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MEETINGS ACT 1987

Report PE 08.275
Date 9 April 2008
File TD/04/04/06

Committee Transport and Access
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Agreement for development of the Johnsonville Bus/Rail Interchange

1. Purpose

To seek approval from the Committee to enter into a legal agreement with Dominion Funds Limited, ONTRACK, Toll Holdings (Toll), Mana Coach Services (Mana) and Wellington City Council committing to the development of a new Johnsonville Bus/Rail Interchange, which is required as a result of the Johnsonville Mall redevelopment.

To report back following completion of the investigation and preliminary design of a preferred option.

2. Public excluded

The information contained in this report relates to a legal agreement between parties for a new Johnsonville Bus/Rail Interchange. Negotiations are still taking place. Having this part of the meeting open to the public would disadvantage Greater Wellington in commercial negotiations.

Certain portions of the information contained in this report are subject to a mutually understood obligation of confidence between Greater Wellington and the developer. Release would be likely to prejudice the supply of similar information in the future. It is in the public interest that such information should continue to be supplied to ensure Greater Wellington is able to be fully informed.

Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override these prejudices.

3. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

4. Background

The 2007/08 Annual Plan includes a budget provision of \$1.0 million for development of the Johnsonville Bus/Rail Interchange with \$100,000 funding from Greater Wellington (debt funded), \$300,000 C1 funding and \$600,000 N funding from Land Transport NZ. Please note these funding allocations are conditional on the approval of a funding application to Land Transport NZ.

In May 2007 (Report PE 07.584) the Passenger Transport Committee considered a substantial paper on the Johnsonville Bus/Rail Interchange. The Committee agreed that officers would further investigate and complete a preliminary design for the preferred option, which was identified as:

“...an interchange with bus stops on the eastern side of Moorefield Road only, connecting directly to the rail platform and Mall plaza. Buses would circulate in an anti-clockwise direction around the Johnsonville triangle.”

Officers advised they would report back to the Committee for final funding approval following completion of the investigation and design work.

5. Comments

5.1 Investigation and design

Land Transport NZ approved funding for the investigation and preliminary design work which has been carried out by Duffill Watts and Tse Ltd with input from the stakeholders and developer.

The following options (consistent with the preferred option agreed by the Committee) were investigated:

- Option A: Bus platform on Moorefield Road with no station upgrade
- Option B1: Bus platform with single rail platform and single track
- Option B1+B2: Bus platform with double rail platform and double track (second platform/track built at same time as first platform/track)

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- Option C1: Bus platform and central (island) rail platform with single track
- Option C2: Bus platform and central (island) rail platform with double track
- Option D: Elevated bus terminal and commuter parking structure

Option B1 and B1+B2 were both identified as feasible. The other options were discounted for various reasons. Option A was discounted as it did not improve passenger links, facilities or safety. Options C1 and C2 were discounted because of operational constraints, in particular the inability to provide a 150m long platform. Option D was discounted due to high costs.

Duffill Watts and Tse Ltd have recommended Option B1+B2 as their preferred option. The estimated cost for Option B1 is \$2.0 million and for Option B1+B2 the estimated cost is \$2.7 million.

5.2 Stakeholder and developer negotiations

5.2.1 Stakeholder negotiations

The stakeholders are ONTRACK, Wellington City Council, Toll, Mana and Greater Wellington. Greater Wellington has been leading the stakeholder negotiations to agree a common stakeholder position to be communicated to the developer. This has been a protracted process but agreement has now been reached.

While the stakeholders, including Wellington City Council, have reached agreement on the public transport requirements there remains some uncertainty as to whether the overall mall redevelopment will be supported by Wellington City Council.

The stakeholders have agreed to Option B1+B2 as the preferred option. Further details of the agreed option are provided in Section 5.3 below.

5.2.2 Developer negotiations

The developer is Dominion Funds Ltd. The developer is redeveloping Johnsonville Mall and as a consequence has to mitigate the impacts of this development on public transport around the Johnsonville triangle.

Greater Wellington and the other stakeholders have been negotiating concurrently with the developer to agree a Public Transport Agreement setting out an agreed process for the planning, design and construction of the public transport works, including allocation of costs and responsibilities.

The developer has agreed to the stakeholders' preferred option (Option B1+B2) and to fund the public transport works. Please note they are seeking

reimbursement of any funding Greater Wellington has currently budgeted for as well as any funding Greater Wellington is successful in obtaining from Land Transport NZ.

Further details of what has been agreed are outlined in Section 5.3 below.

5.3 Public Transport Agreement

Officers are in the final stages of agreeing the Public Transport Agreement but seek the endorsement of this Committee prior to committing to any agreement.

The Public Transport Agreement is a legal mechanism intended to record the agreement reached between the stakeholders and the developer for public transport at Johnsonville, including the new bus/rail interchange and bus stops around the Johnsonville triangle.

The Public Transport Agreement, in defining a public transport solution to the satisfaction of the stakeholder, was also a precondition for Wellington City Council to stop and transfer Gothic and Hawera Streets (within the existing mall carpark) to the developer as part of a separate agreement between those parties.

5.3.1 Key components of the agreement

The purpose of the Public Transport Agreement and objectives of the parties are outlined in Attachment One. Key components of the Public Transport Agreement are outlined below.

