

BOARD PAPER**Investment and Operations Committee**

Paper no:	15/10/148
Meeting date:	30 October 2015
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Recommended by:	Dave Brash, Group Manager, Planning and Investment
Board function:	Significant planning, investment and operational matters
Subject:	Funding approval of Auckland CBD Infrastructure - Wynyard Interchange and Fanshawe Street indicative business case



PURPOSE

1. This paper seeks your recommendation to the NZ Transport Agency Board that it agrees to vary the 2015-18 National Land Transport Programme to include the CBD Infrastructure - Fanshawe Street activity; and approves the investment for the Indicative Business Case for Auckland Transport's CBD Infrastructure - Wynyard Interchange and Fanshawe Street project



SUMMARY

2. In 2014, work commenced on an Auckland City Centre improvement programme to address projected transport deficiencies.
3. As part of addressing the public transport capacity constraints into the City Centre and the region, we have partnered with AT on design of a new public transport network which proposes changes to the bus services around Auckland and into the City Centre. The benefits of the new network will be more fully realised by facilitating the termination, lay over and restart of some services at Wynyard Quarter. At present there are no facilities to accommodate this requirement. In the long term other transport initiatives, such as light rail transit, may remove the need for some of the bus routes that will terminate at the Wynyard Interchange. However, any future initiatives are likely to occur over an extended period to 2040/50.
4. Public transport improvements along Fanshawe Street are needed to respond to increasing congestion, which is impacting on the customer benefits already delivered through significant investment in the Northern Busway.

5. The Wynyard Quarter and Fanshawe Street projects form part of the 'City Centre Bus Improvement' activity which is ranked priority 3 in Auckland's Regional Land Transport Plan (RLTP) 2015-25. The Fanshawe Street project is not currently in the National Land Transport Programme (NLTP) and therefore, this funding approval also acts as a request to vary the NLTP.
6. The positioning and scale of the Wynyard Interchange may impact on any improvements along Fanshawe Street. The Wynyard Interchange and Fanshawe Street projects are therefore being developed through a single IBC.



RECOMMENDATIONS

7. That the Investment and Operations Committee recommends the NZ Transport Agency Board:
 - a. **Agrees** to vary the 2015-18 National Land Transport Programme to include the CBD Infrastructure - Fanshawe Street activity, which is already included in Auckland's Regional Land Transport Plan;
 - b. **Approves** funding for the Indicative Business Case for Auckland Transport's CBD Infrastructure - Wynyard Interchange and Fanshawe Street project at an estimated cost of \$630,300 and a funding assistance rate of 51% (Transport Agency share \$321,500);
 - c. **Notes** that the total construction cost for the improvements is estimated at \$53.5 million, the 95th percentile cost at \$56.7 million and the 5th percentile at \$47.8 million;
 - d. **Notes** that the reasons for this decision are set out in Attachment 1 and that the profile for the activity has been assessed as high strategic fit, medium effectiveness and a benefit cost ratio ranging from 1.2 - 1.8; and

- e. **Delegates** the subsequent stages in the business case process (detailed business case and implementation) for the CBD Infrastructure - Wynyard Interchange and Fanshawe Street project to the Chief Executive.



BACKGROUND

8. The Auckland City Centre is facing capacity constraints into and out of the City at peak times. In 2012, a City Centre Future Access Study (CCFAS) noted that the City Centre will face significant access issues across all entry points from as early as 2021.
9. In 2014, work commenced on a City Centre Access Programme Strategic Case and a draft City Centre Improvement Programme Business Case (PBC) to address the projected transport deficiencies identified in the CCFAS. It is proposed that, in tandem with the City Rail Link, a City Centre improvement programme will address the transport deficiencies and constraints through investment in seven projects focused on improving bus priority and the public transport interchange.
10. In late 2014, AT undertook investigations into alternative future transport options, including light rail transit. As a result, the draft City Centre Improvement PBC was put on hold and we withheld formal support for it. We agreed with AT not to update the PBC to include any alternative transport options, but to progress these options as a separate piece of work.
11. Irrespective of the results of the further investigation on alternative public transport options, there remains a need for the Wynyard Interchange and Fanshawe Street infrastructure improvements in the City Centre. Of the projects identified in the draft PBC, we consider that the Wynyard Interchange and Fanshawe Street activities will be least impacted by the implementation of any other future transport options.

