

**2011/12 WATERFRONT DRAFT
DEVELOPMENT PLAN**

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1. INTRODUCTION and BACKGROUND

In September 2000 Wellington City Council appointed a Waterfront Leadership Group to consult with the public and develop a vision, values and principles for future development on the waterfront. Council adopted its recommendations in the form of the Wellington Waterfront Framework (the Framework) in April 2001, and this Framework guides what is to be done on the waterfront.

Following approval of the 2007/08 Waterfront Development Plan, the Council's Strategy and Policy Committee (the Committee) agreed that, with the completion of design briefs for the identified development sites there was no longer a need for a separate Waterfront Development Subcommittee. Consequently, it was decided that on-going waterfront development plans will be considered by the Strategy and Policy Committee.

The Development Plan outlines the work programme to implement the objectives of the Framework. It has been developed directly from the concepts as laid out in the Framework and includes how developments will be done, a phasing schedule and a financial model for the proposed work.

Funding the project for the next ten years has been allocated from 2010/11 although it was agreed in 2009 that this decision would be reviewed in time for the 2012/22 LTCCP.

In December 2010, following a request from the Board of WWL, the Council agreed to bring forward its review of the options for optimal implementation of the Framework. This review has now been completed and the recommendation that WWL is Council's best option for its implementation agency for the Waterfront was ratified by Council in February 2011. This decision will be reviewed on a three yearly basis.

2. PRINCIPLES

The Wellington Waterfront Framework sets down the fundamental principles for establishing development work programmes on the waterfront. The phasing of work has been decided based on the following principles:

- Heritage buildings should be restored and reused as a priority.
- Timing of commercial development will be impacted by market conditions.
- Income should be generated upfront where possible to minimise the impact on ratepayers.
- Public confidence in the waterfront development must be maintained.

These matters have been influential in the formulation of the 2011/12 Waterfront Draft Development Plan. Equally as important has been the recognition of the need to maintain a degree of momentum with the waterfront project ensuring that the public and commercial sector has confidence that the project is being progressed.

Council is considering undertaking a review of the Framework. WWL will be a significant contributor to this process in the event that it is approved in March 2011.

3. 2010/11 PLAN UPDATE

Queens Wharf

Ice skating rink

WWL has undertaken preliminary investigations into the construction of an open air temporary ice skating rink on Queens Wharf. It was

envisaged that this facility would be in place for 3-4 months each year throughout the winter season.

WWL has completed its investigations into this idea and the proposal is neither technically practical nor financially feasible. As a result no further work will be done on this proposal.

Kumutoto

Sites 8 and 9 were signaled as medium term prospects for redevelopment. In light of Council's review of the Framework, to be undertaken in the 2011/12 year, no further work will be done on either of these sites.

Waitangi Park

Temporary tensile fabric structure

WWL has undertaken preliminary investigations into the construction of a semi-permanent structure for the 'transition' site adjacent to Waitangi Park. WWL has determined that a development of this type is not financially viable and therefore no further work will be done on this idea.

Investigations into the Wardle Building have been postponed pending the forthcoming Framework review.

4. 2011/12 PLAN OVERVIEW

In December 2010 Council decided to review the Wellington Waterfront Framework. The scope and timing of this review will be determined in March 2011 when Council considers a further report. In the meantime this year's draft development plan has been prepared on a 'business as

usual' basis. Once the outcome of the Framework review is known, this plan may need to be reviewed. The key developments planned for 2011/12 are continuing to work with developers who have expressed interest in Site 10, working with the Police on a purpose built building to house the Police and Maritime Dive Squad on the Kumutoto service jetty and commencing the third stage of a ten year wharf piles restoration programme. Preparations for the redevelopment of the Overseas Passenger Terminal, which is expected to commence in the second quarter of 2011/12 will continue and will include the relocation of the Chaffers Marina offices and amenities, and various existing marine services businesses. Other work will include upgrading the entry lobby of Shed 11, and completing major upgrade works on a number of the bridges and heritage items (eg straddle cranes) across the waterfront.

5. PROJECT PROCESS

The development of the waterfront follows three stages. Stage One, creating the Wellington Waterfront Framework and Stage Two, the development of design briefs for each precinct within the waterfront, have been largely completed. Stage Three, WWL's implementation of each precinct's design brief is now underway. At all stages the public has had, and will continue to have, opportunity to provide input.

