

I hereby give notice that a confidential meeting of the Governing Body will be held on:

Date: Thursday, 30 May 2024
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Tira Hautū / Governing Body
CONFIDENTIAL ADDENDUM AGENDA

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CONFIDENTIAL: Report from Stadium Venues Working Group

File No.: CP2024/06910

Matatapu Confidentiality

Reason:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Interests:	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains information relating to the evaluation of proposal submitted by proponents that are subject to an obligation of confidence.
Grounds:	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

Item C2

Te take mō te pūrongo Purpose of the report

1. To receive the Stadium Venues Working Group report, and agree on next steps.

Whakarāpopototanga matua Executive summary

2. Auckland Council had received a number of proposals and approaches from third parties about developing a “main stadium” that is not part of the current stadium network in Auckland.
3. Eden Park Trust has also publicly indicated a desire to progress with an upgrade of Eden Park.
4. Any development or redevelopment of a main stadium in Auckland would be a large and complex undertaking with multiple stakeholders. There are currently no plans for council to provide funding towards a new stadium.
5. The unsolicited interest from multiple parties required a more structured process to manage expectations and resources.
6. The Mayor recommended that this process be formalised by an Expression of Interest process overseen by a newly-constituted Stadium Venues Working Group. He was clear that this was not a procurement process run by Auckland Council for developing a stadium given this is not an approved Auckland Council project.
7. The terms of reference for this group state:
 - i) This working group will explore matters relating to Auckland stadium venues.
 - ii) The Council faces substantial refurbishment, maintenance and renewal costs for its existing stadium venues. Eden Park Trust also has a \$54m loan facility with council due in 2028. The 2021 CCO review found that the “harsh economic reality is Auckland neither needs nor can afford four stadiums”.

- iii) There have been a number of unsolicited proposals to Council and government for a 'national stadium'. This working group will confirm expressions of interest, assess the proposals, and consider information about supply and demand, in order to present options for the governing body to consider as part of the long-term plan. It is expected that options presented could be at no cost to ratepayers, and would meet the needs of sports codes and cultural groups.
 - iv) The group is intended to enhance political participation and oversight of these matters, for consideration into the draft long-term plan and beyond. It will report to the Governing Body.
8. The Stadium Venues Working Group determined that the best process to rationalise how many of these stadia proposals were feasible for further consideration was to formalise an Expression of Interest process. The terms were to be clear that this was not an Auckland Council project and there was no council funding associated with any new or redeveloped stadiums.
9. Auckland Council issued an open market Request for Expression of Interest (REOI) in September 2023 via the New Zealand Government Electronic Tenders Service GETS. Suppliers were required to provide a response that covered the criteria set out in table one.

Table 1. Criteria for Request for Expression of Interest

Criteria	Weighting
Experience in stadium development	10%
Resources	5%
Project funding	50%
Build timeline and delivery mechanism	5%
Collaboration and Innovation	5%
Financial Stability	10%
Ethical & Social sustainability including commitment to Te Tiriti o Waitangi	15%

10. The REOI set out that the options presented should be delivered at little to no cost to ratepayers, while providing a vision for a world-class future-proof multi-purpose main stadium that will deliver economic benefits for Aucklanders.
11. Council received eight responses from the open market as set out in table two. Based on advice from Auckland Transport, Eke Panuku and Auckland Council Finance further detail was requested from each of the respondents relating of the criteria being reviewed.
12. On the first of December 2023 the Stadium Working Group convened to decide next steps for each of the eight submissions in table two. The working group concluded that four submissions were non-compliant to the brief set out within the REOI. A further four submissions were evaluated as requiring additional scrutiny via a presentation of their proposal.

Table 2. Outcome of first shortlisting

Submission	Outcome
Auckland Stadium Development Consortium	Invited to present
Auckland Waterfront Consortium	Invited to present
Te Tōangaroa Consortium	Invited to present
The Eden Park Trust	Invited to present
Collaboration and Innovation	Non-compliant
C&C Projects - Consortium	Non-compliant
Cox Architecture - Consortium	Non-compliant
Willesread Limited	Non-compliant

13. The four shortlisted respondents presented their proposals on the 11 December 2023. Based on the submissions and presentations the working group agreed it required assistance from an independent consultant to review the proposal. Stanton Reid was appointed to review the submissions and assist the Stadium Working Group in agreeing a final recommendation.
14. Based on a review from Stanton Reid the evaluation criteria were amended on 14 March 2024 to the criteria set out within table three to better align with the level of information respondents were able to provide us this early in the process. All respondents were advised of this change, and none raised concerns.