1. The agreement sets out an agreed Public Transport Solution which can be summarised as follows:

Public transport improvements and works:

- a. Development of a new bus/rail interchange which includes:
 - i. Bus bays on the eastern side of Moorefield Road, connecting directly to the eastern rail platform and integrated with the proposed mall plaza
 - ii. Rail improvements including two rail platforms and double tracking at the station
 - iii. Other associated works
- b. Provision of licensed commuter parking within the mall parking building (at no cost to Greater Wellington or users) to replace commuter carparks displaced by the redevelopment. 36 spaces will operate every day from half an hour before the first service to half an hour after the last service. A further 55 spaces will operate from

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half an before the first service until 5:30pm Monday to Friday only. This will include two disabled commuter parking spaces.

- c. Provision of new bus stops and other public transport improvements around the Johnsonville triangle

Roading works:

- d. Roothing improvements required to enable implementation of the public transport improvements and works, in particular:
 - i. The upgrade of Broderick Road overbridge to enable bus turning movements out of the new interchange
 - ii. The upgrade of Moorefield road to enable integration of that road and the new interchange
 - iii. Other works required to implement the public transport improvements and works
- e. Provision of new bus stops and other public transport improvements (also noted in c above) located within the road reserve around the Johnsonville triangle

Interim facilities:

- f. Licensing of interim facilities to provide for the continued operation of the existing Johnsonville interchange, and any alternative facilities, until such time as the new interchange has been completed

Other rights:

- g. Licensed commuter parking (described in b above)
 - h. Land exchange between ONTRACK and the developer to enable construction of the second platform and to ensure future proofing of the rail corridor
2. The agreement requires the formation of a *Project Control Group* to carry out the planning, design and construction of the above works. This group will include membership from ONTRACK, Toll, Wellington City Council, Greater Wellington and the developer.
 3. The agreement requires the developer to consult and obtain the written approval of the stakeholders in relation to the public transport solution and

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to ensure their applications for resource consent are consistent with the public transport solution.

4. The agreement provides for the following funding arrangements:
 - a. The developer is required to fund the full cost of the public transport solution, which is estimated at \$2.7 million.
 - b. The developer is required to lodge an article of faith (e.g. bond) to ensure funding (the terms of this are still being negotiated).
 - c. Greater Wellington is required to contribute the following costs towards meeting the public transport requirements:
 - i. \$100,000 less the amount spent on the investigation and design work.
 - ii. Any funding, of up to \$900,000 less the amount spent on the investigation and design work, received from Land Transport New Zealand, the Crown or any other body for the public transport solution
 - iii. Greater Wellington is to use its best endeavours to obtain funding from Land Transport New Zealand, the Crown or any other body up to the maximum levels identified but makes no representation as to the outcomes of such endeavours.
 - d. ONTRACK is also required to contribute any funding it may receive for the public transport solution at Johnsonville
5. The agreement requires all parties to agree a proposed programme. This section is still being developed as the developer has identified specific dates for certain activities to occur which may not be achievable. The preference of officers is that the programme will identify a sequence of actions taking account of interrelationships and identify key milestones rather than deadlines. The agreement will not be conditional on meeting any specific dates.
6. The agreement explicitly states that Greater Wellington is entering into the agreement in its passenger transport planning capacity and that execution of the document does not bind Greater Wellington in its regulatory capacity. A similar clause relates to Wellington City Council.

The final stages of negotiation are continuing including seeking appropriate legal advice.

5.3.2 Summary of positive public transport outcomes

The following public transport outcomes are expected:

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- New modern interchange providing shelter, security and level access between the station and buses
- High quality connections between the interchange, mall redevelopment and Johnsonville town centre
- Commuter parking retained (although limitation on hours of operation) including provision of two disabled parking spaces not currently provided
- Improved travel times and increased public transport coverage around the Johnsonville triangle
- All improvements to be funded by the developer with Greater Wellington only contributing monies from existing budgets and subject to approval by Land Transport NZ.

5.4 Committee decision making

The Chief Executive has the delegated authority to sign off on the Public Transport Agreement as the project is included in the 2007/08 Annual Plan. However, due to the importance of the agreement and a previous undertaking to report back to the Committee it is considered appropriate to request the Committee's endorsement of the broad terms of the agreement.

The project is already included in the 2007/08 Annual Plan and forms part of the rail improvements provided for in the Regional Land Transport Strategy, and thus it falls within the Committee's delegated authority.

In addition the agreement provides for 100% funding of the public transport solution by the developer with Greater Wellington only contributing funding already budgeting should it be successful in applying to Land Transport New Zealand.

5.5 Next steps

Subject to the Committee's endorsement, the Chief Executive and the other parties plan to execute the Public Transport Agreement on Friday 9 May 2008 provided negotiations are successfully concluded.

Once the agreement is signed the *Project Control Group* will be formed and planning commence for the final design and construction of the public transport solution in conjunction with the mall redevelopment in accordance with the agree programme timing.

6. Communication

No communication is required other than continued negotiations between the stakeholders and the developer to enable execution of the Public Transport Agreement.

7. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees to the public transport solution identified for Johnsonville in this report.*
4. *Agrees to and endorses the provisions outlined in this report for the Public Transport Agreement.*
5. *Notes that officers intend to execute the agreement before the end of May, subject to satisfactory completion of negotiations between the parties.*

Report prepared by:

Report approved by:

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Attachment 1: Purpose of Public Transport Agreement and objectives of the parties