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Te Manawataki o Te Papa – The potential role of a CCO or other subsidiary entity in the redevelopment of the Tauranga civic precinct

Introduction

1. The objectives of this investigation are:

   - to investigate the use of Council Controlled Organisations (CCOs) or other subsidiary entities for the purpose of developing significant community facilities, by other Councils within New Zealand; and

   - to identify whether or not there could be potential advantages or benefits for Tauranga City Council (TCC) in applying a CCO or other subsidiary entity model to the redevelopment of the Tauranga civic precinct and other major community facilities

2. The full terms of reference for the investigation are attached as Appendix 1.

3. A list of the people interviewed in the course of this investigation, is attached as Appendix 2.

Summary and recommendations

4. There is a good case for considering the creation of a company structure CCO to manage the redevelopment of the Tauranga civic precinct. The potential benefits of a more commercial approach to project governance and management, greater confidence from potential funders and other stakeholders, and the ability to structure a CCO to enhance project certainty, lead me to that conclusion.

5. The case for considering a CCO is even stronger, if the CCO is not set up solely for the civic precinct project but rather continues to exist beyond that time to deliver other significant TCC projects.

6. However, the potential benefits of a CCO structure can only be realised if the CCO is established in a manner that empowers it to deliver them. Great care will need to be taken in the design of the constitution of the CCO and the structure of the relationship between it and TCC, if a decision is made to proceed, to ensure that the CCO can deliver to its potential.

7. **Recommendations**

   1. That TCC proceed to a detailed implementation investigation into the establishment of a company structure CCO to deliver the civic precinct redevelopment project and other major TCC sponsored community amenity projects.

   2. That TCC make a final decision on the establishment of a CCO following consideration of the detailed implementation investigation.

Project background information

8. I have not included extensive background information about the project in this report as that is already known by you. It is however useful to provide a brief outline which can serve as a reference point to matters raised later in the report.

The scope of the redevelopment

9. The proposed redevelopment is described in the document "*Te Manawataki O Te Papa (Civic Precinct) Masterplan (Refreshed 2021)*". A plan showing the masterplan site layout is attached at Appendix 3.

10. The Council will be responsible for developing the portion of the masterplan site bounded by Willow, Durham, Wharf and Hamilton Streets, as well as Masonic Park and the sections of Willow Street, The Strand and the Waterfront Reserve shown on the site plan (sites A and C).

11. The portion of the site that is the former TV3 property in Durham Street (site B), is intended to be predominantly privately developed. Projects on this portion of the site are concept only at this stage.

Funding

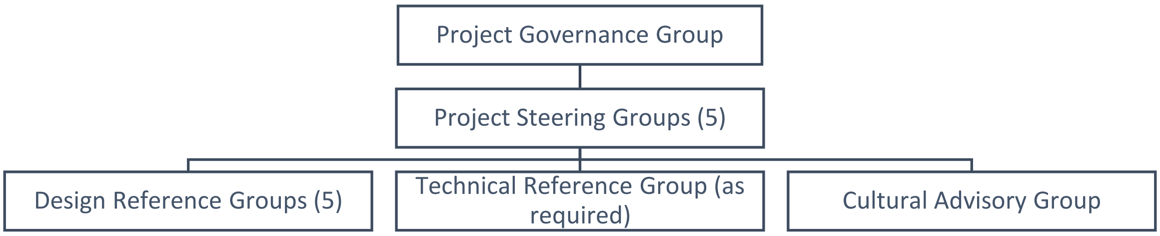
12. Total capital funding of $303M has been provided for this project within the TCC 2021 – 2031 Long Term Plan. The approved funding is subject to achieving 50% of the funding from sources other than rates funded debt.

13. The funding approval provides for decision gateways for each key facility that forms part of the overall development. Consideration of cost to complete and funding mix would be reviewed as part of that decision gateway process.

Governance of the project

14. Current arrangements are that ultimate governance of the project is provided by the TCC Commissioners and will default to provision by the elected TCC when the term of the Commission ends in 2024.

15. Project governance arrangements that are subordinate to the formal deliberations by the Commission, are currently structured as follows:



A team consisting of the Steering Group Chairs, the Chief Executive and selected executive staff support this structure by performing a "clearing house" role.

