



PALMERSTON NORTH CITY COUNCIL

MINUTES ATTACHMENTS

FINANCE AND PERFORMANCE

COMMITTEE

9AM, MONDAY 16 SEPTEMBER 2019

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

FINANCE AND PERFORMANCE COMMITTEE MEETING

16 September 2019

- | | | |
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| 6 | Palmerston North Airport Limited - Annual Report for 12 months ended 30 June 2019 & Instructions relating to Annual Meeting | |
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| 9 | The Future Use of Huia Street Reserve - Statement of Proposal | |
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PNCC Presentation

Palmerston North Airport Limited

Annual Report

2018/19

Presented by:
Murray Georgel – Chairman
David Lanham – Chief Executive

Revenue



PALMERSTON NORTH
AIRPORT LIMITED

Revenue \$10.2 million

- ✈ +3% versus SOI
- ✈ +20% versus LY

Aeronautical revenue \$6.2 million

- ✈ +5% versus SOI
- ✈ +23% versus LY

Non-aeronautical revenue \$4 million

- ✈ -1% versus SOI
- ✈ +16% versus LY



Expenses

Operating costs \$5.2 million

- ✈ + 8.0% versus SOI
- ✈ + 16.0% versus LY
- ✈ Unbudgeted PFOS costs \$260k (legal & testing).
- ✈ Unbudgeted marketing resource \$80k.

Depreciation & Finance Costs \$2.4 million

- ✈ 3.3% below SOI
- ✈ Timing of capital projects / less borrowings

Capex



PALMERSTON NORTH
AIRPORT LIMITED

Total capital expenditure of \$7.5m

- ✈ SOI \$11.6 million
- ✈ Stage 2 School of Aviation (Academic /Admin wing)
- ✈ Stage 2 Long Stay Car Park
- ✈ Rescue Fire Station
- ✈ Completion of freight apron and taxiway upgrades
- ✈ Airport Drive roundabout reconstruction

Delayed Projects

- ✈ Ruapehu Business Park - now on track



Profitability

EBITDA \$5.0 million

- ✈ Within 3% of SOI target
- ✈ +23% versus LY

NPAT \$1.7 million*

- ✈ Within 10% of SOI
- ✈ +6% versus LY

PNCC Dividend \$0.69 million

- ✈ 10% adverse to SOI

*Excludes revaluation gain

Key Metrics vs SOI



Net Surplus / Total Assets 3.6% (3.9%)

- ➔ Before interest/tax/revaluations

Net Surplus / Shareholder Funds 4.1% (3.1%)

- ➔ After tax

Tangible net worth \$67.5 million (\$61.9 million)

- ➔ Tangible assets incl. reval less liabilities

Net Promoter Score 40% (50%)

- ➔ Reset benchmark.

Lost Time Injuries 12.5 hours(zer0)

Commercial

Aeronautical

- Record aeronautical revenue
- Record passenger volumes
- Airfreight volumes strong

Non-Aeronautical

- A major focus / diversification
- School of Aviation Stage 2 completed
- Ruapehu Business Park subdivision consenting



Compliance



PALMERSTON NORTH
AIRPORT LIMITED

- Civil Aviation Act Part 139
- Asset Management Planning
- Safety Management System
- Rescue Fire Building
- PFOS response

Customer



- ✈ Fly Palmy – regional awareness
- ✈ Long Stay Car Park capacity increased
- ✈ Valet Parking – loyalty programme
- ✈ Customer satisfaction monitoring
 - ✈ Net Promoter Score

