



Report **03.307**
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Committee **Passenger Transport**
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Petone Station

1. Purpose

To update the committee on the current position regarding Petone Station.

2. Background

Over the course of the last three and a half years we have been working through a very detailed process to enable a new railway station to be built at Petone, as set out in the RLTS. The committee was last updated on developments in March 2002 when it was decided to approach Hutt City to be owners of the new facility in light of the current and still on-going uncertainty over network ownership.

Following approaches from this council, Hutt City agreed to be the nominal owner of the building to enable construction to take place. There followed a long period of over 9 months during which time Tranz Rail and NZ Rail Corp prepared the two lease documents needed to (1) allow HCC to own a building on rail land and (2) allow Tranz Rail to occupy that building for rail purposes.

With the documentation in place, the building was put out to tender and we have now received four tender prices. The lowest of the conforming tenders at \$580,801 is \$240,801 more than we had budgeted for, as our budget was based on original estimates which are now two years old.

3. Comment

3.1 Funding Issues

The new station has been approved by Transfund as qualifying for kick-start funding of \$160,000 through The Hutt City Council. To attract this subsidy construction must start before the subsidy expires at the end of June 2003. This is still possible if a decision can be made immediately as the lowest tenderer is ready to move on site and begin demolition. However this still leaves GWRC short of \$240,801.

3.2 Other Options

If the \$240,801 can not be found, we will have to defer this project until such time as it can be afforded. This will lose us the \$160,000 kick-start money but we will be able to apply to Transfund for an Alternative to Roothing (ATR) subsidy. An ATR evaluation for this project would cost between \$30,000 and \$40,000 to prepare. There is no certainty that the project will attract ATR funding at a similar level to the kick-start offer, also with ATR funding being based on the level of passenger increases resulting from the project there is the issue of double dipping. Whatever we would receive under ATR would be recouped by Transfund through a reduction in patronage funding income over the life of the facility.

3.3 Hutt Valley Bus Review

It should be noted that the new station for Petone will allow more room for bus access and has been designed as an interchange between the two modes. This extra space is an important component of the new bus routes beginning in October as many of the new routes terminate at Petone station.

4. Communications

The most recent article in the local papers referred to the fact that the lease documentation had been finalised and that construction would soon proceed.

5. Recommendation

1. *That this report be received for information.*
2. *That the Committee choose one of the following alternative options:*
 - (a) *That the lowest conforming tender for the construction of the Petone station, of \$580,801, be accepted and that the funding shortfall of \$240,801 be funded from the current transport contingency reserve; or*
 - (b) *That no tender be accepted and the project be deferred until 2003/04 or later to allow for the submission to Transfund of an ATR evaluation and a review of available funding.*

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