Table 3. Final evaluation criteria

Criteria	Weighting
Funding/Finance	35%
Environmental	10%
Site	20%
Precinct Development and Innovation	10%
Deliverability	10%
Proponent	5%
Auckland Stadium Requirements	10%
Ethical & Social sustainability including commitment to Te Tiriti o Waitangi	Pass/Fail

15. This process is of high public interest but has been run as a confidential process given the confidential nature of information provided by respondents.
16. The Stadium Venues Working Group has been supported in their role and the evaluation of the EOI's by external consultants.

17. Given the stage and nature of the process, the Working Group's assessment was based primarily on information provided by the proponents with some limited further inquiries being made by Stanton Reid and the Working Group.
18. The Working Group met finally on 29 April 2024 to consider possible recommendations to the Governing Body. These were workshopped with the Governing Body members on 22 May 2024.
19. It was considered that the Wynard Quarter and Bledisloe wharf proposals should not be considered further and that the status quo, Eden Park 2.1 and Quay Park (Te Tōangaroa) options would require further analysis to determine their viability.
20. The Working Group believes that the Eden Park and Quay Park proposers should be given the opportunity to undertake feasibility studies to demonstrate their projects viability and relative merits at their own cost.
21. The recommendation from the Stadium Venue Working Group is:
Recommendations from Stadium Venues Working Group:
 - *We recommend that council moves forward feasibility studies on status quo, Eden Park 2.1 and Quay Park, provided the proponents can complete this stage at no additional cost to ratepayer, reporting back within nine (9) months;*
22. Staff recommend that the proponents for the other two options are advised that the council will not require any further information from them at this stage.
23. There will be some ongoing staff time required to consider the recommended options from the Stadium Venues Working Group.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) tuhi ā-taipitopito / note the recommendation from the Stadium Venues Working group that council moves forward with feasibility studies on the status quo, Eden Park 2.1 and Quay Park options, provided the proponents can complete this stage at no additional cost to ratepayer, reporting back within nine (9) months
- b) whakaae / agree that council does not wish to consider further the Wynyard Point and Bledisloe Terminal proposals
- c) whakaae / agree that council invite the proponents of Eden Park 2.1 and Quay Park to undertake, at their own cost, feasibility studies to demonstrate their project's deliverability and relative merits, and report these back within nine (9) months so that they can be compared to the status quo and each other
- d) tono / request that staff undertake an appropriate assessment of the status quo option so that it can be compared with the other options
- e) tono / request that the further information about the three options is reported back to the Governing Body

Restatement

- f) whakaae / agree that the decision, report and attachments be released to the public once all proponents have been informed of the outcome and have had an opportunity for a debrief.

Ngā tāpirihanga Attachments

No.	Title	Page
A↓	Options Evaluation Information	9

Ngā kaihaina Signatories

Author	Councillor Shane Henderson, Chairperson Stadium Venues Political Working Group
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Auckland Main Stadium

Options Evaluation Information

15 May 2024



Commercial and in Confidence

Disclaimer

StantonReid Limited (“StantonReid”, “we”) has been appointed by Auckland Council (“Council”) to assist its steering committee to evaluate proposals for a new or enhanced main stadium for Auckland. StantonReid has not audited or otherwise confirmed the information provided by the promoters (“proponents”) of the proposed stadium developments. We have also not provided any recommendations to Council as to which stadium proposal or proposal might best meet Council’s requirements.

This document is issued for Council who commissioned it and for specific purposes connected with the above project only. It should not be relied upon by any other party or used for any other purpose.

We accept no responsibility for the consequences of this document being relied upon by any other party, or being used for any other purpose, or containing any error or omission which is due to an error or omission in data supplied to us by other parties.

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Nature of Process

- 4 proponents have submitted proposals for a Main Stadium under a Council request for expressions of interest process. The Main Stadium would be the city's largest stadium and capable of holding large sporting, music and cultural events (with seating of 50,000+).
- All 4 proposals are at the pre-feasibility stage and no detailed feasibility studies or business cases have yet been undertaken. The proposals have been developed at no cost to Council.
- While there may be sufficient information to eliminate options, substantial detailed analysis would be required before a decision to support a preferred option could be made.
- Such additional analysis would need to include, among others: funding & finance; planning; infrastructure requirements; transport; design; consenting; benefits vs costs and commercial arrangements.