16. The Project Governance Group consists of nine members including an independent chair. The remaining membership consists of: TCC executive members (3); TCC Programme Director; Mana whenua representative; TCC's Property development consultant; Willis Bond representative; Independent Tauranga based accountant.

The relationship with Willis Bond

17. In 2018, TCC appointed Willis Bond and Co (Tauranga) Ltd (WB) as the preferred development partner to deliver the civic precinct development.

18. In 2021, TCC adopted the current version of the development masterplan that had been prepared by WB.

19. In 2021, TCC appointed WB as development manager for sites A and C. At the same time TCC confirmed the preferred supplier status of contractors and consultants that were listed in the 2018 partnering agreement for the delivery of the development. The Council retains the right to review preferred supplier proposals for cost competitiveness.

20. WB has been engaged by TCC to undertake preliminary design of all the facilities on site A.

TCC will be the principal to contracts with suppliers for the development of sites A and C.

Council Controlled Organisations

21. TCC already has a number of CCOs in place and accordingly is not a stranger to this form of governance structure and how it operates. However, it is still useful to set out some information about CCOs to provide context to this report.

22. A CCO is an entity in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the members of the governing body. A CCO can be a company, trust, partnership, incorporated society, joint venture, or other similar profit-sharing arrangement.

23. The 2015 report of the Controller and Auditor General (OAG) "*Governance and accountability of Council Controlled Organisations*" identified the following reasons that had been given by councils for establishing CCOs:
    - *improved commercial focus – that is, operating a company with a professional board of directors with the objective of achieving greater operating efficiency;*
    - *ring-fencing financial risk, by using an incorporated structure to insulate a local authority from financial liability for an activity or venture involving other parties;*
    - *empowering local communities – that is, creating a trust with a set budget funded by a local authority but managed by members of the community for a specific purpose such as maintaining a community centre;*
    - *tax-effectiveness – local authorities can derive tax credits from commercial subsidiaries that pay dividends;*
    - *independence – separation from political direction;*
    - *streamlining bureaucracy, enabling nimbleness and agility – CCOs have less "process" to follow in making decisions than local authorities;*
    - *economies of scale, where shared services CCOs combine several local authorities' similar activities;*
    - *the ability to recruit and retain high-quality board members and staff who might not be available to be members or employees of a local authority;*
    - *access to a wider range of funding sources – a trust or similar entity with community representatives can get donations and contributions for significant community projects and may be eligible for funding that local authorities are not.*

    Not all of these are relevant to the scenario that is the subject matter of this report.

24. The OAG report also identifies some possible disadvantages of CCOs. These include:
    - *the local authority's lack of direct accountability to the community for the services the CCO delivers;*
    - *tensions between the objectives of pursuing profit and delivering community outcomes;*
    - *additional ongoing costs – the costs incurred by the local authority in monitoring the performance of the CCO, and the CCO's own costs, can increase overall service delivery costs;*
    - *reduced ability to manage risk – arm's-length delivery can make managing risks to the reputation of the local authority more difficult.*

    Again, not all of these are relevant to the scenario that is the subject matter of this report.

25. A key point to remember is that while a CCO is an arms-length organisation, the council remains accountable to the community for the CCO's performance.

Other potential project delivery vehicles (non-CCO)

26. By definition, any arms-length entity that is established by TCC will be a CCO if it controls 50% or more of the voting rights or appoints 50% or more of the members of the governing body. Because of this, other potential project delivery vehicles are likely to be limited to either a subsidiary "council organisation" or some form of internal structure within the TCC organisation.

27. A "council organisation", as referred to in the preceding paragraph, is an entity in which a local authority has an ownership interest that does not meet the threshold to be a CCO. It seems so improbable that TCC would establish an organisation in which it held only a minority shareholding to develop the civic precinct, that I have not considered it further in this report. I

can of course explore this further if that is desired.

28. An In-house business unit could be established specifically for the purpose of developing the civic precinct and perhaps other significant community facilities. This could be established with a ring-fenced funding model and governance delegated to a “project board”, the membership of which could be selected using similar criteria to the appointment of directors to a CCO. This scenario is considered as the modified status quo option in the evaluation section later in the report.

