

Questions and answers – Shelly Bay development

The Council proposes to enter into a sale and lease agreement with Shelly Bay Ltd so the planned development of housing and public space can go ahead as envisaged in the bay. Here are some common questions about the proposal, with answers. If you have a question that's not answered here, email us at shellybay@wcc.govt.nz

To find out more about the proposal and give your feedback, go to wellington.govt.nz/shellybay

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20. What precautions would be in place to manage the risk of sea level rise, tsunami and earthquake?

21. What about the wharves at Shelly Bay?

22. If the Council and Shelly Bay Ltd reach an agreement, what happens if Shelly Bay Ltd then cannot proceed with the development for any reason?

23. What are the economic benefits of the development?

24. How would the quality of the development be assured?

1. How much of the Council's land is proposed to be sold/leased?

The Council owns 3.5 hectares of land at Shelly Bay – mainly along the waterfront. It is proposed the Council sells and leases a total of 0.9 hectares of land to Shelly Bay Ltd. The proposal would see the Council sell 0.3 hectares of land to Shelly Bay Ltd to be developed as housing; and lease 0.6 hectares of land and two buildings on the waterfront to Shelly Bay Ltd to be developed for housing, commercial and retail facilities and public space.

Areas for sale and lease



Wellington City Council ownership Area to sell Final boundaries subject to survey
Shelly Bay Limited ownership Area to lease

2. Why did the Council not consult the community about the Shelly Bay resource consent?

In April 2017 the Council granted resource consent to The Wellington Company to develop housing and public space/facilities in Shelly Bay. (The Wellington Company and Port Nicholson Block Settlement Trust have established a joint venture to develop Shelly Bay).

The Council considered the resource consent under the Housing Accords and Special Housing Areas Act 2013 (HASHAA). The HASHAA aims to fast track housing projects in areas including Wellington where the housing market is under pressure. Under the HASHAA, Shelly Bay is designated a Special Housing Area.

The HASHAA limits councils' ability to notify the public about proposed developments in Special Housing Areas. Only owners of adjacent land and infrastructure providers can be notified. So the resource consent was not publicly notified.

3. Would the public be consulted about the Shelly Bay development if it progresses?

This consultation is your best opportunity to have your say on Shelly Bay. We are keen to hear your views on the proposal for the Council to enter into an agreement for the sale and lease of land to Shelly Bay Ltd.

The Council granted resource consent for the development in April 2017 which means the development has approval to proceed if the Council agrees to sell and lease land to Shelly Bay Ltd.

4. What are the next steps following public consultation?

After public consultation closes on 14 August, people who submitted their views on Shelly Bay will have the opportunity to speak to their submission at a meeting with councillors. If you made a written submission and indicated you wanted to speak to councillors about your views, we will contact you with the date, time and location of the meeting.

In late September, councillors will receive a report about the Shelly Bay consultation. They will consider your feedback and make a decision about whether to sell and lease land to Shelly Bay Ltd.

If they agree to proceed, the Council would negotiate a development agreement with Shelly Bay Ltd. The concept design would be developed and assessed by the design panel (see question 12) before construction got underway.

5. Why is the Council only engaging with Shelly Bay Ltd for this development?

The Council is responding to a proposal from the owners of the land adjacent to the Council's land at Shelly Bay.

Port Nicholson Block Settlement Trust (PNBST) was established in August 2008 to administer the Treaty of Waitangi settlement of the Taranaki Whānui. In 2008, PNBST purchased a holding in Shelly Bay as part of the settlement.

PNBST established a joint venture with developers The Wellington Company, known as Shelly Bay Ltd. They have put forward a proposal to develop land at Shelly Bay and the Council has granted them resource consent. The Council owns about a third of Shelly Bay, and Shelly Bay Ltd owns about two thirds.

6. What could Shelly Bay Ltd develop if the Council does not sell/lease the land as proposed?

The development cannot proceed in its current form if the Council does not sell and lease land to Shelly Bay Ltd.

Any development by Shelly Bay Ltd on its own land would require the company to demonstrate to the Council that existing public infrastructure was sufficient to support the development before any construction work could begin.