Investigation Process

- The Council steering committee has heard presentations from the consortia, reviewed their detailed submissions and asked a range of follow up questions. Additionally, the committee as undertaken three 4 hour workshops to further consider, question and discuss the submissions.
- StantonReid was appointed to assist the committee with this process. We have:
 - Reviewed all the material provided by the consortia;
 - Met with the consortia and sought explanations and clarifications from them;
 - We have engaged with a range of stakeholders and those with supporting information including:
 - Council Finance, Economic and Planning staff;
 - Eke Panuku, Auckland Transport and Tātaki Auckland Unlimited;
 - Ports of Auckland and KiwiRail
 - Ngāti Whātua Ōrākei Whai Rawa
 - LiveNation (concert promoters)
 - Assisted the committee with summarised information and decision frameworks.

Investigation Process

- While limited benchmarking has been attempted where possible, neither StantonReid nor Council officials have audited the information supplied by the consortia or verified its source.
- To assess the proposals in a structured way the working committee identified 7 key evaluation criteria and assigned weights to them to reflect their perceived importance to the decision. The assessment of the 4 proposals is also being made against business as usual (BAU or status quo).
- The committee then assessed each proposals relative merits against the criteria and considered possible recommendations to the governing body.

5 Stadium Options



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Stadium Requirements

The request for expressions of interest noted the following stadium requirements:

- A world class, future-proof, multi-purpose main stadium.
- Suitable:
 - Can host major sporting, concerts and other events.
 - “Appropriate capacity” – all year round.
 - A world class fan experience with a roof
 - Reflects Auckland history & culture – a unique identity
 - Supports Auckland Plan
- Stadium can attract events and drive visitation.
- Design with connection to Auckland and Te Ao Maori.
- Improves efficiency of the Auckland stadium network.

REOI Evaluation Criteria Developed by Steering Committee

Assessment Criteria		Weight %
Criteria		
Funding / Finance	Suitability of arrangements & cost to public sector	35%
Auckland Stadium Requirements	Suitable for Auckland's needs	10%
Proponent	Strength of proponent and team	5%
Site Suitability	Suitability & accessibility	20%
Precinct Development and Innovation	Extent & nature of new development & revitalisation	10%
Environmental	Impacts including carbon & sustainability	10%
Deliverability	Achievability, timelines & site availability	10%
Total Non - Financial		65%
Total		100%

Options Evaluation

The steering committee evaluated each of the options against the criteria. Key differences were in Transport (part of Site Suitability), Deliverability, Precinct Development and Funding/Finance. Also note that the Eden Park **BAU** option will not meet the Auckland Stadium Requirement for a modern, large, roofed and flexible stadium. The **Eden Park 2.1** option also offers a cricket ground in addition to a rectangular field.

BAU and **Eden Park 2.1** scored best on environmental aspects due to no coastal impacts and lowest embodied carbon due to the lower amount of new construction.

Transport Connectivity

- With advice from Auckland Transport Eden Park accessibility was assessed as adequate (especially post CRL), but all 3 CBD locations rated higher being close to the centre of the transport network.
- Of the 3 downtown locations Bledisloe & Quay Park were considered best equal being closer to Britomart and road connections. Wynard was not rated as highly due to greater distance from Britomart, peninsular location and more constrained roading links.

Options Evaluation

Deliverability (includes site availability)

- **BAU** would be the easiest to deliver as little development would be undertaken. **Eden Park 2.1** was also considered to be a low risk option to deliver given it involves modifications to a known, existing building with a consented use.
- **Wynard** was assessed to face more complications given its narrow, peninsular location, sea wall issues and ground contamination. Council would also need to consider whether a stadium was a better use for the site than current plans for a park.
- **Quay Park** faces a range of complex infrastructure, consenting and commercial issues which would need to be fully assessed in detail before deliverability on the site could be confirmed.
- As **Bledisloe's** design is for a below sea level stadium in a harbour reclamation it is expected to face higher construction risks. Also critically, the site is considered to be essential for Ports of Auckland operations and therefore not available currently.