Reference organisations and projects

29. The following organisations or development projects were used as reference points for considering the merits of the various governance structures that could potentially be employed for the civic precinct development project. The people interviewed in relation to these organisations or developments are listed in appendix 2. A desktop review of some other examples was also undertaken.

30. **Te Kaha Project Delivery Ltd (Christchurch)** is a CCO that is 100% owned by Christchurch City Council (CCC).
    Brief description:
    - The delivery vehicle for the new Canterbury multi-use arena to be constructed over the next few years. The CCO is intended to be disestablished after completion of the development.
    - CCC is the principal to the contract with the arena developer and directly owns the development.
    - The CCO is a registered company and has a fully commercial board that does not contain elected members.
    - The development involves government funding of $220M from the Christchurch Regeneration Acceleration Facility. The establishment of a CCO to deliver the project was a term of the funding agreement.

31. **Eke Panuku Development Auckland Ltd** is a CCO that is 100% owned by Auckland Council (AC).
    Brief description:
    - The purpose of the CCO is to deliver urban regeneration projects in Auckland. It primarily does this through partnerships with private sector developers who ultimately carry the development risk. It leverages off its authority to acquire and dispose of AC owned property within planned neighbourhood regeneration areas to enable desired development outcomes.
    - The CCO is also responsible for managing Auckland Council’s property portfolio. The portfolio remains on the balance sheet of AC.
    - The CCO is a registered company and has a fully commercial Board that does not contain elected members.

32. **Takina - Wellington Convention Centre.**
    Brief description:
    - This $180M project is being governed and managed directly by the Wellington City Council.
    - Willis Bond is the development manager for the project and has been responsible for developing the master plan and detailed design for the project. The Willis Bond role has a structure that is very similar to the current relationship between Willis Bond and TCC.

- Internal project governance of the development (at the non-political level) has been particularly uncomplicated with this being primarily undertaken by an in-house project director reporting to the chief executive. The project does not have an equivalent to the project steering group/ governance group structure currently in place at TCC.

33. **Wellington Waterfront Ltd** is a CCO that is 100% owned by Wellington City Council (WCC). Brief description:
    - This CCO is no longer operating but its purpose was to develop waterfront land adjacent to the Wellington CBD for commercial and public space purposes.
    - In 2014 the functions of Wellington Waterfront Ltd were transitioned into WCC as part of a business unit (Parks, Sport & Recreation) with a changed brief to extend beyond the waterfront and include a wider responsibility in other parts of the city with a focus on place making and parks.
    - When trading, developments being undertaken by the CCO were on its balance sheet.
    - Wellington Waterfront Ltd is a registered company and when trading, had a board that was primarily commercial in nature although it did normally contain one WCC elected member.

34. **Project Manawa – Queenstown**
    Brief description:
    - Queenstown Lakes District Council (QLDC) has approved a proposal to enter into a partnering agreement with Ngāi Tahu Property to agree a development plan for a site in Stanley Street in central Queenstown.
    - The goals of Project Manawa are to deliver a range of cultural and community facilities such as community and arts spaces, a new dedicated library, a performance and visual arts centre, a town square, and commercial buildings, as well as the Council's new administration building.
    - No decisions have yet been made on governance structures for Project Manawa and QLDC officers are very interested in these current TCC considerations.

35. **Urban Plus Ltd** is a CCO that is 100% owned by Hutt City Council (HCC).
    Brief description:
    - The function of the CCO is to contribute to the provision of housing outcomes in Lower Hutt. Its focus is to develop housing for community housing providers as well as releasing affordable homes to first home buyers.
    - It also manages HCC's social rental housing portfolio. The rental housing portfolio, as well as the housing developments, are on the CCO's balance sheet.
    - The CCO is funded from debt which it is responsible for servicing, and from development and operational income.
    - Urban Plus Ltd is a registered company. Its board comprises a mix of commercial and social skillsets. It normally contains one HCC elected member.

36. **Hobsonville Land Company Ltd** was a company 100% owned by Housing New Zealand.
    Brief description:
    - The company was founded in 2006 to develop the former Hobsonville airbase into a new township called Hobsonville Point. The functions of the company were moved into Kainga Ora in 2019 and the company no longer exists.

- While not a CCO, useful parallels could still be drawn as an example of a successful public sector owned company operating in a commercial environment.

