

## Optimal size of the civic space at 254 Ponsonby Road

File No.: CP2018/21755

### Te take mō te pūrongo / Purpose of the report

1. To seek the local board's views on the optimal size of the civic space at 245 Ponsonby Road.

### Whakarāpopototanga matua / Executive summary

2. To inform decision-making on the size of a proposed civic space at 254 Ponsonby Road, staff identified three options:
  - **Option 1:** Develop a 2000m<sup>2</sup> civic space on the front portion of the site and dispose of 326m<sup>2</sup> at the rear to offset the initial acquisition cost (status quo)
  - **Option 2:** Develop the whole site (2326m<sup>2</sup>) as civic space and dispose of an alternative site to offset the initial acquisition cost
  - **Option 3:** Develop the whole site (2326m<sup>2</sup>) as civic space with no associated disposal (preferred option).
3. Staff recommend Option 3. This civic space will help meet the recreational needs of local residents and neighbouring areas. While the proposed size slightly exceeds the council's provision policy, this could be justified on the basis that:
  - the location, proposed design and amenity values align with all other aspects of the policy and respond directly to two Auckland Plan focus areas
  - the civic space could support local events and be used in conjunction with regional events such as the annual Pride and Saint Patrick's Day parades
  - Ponsonby is a destination for a number of Aucklanders, so the civic space will service a wider catchment
  - there are high community expectations that the whole site will be developed.
4. If this option is approved, council will not recoup some of the \$7.7M costs of acquiring 254 Ponsonby Road. This low financial risk is offset by 12-years of commercial rent generated on the property. There is much higher reputation risk if the site is not developed in the short-term and in line with community expectations.
5. The next step is to prepare a report to the Environment and Community Committee, which incorporates the views of the Waitematā Local Board.

### Ngā tūtohunga / Recommendation/s

That the Waitematā Local Board:

- a) support the retention of the whole site located at 254 Ponsonby Road (2326m<sup>2</sup>), Ponsonby, currently held by Auckland Council in fee simple under the Local Government Act 2002, for the purpose of developing a civic space.

## Horopaki / Context

### Land was bought by Auckland City Council for an urban square

6. The former Auckland City Council acquired 254 Ponsonby Road in 2006 for \$7.7M to create an urban square. This was conditional on the disposal of a portion of the land to offset the purchase.
7. The resolution did not specify the size of the civic space, or the disposal area [Resolution C8/2006 refers]:  
*“that the purchase price be offset by a sensible development of the rear portion of the site and proposals for this be reported back by the Property Enterprise Board”.*

### Implementation of the community-led design is a priority for the local board

8. Since 2006 the site has been tenanted, delivering a commercial return to council, while various plans have been developed for the space (see Attachment A).
9. In 2015, the Waitematā Local Board initiated a community-led design process to identify a preferred concept for development of 254 Ponsonby Road. It allocated \$10,000 of Local Development Initiative funding for this purpose.
10. A final design was chosen by the community and endorsed by the local board in April 2017.
11. The preferred design proposes the development of the full site as a civic space, re-use of existing buildings and structures as well as a village green.
12. Development of 254 Ponsonby Road, in accordance with the preferred design, was then selected by the Waitematā Local Board as their One Local Initiative for funding as part of the Long-Term Plan 2018-2028.
13. The local board proposed the development of the civic space in two phases:
  - phase 1: \$5.5M - Deliver the essential elements of the civic space, including landscaping, repurposing the existing structure, and toilet facilities (Long-term Plan funding)
  - phase 2: \$5.5M – Repurpose existing building and improve streetscape (partially funded through service optimisation).
14. Staff were then requested to provide advice on the optimal size of the proposed civic space and to submit a report to the Environment and Community Committee.
15. Without a new decision council is required to implement the Auckland City Council resolution. All resolutions of legacy councils are treated as if they were council’s own in accordance with the Local Government (Auckland Council) Act 2009.

### There is shared decision-making allocation for open space acquisition

16. The decision-making allocation for council to acquire land for parks and open spaces is set out in the allocation of decision-making for non-regulatory activities in Volume Two of the Long-term Plan 2018-2028.

#### The Governing Body is responsible for:

- the number and general location of all new parks and the prioritisation of major upgrades to existing parks (including sports fields within parks)
- acquisition and divestment of all park land, including the disposal of surplus parks, excluding any disposal and reinvestment made in accordance with the Service Property Optimisation Approach.

**Local boards are responsible for** the specific location of new local parks and open spaces (including the prioritisation for acquisition), and for their subsequent design and development within budget parameters agreed with the Governing Body.

## Tātaritanga me ngā tohutohu / Analysis and advice

17. The proposed civic space responds to two Auckland Plan focus areas:

### **Belonging and Participation - Focus area 1**

Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life

### **Homes and Places - Focus area 5**

Create urban places for the future.

### **The open space provision policy sets out the requirements for civic spaces**

18. The Open Space Provision Policy 2016 informs decision-making on the type, size and location of parks and open space.

19. Civic spaces are a specific type of open space with a range of amenity values, including:

- meeting and socialising opportunities
- event space
- landscaping and gardens
- public artworks.