Each stage contains several elements:

Issues assessment

For specific areas or projects an assessment of issues is carried out before a brief can be prepared. Issues such as the physical condition of the site, market conditions (if relevant) and how the project is to fit into the wider waterfront project all need to be understood.

Brief preparation

The brief provides guidance on how a building site or an area of public space should be developed, giving direction to the designer through a series of performance criteria. It sets out the outcomes that should be

met as part of the particular development. Briefs will vary in detail and specificity depending on size and scale of the project.

Each brief will:

- contain a clear statement of why the brief has been prepared and what it seeks to achieve
- show (in words, diagrams, photographs, drawings) how the Framework principles can be applied to the site including the relationship between the site and public space
- provide the basic area and site appraisal that is essential for a good design solution
- set out design objectives for the site, showing the first stage of urban design analysis for the area and how it links into surrounding areas
- set out any criteria that the Council feels – having engaged with the public – are pertinent to the site.

Design implementation

The brief forms a basis on which WWL engages designers or developers. The design comes back to the Council for discussion and sign-off, again with public involvement, before being implemented.

It is anticipated under the Waterfront Framework that design briefs, once completed and signed off, would be incorporated into the District Plan. The proposed amendment to the District Plan (Variation 11) is an example of this objective; the independent commissioners approved the amendment and Council ratified their decision in November 2009, however Variation 11 has subsequently been appealed.

Implementation

Once sign-off of detailed design has been obtained, WWL manages the contracts for public space construction and the selected developer manages the contracts for commercial development construction.

6. ENGAGING WITH THE PUBLIC

The Wellington Waterfront Framework requires transparency and a willingness to engage with the public about how the waterfront is developed. A balance must be set between making good progress on the waterfront and providing the public with sufficient opportunity to be involved.

The Council recognises that there are groups and individuals who have particular interest in the waterfront, and that there is also a need to inform other Wellingtonians and understand their interests and needs.

Committee meetings

As mentioned above, the Waterfront Development Subcommittee was disestablished in 2007. Waterfront issues, including the development plan, are now considered by the Strategy and Policy Committee.

All Committee meetings are open to the public, with opportunities for the public to be heard at each meeting. Dates of these meetings are advertised and agenda and Committee papers are publicly available.

The Committee has adopted a responsive protocol for engaging with people who engage in waterfront issues. It involves a commitment to keep participants informed about the issues they raise and it is part of the Committee's expressed desire to listen, engage with and respond to the public.

Formal Public Consultation

Public submissions will be sought when detailed or concept designs are proposed by WWL or developers working on waterfront developments. In addition, public consultation is also intrinsic to the publicly notified resource consent process that all significant waterfront developments are required to undergo.

To assist formal consultation processes WWL provides information and receives feedback via any or all of the following channels:

- Paid advertorials
- Public open days
- News releases
- Special displays
- Brochures

Electronic and hard copy publications

Information is readily available on meetings, issues and events through the Council's website, www.wcc.govt.nz and also reported in the Council newspaper, *Absolutely Positively Wellington*.

WWL's website, www.wellingtonwaterfront.co.nz contains detailed information about proposed waterfront developments as well as services and attractions on the waterfront. WWL's annual report is published on its website, and available to the public in hard copy format.

Waterfront Project Information Centre

The Waterfront Project Information Centre is a permanent resource centre where members of the public can view the current status of the project, see what is proposed and make comments. It is located in Shed 6 at Queens Wharf. Since opening, it has been used as a key vehicle for informing the public for projects such as the progress on Waitangi Park, Taranaki Street Wharf proposed plans, Kumutoto development proposals, the NZX building, Chaffers Dock and Steamship Wharf developments, and the Outer-T design competition.

Feedback

The Committee can select from a wide range of techniques to get feedback from the public, such as questionnaires or running on-site surveys of people using the waterfront. For initial feedback on an issue in a short space of time, emails can be circulated to a discussion group.

Feedback forms available in the Waterfront Project Information Centre invite comment on proposed developments, and the WWL website also solicits comments and ideas from visitors to the site.

Reference groups

To address specific issues, small reference groups with interested parties can be set up. The most recent example was the formation of a steering group to work with the Company regarding the redevelopment of Queens Wharf.

Interactive workshops

WWL has adopted a charette process, whereby individuals with relevant views and expertise related to a specific development challenge are brought together in an independently facilitated environment to workshop ideas, issues and objectives.

Open Day

An open day allows the public and interested groups to view information about a project and to talk to designers and other relevant people.

Ideas competition

An ideas competition can stimulate creative thinking and interest – this is the process that was used for the Outer T and the competition winning

entries were used to inform the Queens Wharf master plan design process.

