transport purposes as Mount Wellington Highway is identified as a strategic connection in Future Connect.
4. In the normal course AT would legalise this designated area as road and transfer the remaining land to AC. However, in this case, fourteen of the properties are subject to a cross lease or unit title ownership structure and require the remaining interests in the designated freehold interest in the property to be acquired before the land under the designation can be legalised for future transport purposes. This will enable AC to sell the properties with no encumbrance.
5. AT does not have funding allocated in the current Regional Land Transport Plan (RLTP) for these acquisitions. Eke Panuku has agreed to provide funding from the Strategic Development Fund to enable the remaining interests to be acquired so that the land can be transferred without condition to AC for future development or sale.
6. 30 Saleyard Road, Whitford (the Property) was acquired for the Whitford Bypass Project. The Property was approved by the board in March 2019 (Tranche 14) for transfer to AC, subject to AT completing legalisation of the land under designation 1807 on the site.
7. After engagement with the Department of Conservation (DOC) which is required as approximately half of the property is a marginal strip, it has been decided not to proceed with legalisation due to the cost compared to the value of the land available to be transferred to AC.
8. The alternative would be for AT to acquire the additional interests prior to transfer to AC and legalise the area as road. The estimated cost to acquire the additional six (6) cross lease and four (4) unit title partial interests needed to complete legalisation is approximately \$960,000 and

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estimated to take between 18-24 months to complete. There is currently no funding available in the RLTP for these partial acquisitions or for the bus priority projects.

Ngā tuhinga ō mua / Previous deliberations

9. There have been no previous board deliberations for the proposed Tranche 21 property transfers in this paper.
10. In March 2019, the Board resolved to transfer 30 Saleyard Road, Whitford to AC, subject to part of the land being legalised as Road prior to transfer.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

11. AT's property inventory and rationalisation process provides an opportunity to contribute to the sources of funds required for AC's operation.
12. Transfer of property to AC enables the divestment of assets and contributes to AC's funding sources if the property is sold.
13. Properties are assessed for strategic and operational value to AT in delivery of transport infrastructure, services or activities. Each property is assessed against the criteria that they are required for a funded or future planned transport project. If a property is not required for a funded or future planned transport project, it is recommended for transfer to AC.
14. AT may also recommend transfer of property subject to certain conditions, such as provision of public parking in an eventual integrated development or protection of a transport infrastructure asset that exists on the land.
15. The properties listed in this paper have been requested by Panuku to help facilitate emergency budget funds in response to the financial impact of COVID-19 across Auckland Council. Properties requested for transfer to AC as part of the emergency budget will be used to generate capital funds upon sale or development.
16. The section of this paper related to Saleyard Road Whitford is to update the Board that while the transfer of residual land to AC was approved earlier by the Board, the transfer will not be proceeding at this time.
17. Since the commencement of the property rationalisation process the total book value of property approved for transfer is \$206,944,538.

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Ngā matapakinga me ngā tātaritanga / Discussion and analysis

18. The twenty-first tranche is as follows:

Ref	Property Name	Book value as at 30 November 2020	Comments
1	116 Mount Wellington Highway, Mount Wellington	\$640,000.00 (total site) Approximate apportioned book value of residual land to be transferred: \$441,307.19	306 sqm (Attachment 1). Residential land with house. Approximately 700 sqm of the Property has been erroneously legalised as road and the shape of the land does not conform to the expected road corridor. AT Technical Property Services are currently working to remediate this issue. AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT completing required road stopping; and 2. AT legalising approximately 95 sqm of land under designation 1657 on the property as road.
2	114 Mount Wellington Highway, Mount Wellington	\$655,398.04 (total site) Approximate apportioned book value of residual land to be transferred: \$586,984.88	958 sqm (Attachment 2). Residential land with house. AT recommends that the property is partially transferred to AC subject to approximately 100 sqm of land under designation 1657 on the property being legalised as road.
3	4/126 Mount Wellington Highway, Mount Wellington	\$236,967.65	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.

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Ref	Property Name	Book value as at 30 November 2020	Comments
4	2/126 Mount Wellington Highway, Mount Wellington	\$178,681.17	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
5	7/126 Mount Wellington Highway, Mount Wellington	\$211,831.88	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
6	3/126 Mount Wellington Highway, Mount Wellington	\$255,262.21	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
7	6/126 Mount Wellington Highway, Mount Wellington	\$217,595.33	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.

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Ref	Property Name	Book value as at 30 November 2020	Comments
8	5/126 Mount Wellington Highway, Mount Wellington	\$207,595.33	Residential unit titled property in a block of seven units (Attachment 3). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
9	2/124 Mount Wellington Highway, Mount Wellington	\$218,929.92	Residential unit titled property in a block of four units (Attachment 4). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property being legalised as road.
10	1/154 Mount Wellington Highway, Mount Wellington	\$279,111.96	Residential cross lease titled property in a block of three units (Attachment 5). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
11	1/156 Mount Wellington Highway, Mount Wellington	\$261,716.95	Residential cross lease titled property in a block of three units (Attachment 6). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.