Community



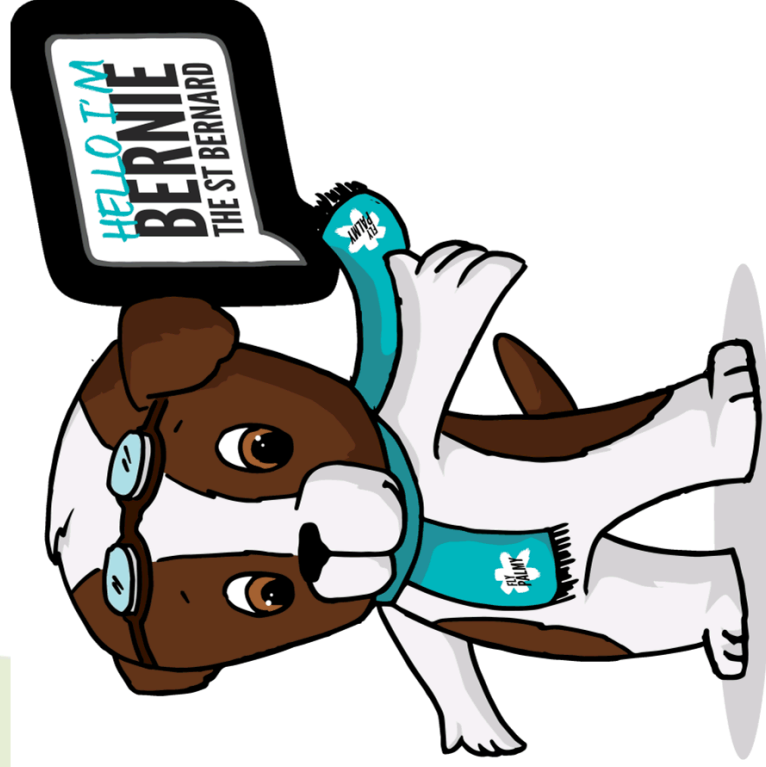
PALMERSTON NORTH
AIRPORT LIMITED

Community engagement plan finalised

- ✈ Region-wide
- ✈ Iwi

Sponsorship

- ✈ Fly Palmy Arena
- ✈ Gravel & Tar
- ✈ Centrepoint
- ✈ Central Pulse
- ✈ Te Rangimarie Marae
- ✈ Wings over Wairarapa
- ✈ Red Cross
- ✈ Santa's Cave
- ✈ Taihape Gumboot Day
- ✈ Maoriland Film Festival
- ✈ Wildbase Hospital
- ✈ Airport Christmas party



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The Environment

ACI Carbon Accreditation programme selected

- Level 1 mapping accreditation achieved
- Level 2 reduction now in action
 - Energy – 5% reduction achieved
 - Waste & Water – mapping continues

Next:

- Level 3 Optimisation – Third party engagement
 - Three years of reductions to be shown
- Level 4 – Carbon neutrality
 - Residual carbon emissions offset



The Future



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Strategic Alignment with PNCC



Goal 1 Innovative & Growing city

- ✈ Airport Capacity – Terminal Development
- ✈ Sustainable route development
- ✈ Ruapehu Business Park / North Eastern Industrial

Goal 2 Creative & Exciting City

- ✈ Community Engagement – iwi, ethnic groups
- ✈ Sponsorship

Goal 3 A connected & Safe Community

- ✈ Rangitāne engagement – our sense of place
- ✈ Sponsorship – social service agencies

Strategic Alignment



Goal 4 An Eco City

- ✈ ACI Carbon Accreditation programme
- ✈ Community engagement – environmental messaging

Goal 5 Driven & Enabling Council

- ✈ PNAL's success linked to ongoing collaboration
- ✈ Strong relationships formed
- ✈ Project Working Group established



The Future Use of Huia Street Reserve Statement of Proposal

Finance and Performance Committee

16 September 2019

PALMERSTON NORTH CITY COUNCIL



Issue

- Consultation is required should the Council wish to enable the disposal or development of Huia Street Reserve for housing.
- Key decisions and processes to follow consultation.

Background

*That the Chief Executive be **authorised to prepare a consultation document** and undertake a consultation process under the Local Government Act 2002 **prior to the Council making a decision** about engaging with Parliament to initiate an amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 to enable the disposal or development of Huia Street Reserve (Lots 3 4 Pt Lots 1 2 DP 545) for an alternative use.*

The Proposal

- That the Council initiates the necessary amendments to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 and the District Plan to enable the disposal or development of Huia Street Reserve for housing.

Reasons for Proposal

1. The Council passed a resolution.
2. The City Development Strategy.
3. The Housing Needs Assessment.
4. Part of the Huia Street Reserve has been vacant since 2005 and is not required by the Council to meet any community or recreation needs.
5. Consultation is required under the Local Government Act 2002.

City Development Strategy

Council also has a significant property portfolio that can be used to contribute to city growth and development, while also providing revenue. This could include repurposing underutilised land or identifying land where uses can be relocated to enable sustainable housing development and intensification.

Alternative Options

- Land-bank the site.
- Develop for recreational purposes.
- Consider proposals from the community to use the site for a recreational, cultural or community purpose.
- Enable the disposal or development of Huia Street Reserve for a commercial purpose.

Option A

Baseline

(Complies with District Plan bulk & form standards)

- 17 Lots
- Two storey detached house on 350m² minimum lot sizes.
- Compliant with District Plan yard height in relation to boundary, site coverage and minimum lots size standards.
- Tennis pavilion retained

PARK ROAD

FITZHERBERT AVE





Option B(i)

Multi-unit Housing

(Complies with District Plan bulk & form standards)

- 34 units, being a mix of 2 and 3 bedroom units
- Minimum 1 carpark/unit
- Development to two storey max
- Tennis pavilion retained
- Retail at corner of Park Rd and Fitzherbert Ave with possibly apartments above
- Central green space, integrating trees for visual amenity and privacy





Option B(ii)

Multi-unit Housing

(Plan as compliant, except 3 storeys high in places)