37. **General comment:** Consideration of the various reference organisations revealed a range of different approaches being taken. There was not one single best practice example identified that could simply be transposed onto the civic precinct development. Rather it provided an opportunity to consider how elements of the different approaches could be applied to the TCC project to best advantage and how some elements should be avoided if at all possible.

38. The scope of the brief meant that this investigation focused predominantly on reference examples that involved CCOs. However, it also considered examples of development projects that were undertaken by councils in-house. The Wellington convention centre is an example of that and those involved consider that the project was delivered well.

39. Most of the people interviewed who had CCO experience, considered that the key advantages of a CCO structure were in the ability to operate with a commercial focus and the separation from political direction and council processes. There were no significant disadvantages identified.

40. Two of the people who were interviewed had the dual experience of having been employed to deliver functions which at one time were delivered by a council and then at a different time by a CCO that had been established by that council. That provided a useful comparison of the two models. In each of those cases the view expressed to me was that the function had been more effective when delivered by the CCO.

Consideration of factors of CCO project governance

41. I have considered whether there could be potential benefits for Tauranga City Council (TCC) in a CCO model for the civic precinct and other major community facility developments, by looking at a number of individual factors that would help determine whether or not the CCO model is a desirable proposition. The factors are largely drawn from the investigation brief and matters raised in the OAG report.

42. The following paragraphs about the individual factors assume that if a CCO were to be established as a development vehicle, that it would be in the form of a company as that seems the most logical structure for a large development. The individual elements are also looked at in isolation from each other.

Independence through separation from political direction *(review following legal advice)*

43. The fundamental reason, for establishing any CCO is that there is benefit in one form or another, for separation of its function from its shareholding Council. The Local Government Act requires that various accountability mechanisms be put in place between a Council and its CCO such as an annual statement of intent and reporting requirements, which guide the shareholder role and monitoring responsibilities of a Council.

44. It is worth considering how independent a CCO is from its shareholder Council in practice. There were a variety of approaches to and degrees of separation from political direction among the reference entities that I looked at. At one end of the scale, there were examples of master planned developments being approved by the shareholding Council, and then the CCO largely

being left to get on and deliver them. At the other end of the scale was an example where control was to the extent that the chief executive of a CCO had only very modest financial delegations, with expenditure that exceeded those delegations requiring approval by an officer of the shareholding council. Representatives of the reference entities generally had the view that despite there usually being some level of constraint to the independence between a shareholding council and its CCO, the CCO model still provided enough operating independence to offer gains in efficiency and effectiveness when compared to the in-house model.

45. Provided that a CCO is set up in a way that empowers it to be effective, I am satisfied that there are potential benefits from separation from its shareholding council. These take the form of:
    - Allowing decisions of a commercial nature to be made in a commercial environment;
    - freedom from political considerations that can inhibit and delay commercial decision making;
    - freedom from time consuming bureaucratic process;
    - enhanced ability to be nimble in decision making to respond to evolving circumstances.

46. The modified status quo option is unlikely to have much greater independence of operation than the status quo.

Governance and management personnel having a commercial focus on project delivery

47. Commercial operations involve making decisions on matters of risk and return. Making such commercial decisions and the trade-offs that they often require, is not a core skillset of local government. Decisions that are entirely appropriate within a commercial environment may not be perceived as being appropriate within a public sector environment. Being able to unlock the ability to operate in a less constrained manner is one of the key reasons that councils establish CCOs.

48. If a CCO is to be able to deliver benefits from a commercial approach, it needs to have directors that are primarily appointed for their particular commercial skills. Those skills should be relevant to project construction and contracting of the scale of this particular project. While it is an added advantage if a director has a good knowledge of the Tauranga community, that is secondary to development related commercial skills, when it comes to delivering a $303M development that has already had its master plan approved through consultative processes. It is also sub-optimal to appoint council elected members to the board of a commercial CCO as it is important not to confuse the role and responsibilities of shareholders and directors. There are other effective devices that can be employed to gain non-commercial input to CCO processes, for example reference groups.

49. A shareholding council needs to set unambiguous expectations for its CCO and a clear definition of what its success looks like. The CCO should then be delegated sufficient authority to act in an independent and commercial manner to deliver on those expectations. A council/CCO relationship structured in this way enables the benefits of a more commercial approach to be realised.

