

Draft Waterfront Development Plan 2009/10 Oral Submission from Wellington Civic Trust

As the Committee will have seen from the Wellington Civic Trust submission we are in broad agreement with the draft waterfront plan for 2009/10. We particularly welcome the proposal to investigate interim uses for sites in North Kumutoto, Queens Wharf and the transition site next to Te Papa. Two of the sites would, under current proposals, be used for public recreational facilities. The waterfront should always retain the flexibility to provide temporary sites for public activities. These projects may provide useful information and experience which could be employed elsewhere on the waterfront.

We have, however, a number of qualifications in respect of the plan and these are summarised at paragraph 20 of the submission.

When the Council consulted the public on the waterfront ten year plan earlier this year, the Trust agreed with the proposed implementation of the scheduled works over a ten year period, with the Council implementing the projects after Wellington Waterfront Ltd (WWL) had completed planning and obtained the necessary consents.

Our agreement with the transfer, targeted for July 2010, was because market conditions no longer presented enough work to justify a dedicated waterfront project implementer. We noted that this was the view of both council officers and the company itself, and those few members of the public that made submissions overwhelming agreed to the transfer..

We were therefore very surprised when the company told us at our AGM in May that this was no longer the company's view and our support was sought to keep the company in its current role. We were even more surprised when the Strategy and Policy Committee reversed its position at its meeting on 3 September.

We are aware that there was a caveat to the December 2008 decision; the transfer date would be reviewed closer to the target date in the light of market conditions. However, it seems that the Council's about turn has not been prompted by a more benign market, but by a belief that after all there is enough work for the company to justify its separate existence.

According to officers if the company continued to operate through the ten year period the additional burden on rates would be \$5.7m. Although the new decision is subject to review in 2012, one must assume that if it can survive when the market is at the bottom of the cycle the company is virtually bullet proof.

The Trust supported the Council's December decision for the reasons then advanced by the Council and its officers – we were not critical of the Company's performance, but we did welcome what appeared to us to be prudent management of a difficult situation which was not of the Council's making.

We have raised this matter, not in any expectation that the Council will again change its mind, but to draw attention to the need for the Council and the company to be as reluctant to spend on this project as the market is reluctant to invest in it.

The reconstruction of Frank Kitts Park should be viewed in that light. We note that it is scheduled for 2015/16. No doubt there is a strong desire to commence that work as soon as the Chinese Garden

Society has secured its funding. But WWL also has to raise funds and that is dependent on a revival of its commercial sales and that may not have happened by 2015. We hope there is an understanding between WWL and the Society in respect of this scheduling.

WWL proposes to spend \$400,000 on toilets at Kumutoto in 2010. Given that public space expenditure is already far out of balance with commercial revenue we can see no justification for such programming. Neither the major work on Frank Kitts Park nor the Kumutoto toilets should proceed until it is clear that tenant interest and development activity has revived.

When the draft waterfront plan was presented to the Strategy and Policy Committee in September it was accompanied by an officers report which dealt extensively with the grim financial situation facing the project "with current predictions being that development may not occur on most of the larger waterfront sites for up to five years". The report discussed financial risks. It stated that even if one of the commercial developments did not proceed the borrowings position was forecast to be \$9million worse and in the worse case scenario (no commercial developments) the forecast for unpaid borrowings rises to \$41.1 million.

The Trust is concerned that while Councillors have had the benefit of the informative report from officers which accompanied the draft plan (not to mention three closed waterfront workshops) the public is asked its opinion on a work programme which barely mentions the risks to ratepayers if WWL is not able to complete its planned commercial developments.

Given the fact that the prospect of proceeding with the Waitangi buildings is so doubtful that they are not even scheduled in the ten year plan, the financial risks indicated by officers are real. Yet members of the public will be commenting on whether or not they want five and six storey buildings on Kumutoto not knowing the price the community would have to pay for more open space.

The Committee will note that the Trust has asked for the proposal for site 8 North Kumutoto to be reappraised, including its use as public open space. We believe there are design values and public uses that would be better served by a public space option for that site. We are mindful, however, that the financial implications of that option would need to be weighed in the balance. We seek a review that would do just that.

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