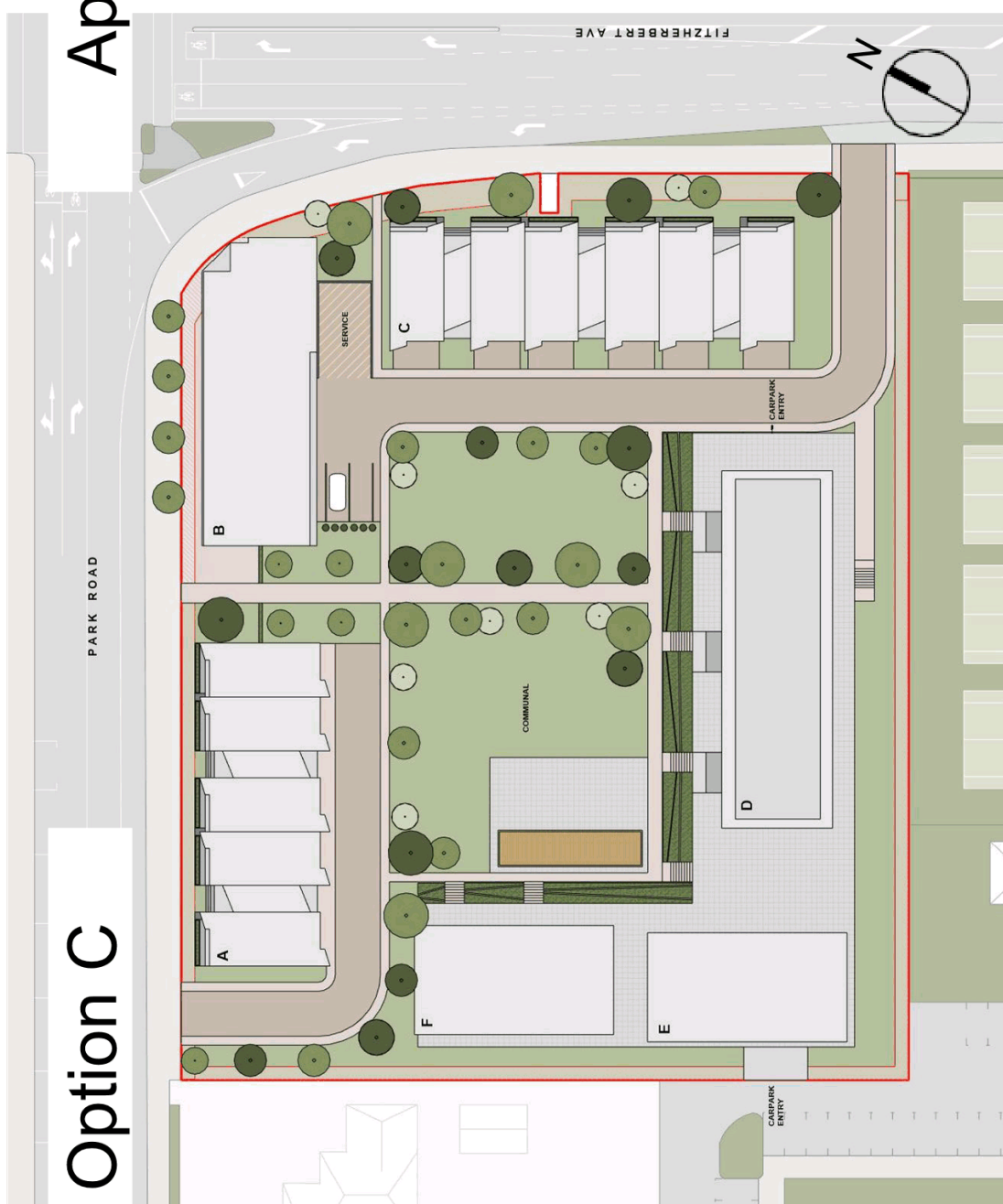
- 34 units, being a mix of 2 and 3 bedroom units
- Minimum 1 carpark/unit
- Development to two storeys except three storeys at corner of Park Rd & Fitzherbert Ave, and over parts of middle blocks.
- Tennis pavilion retained
- Retail at corner of Park Rd and Fitzherbert Ave with commercial (eg. medical centre) or possibly apartments above
- Central green space, integrating trees for visual amenity and privacy



Option C

Apartments

- 80 Apartments,
- 78 Car Parks
- Tennis pavilion retained
- 4 Storey Apartments around perimeter, 6 storey at the centre (includes parking level)
- Allow for one parking space per unit.
- Carparking under blocks at edge.
- Retail at corner of Park Rd and Fitzherbert Ave extend
- Fitzherbert Ave extend green edge to provide separation between apartments and busy road.
- Main pedestrian entrance from Park Road, vehicle access from both Park Rd & Fitzherbert Ave.





Recommendations

- That the Future Use of Huia Street Reserve Statement of Proposal – October 2019, including the Potential Housing Development Scenarios, be approved for public consultation.