50. Provided that a CCO for the civic precinct development is established with the right mix of commercial skills on the Board, and there are adequate delegations in place to enable those skills to be effectively utilised, there are clearly potential benefits in having such a governance

structure in place.

51. The modified status quo option may provide some increased level of commercial focus compared to the status quo arrangement, but it is unlikely to be as great as the CCO model.

Decision making agility

52. It is likely that a CCO will have far greater decision-making agility than a council as it will not be limited by the bureaucratic and political process requirements that are inherent in a public sector organisation. There would also likely be a far clearer separation between governance and management decision-making within a commercial CCO structure when compared to most council organisations. This is another key to agile decision making.

53. The modified status quo option could also be equipped with greater decision-making agility through delegations if there was the will to do so. However, that agility is still likely to be constrained by the fact that the business unit remains part of a council organisation and the hierarchies within it.

Ability to recruit and retain appropriately qualified and experienced board members and staff

54. The performance of a CCO, like most other organisations including councils, is only as good as its people. The potential CCO being considered in this report would have the role of a (predominantly) vertical build development manager. Its success would be dependent on how good its people are at managing project construction and contracting of the scale and nature of this particular project. These skillsets are more likely to be found in the private sector than in the public sector. Anecdotally, it seems that many people in the private sector do not regard the public sector to be an attractive employment proposition. The experience of TCC in trying to recruit project management staff would support this anecdote. Similarly, the community focus of elected member representation on a council means that strong commercial skills are unlikely to predominate in that forum.

55. Accordingly, a CCO with a commercial structure is far more likely to attract governance and management personnel with the right industry experience than is a council organisation. The presence of these people unlocks the potential benefits of the commercial approach referred to earlier. The earlier comments about delegation and independence are also relevant here.

56. The reference CCOs did not appear to have difficulty in attracting quality commercial directors and experienced staff.

57. The modified status quo option may provide some improved recruitment attractiveness compared to the status quo arrangement but the degree of improvement would be expected to be minor.

Project certainty

58. The civic precinct development has been master-planned as an integrated overall development. However, because proceeding with the development is subject to meeting external funding targets, there are a number of decision gateways throughout the life of the development relating to individual facilities within the overall master plan. That means that contracts for the construction of the entire development are unlikely to be able to be entered into at the same time and the decision gateways may not occur within a common TCC governance cycle. The

significance of this situation is that the development could commence without any confidence that the overall project will be completed.

59. A CCO set up to develop the civic precinct could be structured in a way that would provide greater confidence about project completion than the situation described in the preceding paragraph. Conceptual level advice is that this could be achieved through the design of the CCO's constitution and contractual arrangements that are entered into between TCC and the CCO. If TCC decides to proceed to a detailed implementation study of the CCO model, a fundamental part of that would be to identify all of the objectives and outcomes, including any about project certainty, that are desired as a consequence of establishing a CCO. Comprehensive consideration can then be given to how best to design a CCO structure to achieve those objectives and outcomes.

60. The modified status quo option (internal business unit with an appointed project board) does not provide any greater certainty for the project than the status quo arrangement.

Being able to gain the confidence of stakeholders including potential funding partners

61. There appears to be poor public perception of TCC's ability to successfully deliver projects that achieve all they are meant to deliver. That was commonly raised by people that I spoke to who had a Tauranga connection of some sort. At the present time that may be particularly relevant to vertical build projects in view of the recent carpark building. I raise that example for no other reason than to provide context to my conclusions in this part of the report.

62. The representatives of TECT that I met with indicated that they were likely to have greater comfort in being a funder of the proposed civic precinct redevelopment if it were to be delivered by a commercially mandated CCO than if it was delivered directly by TCC. I can't comment on other potential funders as it was not part of my brief to talk to them, but it is worth noting again that establishment of a CCO was a requirement of the government funding for the Christchurch stadium

63. For these reasons, I conclude that there would likely be greater public and other stakeholder confidence in the civic precinct project delivering planned outcomes if it is delivered by a CCO

64. The modified status quo option is unlikely to result in significantly higher confidence in the project than the status quo arrangement.

Access to a wider range of funding sources

65. Other than to the extent referred to in the earlier comments about stakeholder confidence, having a CCO in place solely to act as a development manager, as set out in the brief, is unlikely to provide greater access to funding sources than if the development was managed by a council organisation.