It is already known that the existing public infrastructure is not sufficient to support the full proposed development at Shelly Bay.

If the Council decided not to sell/lease land to Shelly Bay Ltd the Council could consider whether to go ahead and develop public spaces and infrastructure at Shelly Bay, and how to fund that.

7. Can Shelly Bay Ltd fund more of the cost of the infrastructure improvements and public space development than is proposed?

It is proposed that the Council and Shelly Bay Ltd pay \$10 million each for public infrastructure improvements and public space development, including upgrading the Council's seawall at Shelly Bay and road from Shelly Bay to Miramar. Shelly Bay Ltd has advised that is the maximum they will contribute.

8. Does the Council usually fund infrastructure costs for developments? If not, why is the Council proposing to part fund the infrastructure and public space for the Shelly Bay development?

Normally the developer pays. In this case, it is proposed that the Council and Shelly Bay Ltd pay \$10 million each for public infrastructure improvements (including the Council-owned seawall and public road) and public space development.

Shelly Bay Ltd would then purchase/lease about a hectare of the Council's land for \$8 million (the land without infrastructure upgrade and public space development is worth significantly less).

The net cost to the Council would be \$2 million (\$10 million cost of infrastructure/public space, minus \$8 million income from the sale/lease of Council land).

For that amount, the proposed Shelly Bay development would become a reality including greatly enhanced public spaces and facilities – and the Council's existing issues with deferred maintenance of buildings and infrastructure at Shelly Bay would be resolved.

If the sale and lease agreement does not proceed, the Council will have to spend about \$5.85 million just to refurbish its buildings at Shelly Bay and maintain the public infrastructure to a minimum standard.

9. What changes are proposed for the road between Miramar intersection and Shelly Bay?

It is proposed the road from the Miramar Avenue intersection to Shelly Bay be six metres wide (as it is now) with a 1.5 metre adjacent pathway. Cyclists would be expected to use the road.

10. What happens if the proposed road (six metres wide with a 1.5 metre adjacent pathway) is not adequate? Who would fund improvements?

Under the proposed agreement, the Council and Shelly Bay Ltd will each fund half the estimated cost of the public infrastructure including the proposed road (six metres wide with a 1.5 metre adjacent pathway).

The Council would be responsible for the construction of the road and would monitor the road during construction and after it is complete to make sure it is safe and suitable, and improve it if required. Any increase in the width and design of the road or adjacent path, over and above the agreed six metres wide plus 1.5m adjacent path, would require resource consent from Greater Wellington Regional Council. Wellington City Council would have to fully meet any costs of road improvements that exceed the agreed budget.

11. What changes would be made to the road through Central Shelly Bay development?

It is proposed the public road would be realigned behind the proposed village green so the green and the walkway/cycleway are traffic-free.

The images below show the existing public road and the proposed alignment of the road to the back of the village green.

Image 1 – existing public road



Image 2 – proposed realignment of public road



12. How are the eastern suburbs going to cope with the traffic and infrastructure strains that come with this development? Who is paying for it, the ratepayers or the developer?

The road from Shelly Bay to the Miramar intersection is expected to cope safely and well with the anticipated traffic increase. The intersection of Shelly Bay Road and Miramar Avenue will be improved to make it safe and efficient, possibly requiring traffic lights. Most of the traffic will travel to the city via the state highway which is in line for major improvements through the New Zealand Transport Authority.

It is proposed that the infrastructure and public realm costs related to the development (estimated at \$20 million) are split 50/50 between the developer and the Council.

13. What public parking will there be? What about parking spaces for ferry users?

There would be 128 time-limited car parks at Shelly Bay. Park and ride for ferry users will be considered as the plans for a ferry develop. The location for park and ride would depend on whether the ferry would dock.

14. With the private development, can you assure Wellington ratepayers that we will have access to the road and beach front to the same degree as our public roads?

Wellington City Council owns the public road and the waterfront at Shelly Bay. The Council is absolutely committed to maintaining and improving public access to the area

15. How will you maintain safe, comfortable access to the coast road on foot or by bike, with the increase in traffic and years of heavy trucks during building?