7. THE PROJECTS

The Waterfront Project has many proposed and on-going projects, all with different complexities, and in some cases, the potential to be interrelated. Some work needs to be done sequentially because of physical requirements to maintain the waterfront experience as much as possible during construction or to coincide with neighbouring development activities. There may sometimes be financial implications that justify undertaking one piece of work before another. Further, sufficient flexibility must be built in to respond to good ideas or proposals in a timely manner, should they arise.

Wellington's waterfront comprises five distinct precincts, linked by a waterfront promenade, that have been highlighted in the Framework. What follows is an update on business activity and WWL's planned activities which form the basis of the 2011/12 Draft Development Plan. A map showing the location of sites can be viewed on the Council's website.

Waterfront as a whole

The promenade

The promenade will be maintained along the length of the waterfront. Any enhancement of this high-use area will be undertaken mainly as part of the development of adjacent areas, rather than as a single project.

Continued development of the promenade as the spine that connects the waterfront, is ongoing. The establishment of a new bollard system at the Taranaki Street entrance will be monitored to ensure appropriate access is maintained to the rowing and boating clubs, Te Papa, the recently

completed wharewaka, Te Raukura, and for the Hikitia refurbishment. The pedestrian/cycling interface is an ongoing issue that the Company is addressing by improved signage and by continuing to investigate a number of design initiatives.

Parking

In 2009/10 a review of the management of car parking on the waterfront brought about a gradual transition of the operation from external contractors to in-house management. A number of factors drove the decision to undertake this change in addition to the principle objective of the Company increasing its net revenues. These include improved integration with activities across the waterfront including events management, the motor home park and the produce and craft markets.

Berthage strategy

Boating and shipping movements are important to the waterfront, generally enlivening the experience and are considered as part of the development of specific areas. WWL is continuing to negotiate with CentrePort Limited to increase the number of small boats using the wharves around the waterfront.

Wharf pile maintenance

The third stage of a waterfront-wide pile repair and refurbishment programme will take place in 2011/12 including a major repair of the wharves under the Outer-T and Queens Wharf.

General Maintenance

As a result of continued emphasis on asset management planning, much of the year will be focused on addressing infrastructural upgrading requirements including refurbishing public toilet facilities, public space lighting, recycling facilities etc.

Rugby World Cup

The waterfront will be a major public gathering space for locals and visitors alike who are in Wellington to enjoy the Rugby World Cup. The waterfront is hosting the base for the RWC and the festival events associated with it. Improvements to facilities and signage across the waterfront will be in place and it is expected that the Motorhome Park and other amenities will significantly add to the visitor experience.

Waitangi Precinct

Work will continue on the investigation of the UN Studio design for the transition site, as a development for an adjunct building to Te Papa.

Overseas Passenger Terminal (OPT)

The OPT redevelopment is currently scheduled to commence in the second quarter of the 2011/12 year, subject to Willis Bond confirming the contract. WWL will help to facilitate the start of construction. This will include completing ground floor lease negotiations with Willis Bond, managing construction of temporary accommodation for marina service providers and the development of public space around the completed development including Clyde Quay Park.

Taranaki St Wharf and Lagoon

This area is the first precinct on the waterfront to now be essentially complete.

Frank Kitts Park

WWL will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden Society

(WCGS) and Wellington Chinese sister cities regarding their fund raising initiatives.

It is neither practicable nor desirable to construct the Chinese Garden separately from the remainder of Frank Kitts Park. The catalyst for commencement of the construction of this project will be WCGS achieving its approximate \$5 million fund raising. The equivalent WWL spend for the redevelopment of the remainder of the Park is currently budgeted for the 2013/14 year, with the expectation that this timing can be reconsidered if there is a requirement to bring the project forward.

Queens Wharf

Master planning for Queens Wharf was completed in 2010/11 and presented to Council in early 2011.

The approved 10/11 WDP anticipated Council's approval of an extensive redevelopment plan for this whole area but in light of the continued economic downturn, WWL is not recommending that this be progressed in its totality, rather that this be reviewed for viability in 2 to 3 years.

WWL's focus will be on investigating modest interventions to Shed 1 and the feasibility of developing one of the winning entries in the 2009 Outer-T Blue Skies Ideas Competition – which would involve the relocation of Helipro from the southern end of Shed 1 into a purpose-built low level building on part of the southern arm of the Outer-T. This is an exciting new initiative deriving from the public competition, and one that would secure helicopter operations on the waterfront.