Tax-effectiveness

66. This is an issue that will need detailed consideration if TCC decides to proceed to a detailed implementation study of the CCO model. For the purposes of this report, I have been advised that tax-effectiveness is likely to be neutral at a TCC group level and accordingly is unlikely to be a reason to either proceed or not proceed with a CCO model.

Risk management

67. Again, this is an issue that will need detailed consideration if TCC decides to proceed to a detailed implementation study of the CCO model. Any effects on TCC's risk profile would be influenced by the precise structure of a CCO, its delegations and how any contractual arrangements between TCC and the CCO were structured. For the purposes of this report, it is assumed that risk would be no worse than neutral for TCC when compared to the status quo. It is worth noting that reputational risk is largely likely to remain with TCC, whatever the structure.

Governance costs

68. There are significant costs involved in establishing and operating a CCO. Using Bay Venues Ltd (BVL) as an example, directors' fees and audit costs totalled $353k during the year ending June 2021. In addition to these identified costs, there would be duplication costs associated with operating a separate organisation as well as the cost of TCC monitoring performance. The exact magnitude of these costs is unknown but it can be assumed that they would be significant.

69. Of more importance than the magnitude of costs, is how these balance against the benefits that accrue from establishing a CCO. Benefits might manifest themselves in the form of lower net development costs, higher quality development outcomes or other intangible outcomes. TCC would need to consider the cost/benefit balance as part of the detailed implementation study if it decides to proceed with such a study.

Conclusions

70. Having considered all the information that was available to me, I have reached the conclusion that while the delivery of major community facilities may be able to be effectively undertaken by a council in-house, there is a greater likelihood of that outcome being achieved if the development is managed by a CCO with a commercial board and management. However, that view is conditional upon the CCO and the relationship between the shareholder council and the CCO being structured and governed in a way that enables the CCO to operate in a genuinely commercial manner.

71. The brief for this investigation provides "The report will present conclusions on whether the establishment of a CCO or other subsidiary entity to have a role in the governance and management of the civic precinct project, has sufficient potential benefits for TCC to proceed to a "due diligence" level commercial investigation". My view is that there are sufficient potential benefits to move to that more detailed study. The potential benefits referred to manifest themselves particularly in the form of a more commercial approach to project governance and management, greater confidence from potential funders and other stakeholders and the ability to create greater project certainty.

72. There is an even greater case for a CCO if it is established to deliver other significant community amenity projects for TCC beyond the completion of the civic precinct development. That would enable the commercial focus of the CCO to be applied from the earliest stages of future projects when the fundamental decisions that have the most impact on project outcomes are made.

73. An implementation study would need to include consideration of the following matters and how they could best be structured to create a successful CCO that is positioned to deliver the outcomes that are sought by TCC:
    1. definition of objectives for the CCO;
    2. definition of delegations to the CCO;
    3. determination of the form and structure of the CCO;
    4. any contractual arrangements that should be put in place between TCC and the CCO;
    5. any impacts on existing contractual arrangements between TCC and other parties;
    6. how the CCO would be funded;
    7. how the CCO would be capitalised;
    8. how risk would be managed;
    9. any tax-effectiveness issues;
    10. the impact on external funding sources;
    11. mana whenua input;
    12. transitional and establishment arrangements.

Max Pedersen

20 August 2022

Appendix 1.

Brief for Consulting Services - Tauranga City Council

Te Manawataki o Te Papa – The potential role of a CCO or other subsidiary entity in the redevelopment of the Tauranga civic precinct

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Objectives

1. To investigate the use of CCOs or other subsidiary entities for the purpose of developing significant community facilities, by other Councils within New Zealand.

2. To identify whether or not there could be potential advantages or benefits for Tauranga City Council (TCC) in applying a CCO or other subsidiary entity model to the redevelopment of the Tauranga civic precinct and other major community facilities

Context

3. The Council has approved a $300 million redevelopment of the civic precinct over the next eight years. The development includes facilities such as a civic whare, museum, library, an exhibition and events centre, and the associated landscaping. Approval is subject to achieving 50% of the required funding from non-ratepayer sources.