20. The extent of the network and sizes of civic space should reflect the urban centres in which they are located.

21. Ponsonby is defined as a 'Town Centre'. It would be well served by one or more small civic spaces (<1000m<sup>2</sup>) and one medium civic space (1500m<sup>2</sup> to 2000m<sup>2</sup>).

22. Staff have undertaken an assessment of 254 Ponsonby Road against the policy (see Attachment B). The assessment concludes that:

- there is a shortfall of civic space in Ponsonby
- the retention of the site is a high priority as it would meet current and future community needs
- the site and proposed community design can deliver the desired amenity values
- development of the full site would exceed the policy provision target by 326m<sup>2</sup> (see figure 1 below).

**Figure 1: Site location and size**



**There are a range of other factors to consider**

23. It is important to consider how the civic space will function. 254 Ponsonby Road will support small local events. It can also be used to support regional events such as the annual Pride and Saint Patrick's Day parades.
24. Ponsonby is a commercial and recreational destination for residents and visitors. This means that the civic space will serve a catchment beyond its local area.
25. While there is limited growth projected in the immediate area, due to the Residential Single House zoning and Special Character Overlay, there is significant growth occurring nearby.
26. Waitematā is one of the fastest-growing areas in Auckland. The population has increased by 6.7 percent since 2006. Further population and employment growth has the potential to impact on the use and enjoyment of the open space network.
27. The following open spaces are near 254 Ponsonby Road:
  - Tole Street Reserve (12000m<sup>2</sup>) within c.195 metres
  - Costley Reserve (5000m<sup>2</sup>) within c.195 metres
  - Vermont Street Reserve (5000m<sup>2</sup>) within c. 690 metres
  - Harry Dansey Reserve (7000m<sup>2</sup>) within c. 690 metres
  - Western Park (7.3 hectares) within one kilometre
  - Victoria Park (9.4 hectares) within one kilometre.
28. The presence of this open space does not provide a substitute for the amenity a civic space is intended to provide. It does, however, show the area is well-provisioned.

**There are three options for decision-makers to consider**

29. Staff have identified three options for the size and location of the proposed civic space at 254 Ponsonby Road:

- **Option 1:** Develop a 2000m<sup>2</sup> civic space on the front portion of the site and dispose of 326m<sup>2</sup> at the rear to offset the initial acquisition cost (status quo)
- **Option 2:** Develop the whole site (2326m<sup>2</sup>) as civic space and dispose of an alternative site to offset the initial acquisition cost
- **Option 3:** Develop the whole site (2326m<sup>2</sup>) as civic space with no associated disposal (preferred option).

*Option 1: Develop a 2000m<sup>2</sup> civic space on the front portion of the site and dispose of 326m<sup>2</sup> at the rear to offset the initial acquisition cost (status quo)*

30. This entails developing a 2000m<sup>2</sup> civic space. This is the maximum size of a medium civic space under the provision policy. The residual 326m<sup>2</sup> back portion of the site would be subdivided creating a new residential lot.
31. This option reflects the status quo under the legacy resolution.
32. The benefit of this option is that the proceeds of disposal would offset the cost of acquisition. As an indication of possible value, the land values of adjacent residential properties (excluding improvements) range from \$1.4M to \$1.5M.
33. These sale proceeds would be in addition to rent accrued over the last 12 years.
34. However, there would be a number of planning issues associated with the sub-division and development of a 326m<sup>2</sup> section in this location. Such a small lot size would require a resource consent under the Unitary Plan. Any design would also need to align with its Special Character Overlay. Mimicking neighbouring properties could detract from the historic character, as could modern design.

*Option 2: Develop the whole site (2326m<sup>2</sup>) as civic space and dispose of an alternative site to offset the initial acquisition cost*

35. Council would develop the whole site as a civic space under this option.
36. This represents minor over-provision (326m<sup>2</sup>), but it is expected that the additional space would be well utilised during any regional events.
37. Council would also dispose of an alternative site to offset some of the \$7.7M costs of acquiring the land.
38. This option would be in keeping with the decision of Auckland City Council.
39. It would provide a financial return to council comparable to the sale of part of 254 Ponsonby Road; and would be in keeping with the legacy decision.
40. It would deliver the civic space sought by the community.
41. However, disposal of an alternative site would be a lengthy process and could delay the development of the civic space. There are set legislative processes to follow as well as community consultation.
42. Delays to the project heighten reputational risk. The community has expected to see development of the civic space since 2006.
43. There would also be reputational risks if two council assets were sold to fund the project.

*Option 3: Develop the whole site (2326m<sup>2</sup>) as civic space with no associated disposal.*

44. Council would also develop the whole site as a civic space under this option, maximising utility for events as sought by the community.
45. Council would not seek to dispose of any other asset, other than to help pay for phase two as planned.
46. The main benefit of this option is that it could be implemented much faster than the other two options. It is not dependent on sub-division or property disposal processes.
47. The option would not generate any financial return to offset the cost of development. However, there are sufficient funds allocated in the Long-Term Plan 2018-2028 for this purpose.
48. Council has recovered a significant portion of the purchase price through commercial rent over the last 12-years.