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Ref	Property Name	Book value as at 30 November 2020	Comments
12	184 Mount Wellington Highway, Mount Wellington	\$261,513.75	Residential cross lease titled property in a block of two units (Attachment 7). AT recommends that the property is transferred to AC.
13	220 Mount Wellington Highway, Mount Wellington	\$285,444.63	Residential cross lease titled property in a block of two units (Attachment 8). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 100 sqm of land under designation 1657 on the property as road.
14	1/224 Mount Wellington Highway, Mount Wellington	\$285,549.78	Residential cross lease titled property in a block of two units (Attachment 9). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 108 sqm of land under designation 1657 on the property as road.
15	2/224 Mount Wellington Highway, Mount Wellington	\$284,298.92	Residential cross lease titled property in a block of two units (Attachment 9). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and 2. AT legalising approximately 108 sqm of land under designation 1657 on the property as road.
16	1/246 Mount Wellington Highway, Mount Wellington	\$325,285.38	Residential cross lease titled property in a block of two units (Attachment 10). AT recommends that the property is partially transferred to AC subject to: <ol style="list-style-type: none"> 1. AT acquiring the remaining partial interests in the designated freehold interest in the property; and

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Ref	Property Name	Book value as at 30 November 2020	Comments
			2. AT legalising approximately 75 sqm of land under designation 1657 on the property as road.
	Total	\$4,805,182.90 <i>Note: apportioned book values of residual land to be transferred is to be determined following legalisation works.</i>	

19. The estimated cost to acquire the additional six (6) cross lease and four (4) unit title partial interests needed to complete legalisation is approximately \$1,190,000 and estimated to take between 18-24 months to complete. There is currently no funding available in the RLTP for these partial acquisitions as the additional capacity is required beyond the time frame of the current and proposed RLTP. Eke Panuku has agreed to fund the acquisitions through its Strategic Development fund. The AT Property Acquisition team will undertake the acquisitions.
20. Board approval for the transfer to AC is required prior to commencing the acquisitions, the timing of actual transfer will occur after these are completed and may occur in sequential tranches.
21. The alternative would be to transfer the properties to AC now with a condition that that remaining land interests in the designated area are transferred by a subsequent purchaser under s17 of the Public Works Act on sale of the land by AC. This requirement is likely to affect the sale price so the proposed option to complete the acquisitions now is recommended.

30 Saleyard Road

22. The property at 30 Saleyard Road as surveyed is 1231m², with 994m² proposed to be legalised as road and 237m² residual land to be transferred to AC. Approximately half of the Property is a Crown-owned marginal strip (conservation reserve), which the Department of Conservation (DOC) administers. AT requires DOC's consent for the road legalisation to proceed due to the Crown owning approximately half of this land.
23. AT has engaged with DOC for consent to the road legalisation. DOC's standard consent requirements include AT paying the Crown for the marginal strip area to be legalised as road, such price to be determined by valuation. To complete the legalisation work would require additional budget to acquire the marginal strip area from the Crown for road and to implement DOC's other consent requirements which include iwi consultation and payment of DOC's processing costs. Given, the size of the residual land and the relative value it has been decided that there are insufficient benefits for this transfer to proceed at this time.

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Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Elected-Member considerations	AT recommends that AC actively consults with elected-members, such as local boards, to promote the context and strategic alignment of rationalisations, AT will actively participate in this process to ensure an aligned partnership approach.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

24. The properties approved for transfer to AC will transfer from the AT Fixed Asset Register to the AC Fixed Asset Register at book value.
25. The purchase of the partial interests in land will need to be negotiated in line with the Public Works Act. The estimated cost to acquire each of these interests is approximately \$85,000 each (\$1,190,000 in total). The value of sale of the properties once after works is estimated to be at least \$12,000,000.

Ngā whaiwhakaaro o te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

26. There are no perceived environment or climate change considerations associated with the transfer of these properties.

Ngā reo o mana whenua rātou ko ngā mema pooti, ko ngā roopu kei raro i te maru o te Kaunihera, ko ngā hāpori katoa / Voice of mana whenua, elected members, Council Controlled Organisations, customer and community

27. The AT Elected Member Liaison Team are consulted as part of the Property Optimisation Process.

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Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

28. There are no perceived health, safety and wellbeing considerations associated with the transfer of these properties.

Ā muri ake nei / Next steps



29. Subject to Board approval AT will complete the acquisitions of the remaining interests and legalise the land required for future transport purposes to enable the 16 properties in Tranche 21 listed in this paper to transfer to AC.

Ngā whakapiringa / Attachments

Attachment number	Description
1	GIS Map showing 116 Mount Wellington Highway, Mount Wellington
2	GIS Map showing 114 Mount Wellington Highway, Mount Wellington
3	GIS Map showing 4/126, 2/126, 7/126, 3/126, 6/126, 5/126 Mount Wellington Highway, Mount Wellington
4	GIS Map showing 2/124 Mount Wellington Highway, Mount Wellington
5	GIS Map showing 1/154 Mount Wellington Highway, Mount Wellington
6	GIS Map showing 1/156 Mount Wellington Highway, Mount Wellington
7	GIS Map showing 184 Mount Wellington Highway, Mount Wellington
8	GIS Map showing 220 Mount Wellington Highway, Mount Wellington
9	GIS Map showing 1/224, 2/224 Mount Wellington Highway, Mount Wellington
10	GIS Map showing 1/246 Mount Wellington Highway, Mount Wellington

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Te pou whenua tuhinga / Document ownership

Submitted by	Philip Lim Property Optimisation Manager	
	Jane Small Group Manager Property and Planning	
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Approved for submission		