12. The remaining activities identified in the draft PBC are required to help address the capacity constraints into the Auckland City Centre, but are planned to be delivered later in the 10-year Long Term Plan period.
13. The Fanshawe Street project is not currently included in the 2015-18 NLTP. AT's draft RLTP and NLTP submission was based on a budget that focussed on large projects such as AMETI and City Rail Link, with most other projects planned for delivery beyond the current 2015-18 NLTP period. AT's current budget for the 2015-18 period was not confirmed until after the NLTP was finalised. The confirmed budget now allows the Fanshawe Street project to be included in the 2015-18 RLTP and NLTP.



PROBLEMS, BENEFITS AND INVESTMENT OBJECTIVES

14. An Investment Logic Map exercise for the City Centre Access Programme Strategic Case has been developed with our support. The key problems agreed to in the Strategic Case and supported in the draft PBC are:
 - Problem one: limited quality transport options and network inefficiencies undermine resilience, liveability and economic prosperity; and
 - Problem two: the existing transport network won't adequately support growth in a way that achieves a quality compact city.
15. By addressing these issues, the following benefits would be realised:
 - Benefit one: increased access to a wider range of quality affordable transport choices;
 - Benefit two: Auckland's transport system moves people and goods efficiently; and

- Benefit three: Auckland's transport system enables growth in a way that supports communities and a high quality urban form.
16. At this stage in the business case process, the only benefit that can be quantified is increased patronage. Additional daily morning peak patronage is estimated at 581 passengers in 2021 and 1711 passengers in 2045. The following measures, which will be developed further in the IBC and in the Detailed Business Case (DBC), will also be used to quantify the benefits listed above upon delivery:
- the number of services scheduled;
 - the reliability of the services; and
 - the productivity of the route, based on people carrying capacity.
17. The investment objectives specific to the Wynyard Interchange and Fanshawe Street projects are to: address current and future demand; provide appropriate transport choice; and improve network reliability and resilience.

STRATEGIC CONTEXT

18. The CBD Infrastructure - Wynyard Interchange and Fanshawe Street IBC aligns with a number of key documents, including the Government Policy Statement (GPS), RLTP 2015-25, Regional Public Transport Plan (RPTP), Auckland Plan, Long Term Plan 2015-25, Integrated Transport Programme 1 and draft 2, City Centre Masterplan, CCFAS and the City East West Transport Study.
19. The new network of public transport for Auckland introduced in the RPTP fundamentally changes the way bus services operate. It provides more frequent services and a simpler, more-

connected public transport network. To operate in the most efficient manner, the new network requires buses to route through the City Centre as opposed to central termination points as is currently the case. The interchange at Wynyard Quarter is fundamental in enabling this to occur. At present, however, few viable travel options are available in Wynyard Quarter. Our view is that the new network provides improvements to Auckland's public transport network and a greater level of service to our customers. Investing in an interchange at Wynyard Quarter will ease pressure on the network and on the bus interchange at Britomart.

20. In addition to enabling the full benefits of the new network, an interchange at Wynyard Quarter is required to respond to rapid growth in the area. Over the next few years there will be several thousand people living in Wynyard Quarter in newly built apartments and terraced houses. There will also be many more people working in the area and as such, demand for travel to and from Wynyard Quarter is growing rapidly. The Wynyard Quarter Transport Plan is seeking a 70:30 modal split where private vehicle trips represent 30% or less of all trips.
21. The Wynyard Quarter and Fanshawe Street projects form part of the 'City Centre Bus Improvement' activity which is ranked priority 3 in Auckland's RLTP 2015-25, and noted as essential in Auckland's RPTP. An Interchange at Wynyard Quarter is identified as a standalone project also noted as essential in the RPTP. 'Essential' projects in the RPTP are described as being "required in advance in order to run the proposed services or the project significantly enhances patronage growth". Both projects have delivery dates of 2015/16 in the RLTP.
22. The CCFAS identifies a clear need for public transport improvements along Fanshawe Street to address the capacity constraints and customer service issues, particularly for bus passengers travelling to the City from the North. Being a key public transport corridor, two-thirds of people carried on Fanshawe Street in the morning peak travel on buses (8,000 people), in two partially-prioritised bus lanes. Congestion along Fanshawe Street means buses experience delay and travel time variability. This negatively impacts on the public transport network and

levels of service for customers, particularly those coming through from the Northern Busway. Existing investment in Auckland's new network cannot be fully realised without increased numbers of transfers and better travel time reliability.