4. Success with the delivery of the redevelopment will be dependent on many factors. Those that are particularly relevant to this brief are:
   - project certainty;
   - decision making agility;
   - associated governance and management personnel having a commercial focus on project delivery;
   - being able to gain the confidence of stakeholders and in particular, potential funding partners.

5. The investigation will have particular regard to the potential impact that the use of CCOs or other subsidiary entities could have on these and other key factors that will contribute to project success.

6. For the purposes of the investigation, it should be assumed that a CCO or other subsidiary entity would not have any ownership or operational role in relation to the redeveloped civic centre, following the completion of the construction phase of the redevelopment.

Scope of work

7. The appointed consultant is to:
   - identify CCOs or other subsidiary entities that are suitable for consideration as part of this investigation. The final selection will be as agreed with the Chief Executive of TCC;

- in respect of the identified entities, consider:
    i. the reasons for the establishment of the entities and the objectives of the parent councils when the entities were established;
    ii. the extent to which those objectives are being met;
    iii. the extent to which the objectives and achievements of the entities are relevant to the civic precinct project;
    iv. the extent to which the structural arrangements of the entities would, if employed, be likely to have positive impacts (if any) on key success factors for the civic precinct project.
- report on the matters that are identified in the objectives, context and scope of work contained in this brief. The report will present conclusions on whether the establishment of a CCO or other subsidiary entity to have a role in the governance and management of the civic precinct project, has sufficient potential benefits for TCC to proceed to a "due diligence" level commercial investigation.
- comment on any other identified partnership or alliance models that are in place for similar purposes, that are not CCOs or subsidiary entities.

8. The consultants will seek input to the review from a range of people. These will include:

1. TCC Chief Executive;
2. TCC General Manager: City Centre Development;
3. TCC Director: Civic Development;
4. TCC Commissioners;
5. John Brockies (JB);
6. Wayne Silver (WS);
7. David Lambie (DL);
8. Representatives of mana whenua
9. Local Government NZ (for the identification of potential comparator entities);
10. Representatives of selected Councils;
11. Representatives of selected entities;
12. Representatives of potential funders.

Deliverables

9. A report that delivers the matters that are identified in the objectives, context and scope of work set out in this brief.

Target Timeline

Element	**Completion by**
Identify relevant entities	13 July 2022
Initial input from TCC representatives, JB, WS, DL	20 July 2022
Meetings with representatives of mana whenua	29 July 2022
Meetings with identified Councils and entities	29 July 2022
Completion of draft report	12 August 2022

END

Appendix 2.

People interviewed

Anne Tolley; Bill Wasley; Stephen Selwood; Shadrach Rolleston, TCC Commissioners
Marty Grenfell, Chief Executive, TCC
Gareth Wallis, General Manager: City Development & Partnerships, TCC
Mike Naude, Director of Civic Development, TCC

David Lambie, Property adviser and member of project governance group
John Brockies, Independent chair of project governance group

Bruce Robertson, RB Robertson Ltd

Wayne Silver, Director, Willis Bond

Wayne Werder, Chief Executive, TECT
Peter Farmer, Trustee, TECT

Nigel Tutt, Chief Executive, Priority One
Simon Clarke, Chair, Priority One

Mary Richardson – Christchurch City Council

Barbara McKerrow – Chief Executive, Wellington City Council
Danny McComb – Convention Centre Programme Director, Wellington City Council

David Rankin - Chief Executive, Eke Panuku Development Auckland Ltd
Phil Wilson - Director, Governance and CCO Partnerships, Auckland Council
Alastair Cameron – Manager, CCO Governance and External Partnerships, Auckland Council
Dean Kimpton – Former Chief Operating Officer, Auckland Council
Stephen Town – Former Chief Executive, Auckland Council

Ian Pike – Former Chief Executive, Wellington Waterfront Ltd

Mike Theelen – Chief Executive, Queenstown Lakes District Council
Paul Speedy – Manager, Strategic Projects, Queenstown Lakes District Council
Stewart Burns – GM Finance, Queenstown Lakes District Council

Chris Aiken – Former CEO, Hobsonville Land Company Ltd
John Duncan – Former Chair, Hobsonville Land Company Ltd

Jenny Livschitz – CFO, Hutt City Council
Daniel Moriarty – CEO, Urban Plus Ltd

Appendix 3.

Master plan