#### **Staff have developed criteria to assess the three options**

49. Staff developed assessment criteria to enable the comparison of the options. These criteria are unweighted and allow for objective assessment:
  - strategic alignment
  - amenity values and functionality
  - maximising place-making and supporting community empowerment
  - value for money.
50. The first criterion focuses on alignment with the provision targets and network principles in the Open Space Provision Policy and the Auckland Plan focus areas.
51. The second considers the range of recreational opportunities that can be provided, including for some regional events.
52. The third acknowledges the investment of the community and the quality of the process used to arrive at a preferred design.
53. The fourth focuses on value for money. This includes financial returns in the form of rent and sale proceeds.
54. A summary of the options against the assessment criteria is provided in Table 1 below.

**Table 1: Assessment of options against criteria**

Criteria	Option: 1 Develop front portion and dispose of 326m <sup>2</sup>	Option: 2 Develop whole site as open space and dispose of alternative site	Option: 3 Develop the whole site as open space
Strategic alignment	✓✓✓	✓✓	✓✓
Amenity and function	✓	✓✓	✓✓✓
Place-making community empowerment	✓	✓✓	✓✓✓
Value for money	✓✓	✓✓✓	✓

**Staff recommend Option 3**

55. On balance staff recommend Option 3 over Option 2.
56. Option 3 had the lowest reputational risk to council. It is the easiest to implement meaning that the civic space could be developed in the short-term in line with community expectations.
57. This option will not provide the largest financial return. Option 2 provides additional capital on top of the commercial rent generated since 2006.
58. However, these funds are not needed for phase one and identifying a comparable site may be difficult. There could also be reputational issues if council was to sell another asset to fund phase two of the project.
59. Option 1 is least preferred. It aligns with the council’s provision metrics and would generate the financial return anticipated by the legacy resolution. However, it would be difficult to implement, and the civic space may not function well over the long-term. Obtaining land in this location again, if needed, would be extremely difficult and costly.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe /  
Local impacts and local board views**

60. Development of the civic space will enhance amenity and recreational opportunities in Ponsonby. The community has anticipated the achievement of this outcome since 2006.
61. Multiple rounds of public consultation have created a high degree of public engagement in the development of 254 Ponsonby Road. Public feedback has consistently found majority support for the provision of open space across the whole site.
62. A community-led design process has then resulted in a high sense of local ownership of the proposed civic space design.
63. Community aspirations from three separate rounds of public consultation include:
  - a place to sit and relax
  - an urban green space
  - a place to hold markets and events
  - a play space
  - an area to host public art
  - a place which demonstrates sustainable design
  - space that would encourage and foster social connections.
64. They align strongly with the council’s public amenity values and the Auckland Plan.
65. The views of the local board are sought through this report.

## Tauākī whakaaweawe Māori / Māori impact statement

66. Māori identity and well-being are an important outcome in the Auckland Plan. The development of the civic space should respond to the following focus area:

### Focus area 7

Reflect mana whenua mātauranga and Māori design principles throughout Auckland

67. Development proposals should also draw upon previous mana whenua consultation on the Ponsonby Road Master Plan. The following is a summary of the advice provided:
- strong support for this site to be open space
  - a preference that the site contain play facilities
  - that Māori heritage and stories be highlighted at this site possibly through technology story boards or posts
  - that the proposed art gallery and exhibition space incorporates Māori art.

## Ngā ritenga ā-pūtea / Financial implications

68. Options 1 and 2 entail the sale of assets, which could be expected to generate up to \$1.5M. This is in addition to commercial rents that council has generated.
69. There is One Local Initiative funding available for phase one of the project (\$5.5M).
70. The local board propose to partially fund phase two (\$5.5M) through service optimisation. It is currently working with Panuku to investigate options to sell another site in Ponsonby with an estimated value higher than the figure above.
71. Regardless of the option taken, there will be a budget shortfall to complete the whole \$11M two-phase project.

## Ngā raru tūpono / Risks

72. There is a low financial risk with the preferred Option 3. This is offset by the commercial rent generated.
73. There is much higher reputation risk if the site is not developed in the short-term and in line with community expectations.

## Ngā koringa ā-muri / Next steps

74. The next step is to prepare a report to the Environment and Community Committee, which incorporates the views of the Waitematā Local Board.

## Ngā tāpirihanga / Attachments

No.	Title	Page
A	254 Ponsonby Road - Development Timeline	
B	245 Ponsonby Road - Policy Assessment	

## Ngā kaihaina / Signatories

Authors	William Brydon - Principal Policy Analyst
Authorisers	Paul Marriott-Lloyd - Senior Policy Manager Trina Thompson - Relationship Manager/Senior Advisor Waitemata Local Board