It is proposed the road from the Miramar Avenue intersection to Shelly Bay be six metres wide (as it is now) for vehicles and cyclists, with an additional 1.5 metre adjacent pathway. The Council would be responsible for the construction of the road and would monitor the road during construction and after it is complete to make sure it is safe and suitable, and improve it if required. A traffic management plan will be in place during construction.

16. Will there be public transport?

The provision of a subsidised bus service will be considered and the developer intends to provide a ferry service to and from the city centre.

17. Which Shelly Bay buildings would be re-used in the development?

Under the proposed development, five of the most prominent buildings at Shelly Bay would be refurbished and re-used for commercial, retail and community purposes.

- Shed 8 is owned by the Council. It stands on the waterfront in the centre of Shelly Bay and has a small number of tenants at the moment. Under the sale and lease proposal, Shelly Bay Ltd would refurbish and maintain the building, and lease it as commercial space.
- The Shipwright's Building is owned by the Council. It stands next to Shed 8 near the waterfront. Under the sale and lease proposal, Shelly Bay Ltd would refurbish and maintain the building, and lease it as commercial space.
- The Officers' Mess is owned by Shelly Bay Ltd. The developer proposes to refurbish the building and relocate it closer to the waterfront as part of a proposed boutique hotel.
- The former Submariners' Mining Depot Barracks (owned by Shelly Bay Ltd and on their land) dates from 1887 and is the current home of the Chocolate Fish café. The developer proposes to refurbish and relocate the building closer to the waterfront as a café.
- One other building (owned by Shelly Bay Ltd and yet to be identified) will be refurbished and relocated closer to the waterfront as a community space. The remainder of the buildings will be relocated away from Shelly Bay or demolished by Shelly Bay Ltd.

18. Are any of the buildings at Shelly Bay heritage listed under the District Plan?

No.

19. Have you considered the cultural impact of the development?

A [cultural impact assessment](#) was prepared on behalf of PNBST and Taranaki Whānui, reflecting the role of mana whenua in the long term development of Shelly Bay. The cultural impact assessment identified how the Māori history and significance of the area can be recognised in the development, including storytelling through interpretive displays and art work. The design guide for the development takes these factors into account.

20. What precautions would be in place to manage the risk of sea level rise, tsunami and earthquake?

All floors in the development must be at least 2.1 metres above sea level. That is based on the future maximum peak tide level as forecast by the National Institute of Water and Atmospheric Research (NIWA). The Council will monitor climate change advice and seismic requirements. Any changes would be discussed with Shelly Bay Ltd through the Technical Advisory Group (see question 12).

21. What about the wharves at Shelly Bay?

The wharves belong to Shelly Bay Ltd. The Council has been advised they are beyond repair. It would cost Shelly Bay Ltd about \$2 million to remove the wharves and about \$13 million to replace them. The proposed ferry service does not rely on the wharves: Shelly Bay Ltd has investigated an alternative solution for berthing.

22. If the Council and Shelly Bay Ltd reach an agreement, what happens if Shelly Bay Ltd then cannot proceed with the development for any reason?

If the Council decides to sell and lease land to Shelly Bay Ltd, the resource consent and development agreement will guide the requirements for the development. Any incoming developer to replace Shelly Bay Ltd would have to deliver the development in line with the requirements. The design panel would continue to oversee the quality of the development.

23. What are the economic benefits of the development?

During construction, about \$200 million would flow directly into the Wellington economy and a further \$300 million would come from indirect spending linked to the development. After construction, more than 100 people would work full time in Shelly Bay creating an additional \$7.5 million in wages and salaries.

The economic benefits were ascertained by the Council's Research and Evaluation Unit.

24. How would the quality of the development be assured?

If the agreement goes ahead, the Council and Shelly Bay Ltd would commission the Council's Technical Advisory Group (a design panel of independent experts) to make sure the detailed designs meet the intent of the development as agreed in the resource consent. Shelly Bay Ltd would cover all the costs of the design panel's work.