Options Evaluation

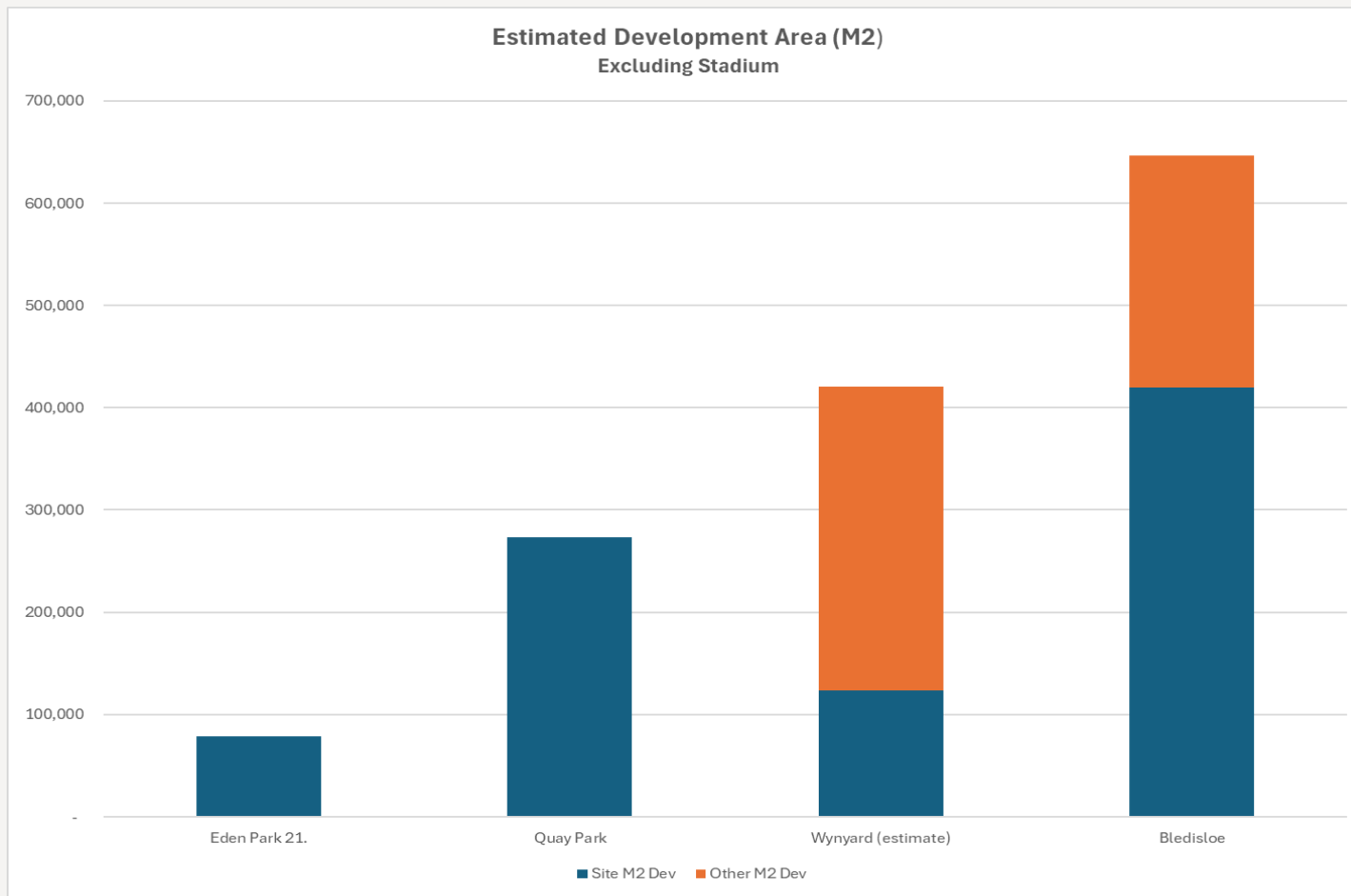
Precinct Development

This criteria relates to the extent to which a proposal offers redevelopment of an area and a complementary precinct around a stadium and resulting urban renewal and economic benefits.

The extent to which this can be achieved is fundamentally limited by the amount of developable land surrounding each proposed site. This varies greatly as shown in the chart on the following page.

- **Wynard** would like to acquire and develop the Eden Park land plus land at North Harbour Stadium. **Bledisloe** seek to acquire and develop Eden Park. These areas are shown in orange in the chart. Neither **Wynard** nor **Bledisloe** have had discussions with Eden Park Trust Board regarding this. We understand that Council is unlikely to make North Harbour land available.
- Excluding these non-CBD areas of land **Bledisloe** and **Quay Park** have the most land and most potential for precinct development and enhancement. As Wynard Quarter has already been substantially redeveloped there is a modest amount of remaining land available, and the area is less degraded than Quay Park and Bledisloe. Eden Park has the smallest area available for redevelopment given the nature and size of their site and the surrounding area.
- Note that all proponents seek to generate property development profits to partly or fully offset the cost of stadium development. The extent to which this is possible is tied to the amount of land available.