The waterfront company will continue to investigate the opportunities around improving the City's concert venues.

Kumutoto

WWL has progressed design and resource consent planning for sites 8 & 9 within the Kumutoto precinct. However, in light of the Framework review, WWL has suspended any further planning/design for these two sites.

WWL will continue to work with interested developers on plans for Site 10 and be responsible for negotiating commercial outcomes as part of the usual development management process. The timing and outcome is likely to be impacted by the Environment Court decision regarding Variation 11.

In response to an opportunity presented by NZ Police and the National Maritime Dive Squad, WWL is continuing to investigate the construction of a small building to accommodate the physical requirements of these tenants in conjunction with, and adjacent to, the ex Eastbourne Ferry Terminal, potentially on the service jetty itself. This building will be funded by NZ Police. Plans are being progressed with New Zealand Police and subject to their approval, WWL aim to complete the design planning and regulatory approval phases of this project in the 2011/12 year.

8. FINANCIAL PLAN

The Waterfront Framework incorporated a seven year financial plan which came to an end in June 2008.

In December 2008 Wellington City Council approved a new 10 year financial plan which included a \$15.0 million short term advance to manage timing differences with commercial proceeds and public space expenditure. The latest 10-year financial forecasts anticipate a maximum balance of the short term advance of \$16.2 million in 2012/13.

WWL, which manages the Wellington Waterfront Project (WWP), prepares and presents a business plan every year, with a 12-month work plan that commits to work in that period with the next two years being more indicative. This Waterfront Draft Development Plan forms the basis of WWL’s Business Plan for Waterfront development from 2011/12.

Assumptions

In preparing the financial plan a number of assumptions have been made. These include:

- Council funding of \$15.0 million, within the constraints imposed by the Framework and the LTCCP has been made available to the project.
- Current Council policy, which states that funds held plus future funds earned on the waterfront are available for reinvestment on the waterfront, will continue.
- Council approves the use of funds in the Project’s commercial development fund for appropriate expenditure on capital (public space etc) projects.
- While there have been some positive indicators to suggest that the economic recovery is gaining momentum, there is still much uncertainty and the impact of the recession will continue to be felt for some time

- Commercial property generates proceeds of “highest and best use” (allowing for predominantly public access to ground floors).
- Income from rented properties, car parking and use of event facilities is maintained as planned.

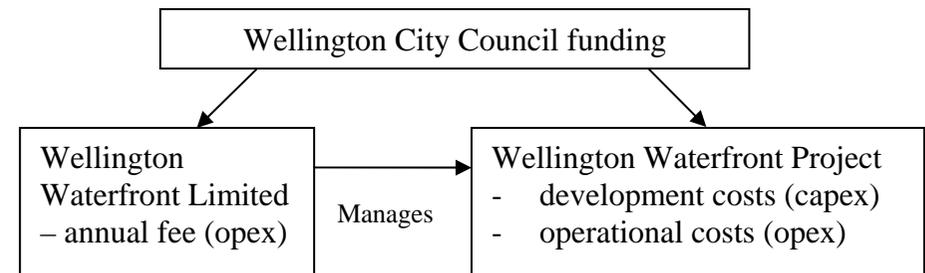
The current financial model allows for public space investment of \$18.9 million over the development period, which is expected to continue to a 2017/18 completion date. The expenditure on each area and project is based on the best information available. The above assumptions are consistent with those made in respect of the financial model contained in the Wellington Waterfront Framework and the 2009-19 LTCCP.

Financial impact of draft development plan

The financial plan indicates that, given the above assumptions, the financial impact upon Council of this draft development plan will be similar to that contained in the Framework, with the acknowledgement of the need for a \$15.0 million short term advance to manage timing differences between commercial proceeds and public space expenditure.

The Council contributes to WWL through an annual management fee and also through funding for development (this development funding is managed by WWL). This is shown in Figure 1.

Figure 1 – *funding model*



The contribution from the Council required to carry out development for 2011/12 is \$2.1 million as a short term advance as part of the overall \$15.0 million advance. This is shown below in figure 2.