STRATEGIC CONTEXT

23. The Transport Agency's investment assessment framework has identified a profile for the CBD Infrastructure - Wynyard Interchange and Fanshawe Street IBC of high strategic fit, medium effectiveness and a benefit cost ratio ranging from 1.2 - 1.8. This gives it a funding priority order of 4, which is above the investment thresholds for the local road improvements and public transport improvements activity classes.
24. The Wynyard Interchange and Fanshawe Street improvements are both outcomes focused. They provide a tangible change relative to the issues of responding to growth, congestion and capacity constraints. The projects are also timely as there is an immediate need to respond to access issues into the City Centre, especially with the roll out of the new network of public transport, development at Wynyard Quarter, and capacity constraints at Britomart.
25. The detailed assessment of the CBD Infrastructure - Wynyard Interchange and Fanshawe Street IBC is available in the Board Books Resource Centre.



RISKS AND OPPORTUNITIES

26. The following risks have been identified for the Wynyard Interchange and Fanshawe Street activities:

- Some bus services from the isthmus that lay over, terminate and/or restart at Wynyard Quarter may be impacted by alternative transport options such as light rail, should these be realised. The form and scale of the interchange may therefore be affected by these alternative transport options in the future. However, we recognise that there is an immediate need for an interchange at Wynyard Quarter regardless of any alternative transport solutions. We will consider any future requirements during the development of the IBC, including the resilience of Auckland's public transport network to potential change. The exact form of the interchange will be developed through the option analysis in the IBC.
- Integration with other activities is also being considered and implemented within the Wynyard Quarter and City Centre, to align with the Wynyard Quarter Integrated Road Programme and the City Centre Cycle Package. Interdependencies, boundaries and responsibilities across these activities will be identified through the IBC.
- The desired outcomes may be impacted if AT and the Agency do not take a 'one network' approach. There is potential that the Fanshawe Street improvements may impact on State highway 1 or plans for the additional Waitemata Harbour Crossing. This risk will be mitigated through ongoing collaboration between AT and the Agency in developing the DBC.



COMMUNICATION AND ENGAGEMENT

27. The activities in this IBC are identified under City Centre Bus Improvements in the Long Term Plan 2015/2025 Capital Programme and the RLTP (at page 115). The activities have been adequately consulted on.
28. Auckland Transport runs a Wynyard Quarter Internal Reference Group which includes both internal and external stakeholders. This group meets on a regular basis to discuss requirements within the area and will be kept informed of the work being done in this IBC.



ATTACHMENTS

29. There are two attachments:
 - Attachment 1: Reasons for recommendation
 - Attachment 2: Location Map
30. The Funding Approval of Auckland CBD Infrastructure – Wynyard Interchange and Fanshawe Street Indicative Business Case assessment is available in the Resource Centre.



ATTACHMENT 1: REASONS FOR RECOMMENDATION

The assessment profile for this activity has been determined as High strategic fit, Medium effectiveness and a benefit cost ratio range of 1.2-1.8. Its funding priority is above the Transport Agency's investment threshold for the affected activity classes in the 2015-18 National Land Transport Programme.

At this stage in the business case process, the only benefit that can be quantified is increased patronage. The following measures, which will be developed further in the IBC and in the DBC, will also be used to quantify the benefits of investment in the Wynyard Interchange and Fanshawe Street projects:

- the number of services scheduled;
- the reliability of the services; and
- the productivity of the route, based on people carrying capacity.

The public transport infrastructure and local road improvement activities in this IBC are aligned with the Auckland Plan and the Regional Public Transport Plan, and give effect to the Government Policy Statement on Land Transport by addressing:

- a service provision that has a deficiency in journey time reliability and does not meet forecast demand in a major urban area; and
- mismatched capacity and demand resulting in severe congestion, capacity constraints and journey time reliability where journeys are provided for employment, access to economic opportunities, tourism and freight.

The requirements under the Land Transport Management Act (LTMA) have been met.



ATTACHMENT 2: LOCATION MAP

