



**AGENDA NO.
5.3**

BOARD PAPER

Paper no:	2018/04/1235
Meeting date:	20 April 2018
Prepared by:	Brett Gliddon, Senior Manager System Design and Delivery
Recommended by:	Vanessa Browne, Acting General Manager System Design & Delivery
Board function:	Significant planning, investment and operational matters
Subject:	Progressing the SkyPath Project



INTERNAL USE ONLY

It is recommended that the NZ Transport Agency Board resolves to...

- **Endorse** the NZ Transport Agency taking responsibility for delivery of the SkyPath project.
- **Approve** the inclusion of SkyPath as a NZ Transport Agency project to the 2015/18 National Land Transport Plan, subject to Auckland Transport including the activity in the 2015/18 Regional Land Transport Plan.
- **Delegate** to the Chief Executive the power to approve funding for the SkyPath single stage business case, detailed technical review and due diligence processes, with an expected cost of \$1.5 million.
- **Approve** the commencement of negotiations for the transfer of the resource consent and purchase of Intellectual Property for SkyPath developed by the PIP Fund and the SkyPath Trust.
- **Delegate** to the Chief Executive the power to purchase Intellectual Property, following negotiations s9(2)(j) [REDACTED].
- **Retain** this paper 'in committee' until the negotiations and purchase(s) have been completed, due to the commercially sensitive nature of the information within the paper.
- **Agree** to take this paper 'out of Committee' when the negotiations and purchase(s) have been completed.

The Government is prioritising walking and cycling, including the SkyPath project

- The draft Government Policy Statement on Land Transport (GPS) reflects an increased priority for walking and cycling investment
- In February 2018, Associate Minister of Transport Julie Anne Genter asked the NZ Transport Agency to consider taking over responsibility for the delivery of the SkyPath project
- The Transport Agency, Auckland Transport and Auckland Council are joint partners in the delivery of Auckland's cycling programme
- An active mode link across the Waitemata Harbour has been identified as being of high strategic importance for the completion of the Auckland Cycle Network
- Until recently the Transport Agency had continued to support Auckland Council in the development of the SkyPath
- The Government's announcement that it would commit \$30 million in funding for the SkyPath project has resulted in the Morrison & Co. Public Infrastructure Partnership Fund (PIP Fund) not being "actively engaged" in the project and likely to withdraw should the Transport Agency deliver the project
- The PIP Fund currently holds the SkyPath consent and the SkyPath Trust currently owns the intellectual property that has been produced for SkyPath to date, including the concept design and supporting technical work

An options assessment process is underway

- Alternative options were considered to address some of the concerns with the SkyPath concept, while still delivering the potential benefits
- The short listed options (for which concept drawings were provided with the March update to the Board) are:
 - *Option 1* - The current SkyPath option attached to the Auckland Harbour Bridge eastern box girder
 - *Option 2* - A separate structure supported from the Auckland Harbour Bridge concrete piers with no fixed connection to the Auckland Harbour Bridge box girder
 - *Option 3* - Variations of an on-deck option, including removal of a lane of traffic on the eastern box girder or extension of the outside edges of each box girder to accommodate a walking/cycling path in each direction
- The consented SkyPath, Option 1, remains the most likely preferred option based on the Transport Agency's initial assessment, but will be tested further through the single stage business case
- Further assessment of Option 2 is required through the single stage business case. It consists of a separate structure that removes the structural constraints of SkyPath on the eastern box girder, but may require an above deck cable stay configuration which could be difficult to consent
- Option 3 is not recommended as the vehicular operational capacity of State Highway 1 across the Auckland Harbour Bridge would be reduced

Taking over responsibility for the delivery of the SkyPath project

In order to respond to the Government's request, the Transport Agency is proposing to:

- Confirm the preferred option for a walking and cycling connection across the Waitematā Harbour, during the initial part of the Single Stage Business Case
- Complete the steps required to transfer the SkyPath project from Auckland Council, the PIP Fund and the SkyPath Trust to the Transport Agency, including the following:
 - make a formal request to Auckland Council to change ownership of the project to the Transport Agency, requiring a resolution from the Auckland Council Governing Body
 - transfer/purchase of completed technical work from the PIP Fund, including the granted resource consent and wind tunnel testing results, s9(2)(j)
 - transfer/purchase of completed technical work from the SkyPath Trust, including the consented concept design and operational plans, s9(2)(j)
 - gain a full understanding of any pre-existing contractual arrangements that Auckland Council has entered into in relation to SkyPath and any resulting potential ongoing obligations
 - update Auckland Council to allow them to inform their councillors, local board members and other stakeholders before a public announcement is made
- Complete a single stage business case considering SkyPath as the preferred option and complete technical due diligence on the SkyPath concept design work completed by others (that is, PIP Fund, SkyPath Trust) - as well as revisit current cost estimates and economic analysis
- Work to understand affordability of the SkyPath project for the appropriate activity class (State Highways, Walking & Cycling or a combination of both), based on the outcomes of the draft GPS

Outstanding risks associated with the consented SkyPath option

- If the consented SkyPath option is confirmed as the Transport Agency's preferred option, then the resource consent and intellectual property will need to be purchased
- There is a financial risk to the Transport Agency that more detailed technical due diligence shows the consented SkyPath option is not a viable option, in which case the resource consent and intellectual property purchased up-front from third parties may become redundant
- s9(2)(g)(i)
- There is a financial and programme risk to the Transport Agency as design and delivery costs and timeframes will not be fully understood until an assessment of the third party information is completed that must first be purchased from the PIP Fund and SkyPath Trust
- There is a risk that the Transport Agency may be bound or obligated to take over existing contractual or Memorandum of Understanding agreements that Auckland Council has entered into with third parties. For example, there is a partnership agreement in place between Auckland Council and a proposed naming sponsor (an undisclosed bank)

Proposed timeline for next steps

- Negotiated transfer of project from third parties: **May 2018 – December 2018**
- Single stage business case: **May 2018 – January 2019** (based on SkyPath option)
- Detailed technical review and due diligence: **June 2018 – Dec 2018**
- Commence detailed design: **First quarter of 2019**
- Commence construction: **Last quarter of 2019** (12-18 months)

Note: These are indicative timeframes, based on the current consented SkyPath option

The following information will be made available on the Transport Agency website ...

- Under section 20D(2) of the Land Transport Management Act 2003, after approving or declining funding for activities or combinations of activities, the Transport Agency must place a copy of the decision, and the reasons for the decision, on its website
- If the Board agrees to the recommendations in this paper, the following information will be made available on the Transport Agency website:

“The NZ Transport Agency Board has approved the Transport Agency taking over responsibility for the delivery of the SkyPath project, a walking and cycling connection across the Waitematā Harbour.”

- The Transport Agency has a dedicated SkyPath webpage that will be updated with further information as appropriate