Potential Development Areas



Options Evaluation

Funding and Finance

Council has stated its expectation that options presented could be at no or little cost to ratepayers. The ability of a proposal to achieve this is a function of its capital cost to build and the availability of any offsetting sources of funds. Possible sources of funds include:

- Stadium operating cash flows. If reliable, debt might be raised against the cash flow. However, stadiums typically have low profitability meaning only modest amounts can be raised without outside guarantees or support.
- Naming rights. Stadiums overseas have raised up to \$50m or more from the sale of naming rights. This amount may not be possible given our lower population.
- Profits from the development of property in the precinct surrounding a stadium. This is the major potential source of funding available in the Auckland context.

Options Evaluation

Funding and Finance

- **BAU.** The status quo will still require significant funding from Council. In addition to the \$113m capex allowed for in the LTP for Council owned stadiums, Eden Park may well require assistance to meet \$46m of maintenance capex over the next 10 years. It is also possible that substantial additional investment at other Council stadium venues will be required to meet public demand.
- **Eden Park 2.1.** This redevelopment has been costed at over \$500m. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- **Wynard.** This proponent has not provided any detailed cost estimates or estimates of possible funding sources. A new stadium and associated infrastructure will likely have a substantial cost. Given the limited amount of remaining development land in the area any development profits will probably be well short of meeting the costs of the project and therefore require a very substantial public funding contribution if the project were to proceed.

Options Evaluation

Funding and Finance

- **Bledisloe.** The proponent's objective is to deliver the stadium at no cash cost to Council. However, this would require the purchase and development of Eden Park and involve substantial indirect costs for Council. While it is proposed to buy Bledisloe wharf from Port of Auckland (PoA) the suggested price may be below market value. Based on an estimate by CBRE the shortfall would be \$119m. Additionally, PoA advise that they would need to reconfigure their cement import terminal at an estimated cost of circa \$100m. They also have estimated that the loss of their vehicle import business would reduce the value of the port company by up to \$500m. While Council is not intending to sell the port this would be evidenced by substantially reduced annual dividends.
- **Quay Park.** This proponent also believes that it will be possible to deliver a stadium at no cost to Council by capturing property development profits. Detailed costings and projections have not been provided. The biggest cost uncertainty is the infrastructure costs in preparing the site including rail related costs. Development profits are based on broad estimates and commercial arrangements have not been negotiated with the land owner Ngāti Whātua O Ōrākei. Substantial detailed analysis will be required to confirm feasibility and costs.

Key Considerations

The likely maximum number of event nights p.a. required over the coming decades and the number of nights consented at Eden Park are an important consideration for that site.

BAU

- Eden Park consented event nights:
 - If high less investment will be required at other Council venues or can be delayed
 - If low more improvements to other venues will be required over time to provide capacity
- If the BAU option is chosen, the door may close on the potential for a CBD stadium for decades as current sites become unavailable due to other development.
- The current ownership and stadium management model does not meet the city's needs well.

Eden Park 2.1

- Without progress in achieving more consented event nights substantial additional investment may offer limited benefits.
- It may seem inappropriate to invest large sums in further development at Eden Park unless it is expected to be Auckland's main stadium for 30 years or more.
- Optimising the ownership/ management model would be even more important to support new investment.

Key Considerations continued

Quay Park

- While having much potential this option has a range of complex deliverability concerns.
- Substantial expert feasibility is work required:
 - Stadium fit on site, capital costs and development scope, rail alignment and possible service disruption, ownership arrangements, consenting including possible breaching of the Museum view staff, commercial arrangements with the land owners and existing lessees etc.
- If Council wishes to allow the proponent time to complete a feasibility study Council should have input on the scope and nature of the study to ensure the results are useful to Council for future decisions on feasibility.
- If Council ultimately chooses to proceed with one of the CBD proposals Eden Park will still be needed for circa 10 years during the planning and construction phases. Ongoing Council support for Eden Park will be needed during this time.

Key Considerations continued

Bledisloe

- We understand that this site is unavailable as required by PoA for vehicle imports.
- Use would devalue PoA and reduce possible future dividends from the port.
- The higher cost sunken stadium design increases deliverability risks and risk of cost overruns.
- Requires redevelopment of Eden Park land to meet the no cash cost to Council metric.

Wynard

- This precinct is already substantially developed.
- There is limited development land available to generate development profits to offset stadium costs.
- Alternate site use as a park and further residential development is currently planned.
- Requires redevelopment of Eden Park and North Harbour stadium land if large public subsidies are to be avoided.
- Proponent seeks \$1m from Council to fund a feasibility study.

Decision Framework