Figure 2 – *funding schedule for the WWP 2011/12*

Receipts	\$m
Operating	3.987
Proceeds from commercial developments	4,000
Total receipts	7.987
Payments	
Waterfront operating costs	4.696
Planning costs	.350
Public space developments	4.720
Total payments	9.766
Net cash surplus / (deficit)	(1.779)
Funded by:	
Wellington City Council - temporary additional funding	2.100
(Decrease) / increase in cash	(.321)
Total funding	1.779
Funding from Wellington City Council	
Contribution for planning	.350
Contribution for public space development	.720
Contribution for waterfront operational costs	.709
Working capital adjustment	.000
Decrease / (increase) in cash	.321
Total Wellington City Council Funding	2.100

This excludes the Council's payment of WWL's annual management fee, and internal Council waterfront costs such as TAG and officer time.

APPENDIX 1

ROLES AND RESPONSIBILITIES

This section outlines in more detail the roles and responsibilities of the Council and WWL. These roles and responsibilities are consistent with the governance arrangements as set out in the Wellington Waterfront Framework and form the basis of a partnership between the two entities.

The Council and WWL exercise their roles and responsibilities in a manner that is consistent with the Council's waterfront policy as expressed in the Wellington Waterfront Framework, the District Plan and any other documents adopted by Council.

Strategy and Policy Committee

The Strategy and Policy Committee reports to the Council. Its role is to:

- develop an annual work plan covering the waterfront's projected activities for the year that will form the basis of its delegations from the Council to make decisions
- develop and maintain a project development plan that includes broad priorities for work
- ensure that the development proceeds in a way that is consistent with the Council's Long Term Financial Strategy
- sign-off detailed designs

The Committee is responsible for ensuring that:

- Council has regular and informative reports on progress with the waterfront development.
- implementation of the development plan is monitored including approval of variations from approved designs.

- an open and effective basis for consultation and co-operation is maintained with WWL
- there is a project development plan and budget
- public views on the waterfront are fully and openly canvassed before design briefs are finalised
- the final detailed designs for public space work have been tested and endorsed through an open process of public engagement

Technical Advisory Group (TAG)

TAG acts as a provider of independent design advice for the Council. It ensures that the Framework principles have been applied consistently in all waterfront design.

The Strategy and Policy Committee has overall responsibility for monitoring waterfront development by reviewing and making decisions on major matters (with advice from TAG) but may delegate its authority on minor matters of detail. TAG's role is to provide:

- advice and recommendations to the Strategy and Policy Committee on major matters of design and implementation
- advice to officers to make decisions on minor matters of design and implementation
- advice to the officers on resource consent applications
- general design advice on an 'as required' basis

Minor matters of design and implementation relate to minor alterations to buildings, minor variations to detailed design of public space, temporary use of public space and minor elements in public space.

TAG draws on the architecture, landscape architecture and urban design expertise of its members. It has a core group of four, but on large projects, other professionals may be co-opted to bring on stream other specialist advice as deemed necessary by the Council.

Wellington Waterfront Limited

WWL reports to the Strategy and Policy Committee and Council Controlled Organisations Performance Sub-committee. Its role is to:

- prepare an annual business plan (with input from the Strategy and Policy Committee) for the waterfront project (Lambton Harbour Development Project) covering the work plans, project implementation tasks and project operations. This will also incorporate an activity outline and projections for the subsequent two years. The business plan will support the approved project development plan.
- provide input into the project development plan and its annual revisions, and into the subcommittee's annual work plan
- manage day-to-day operations on the waterfront, including cleaning, security, tenancies and maintenance (with the exception of Waitangi Park)
- advise the Strategy and Policy Committee on all aspects of waterfront development, including budgets, development phasing, technical information, costs, feasibility and commercial issues
- commission work on detailed designs based on approved performance briefs
- select and appoint designers in consultation with the Strategy and Policy Committee
- market waterfront sites and properties as appropriate to get the best return for the Council (within any constraints imposed by the development plan)
- act as the contact point for anybody interested in a private development project on the waterfront
- negotiate and manage contracts for the design and construction of public space
- negotiate and manage contracts and leases for all building development sites and the refurbishment and re-use of existing buildings.

WWL is responsible for ensuring that:

- for its part, an open and effective basis for consultation and co-operation is maintained with the Council
- the waterfront is clean, safe and well maintained
- the Strategy and Policy Committee has relevant and timely advice to inform its decision-making. This will include financial advice and will involve WWL maintaining a financial model for the waterfront
- all contracts entered into are appropriate to deliver the desired outcome and reflect Council policy
- all public space development projects are delivered to plan, on time and on budget.

Definitions

Waterfront Framework – The Wellington Waterfront Framework was adopted as the Council's policy for the waterfront on 3 April 2001. It is a general overview of what is planned for the waterfront. The character of each area is described, along with ideas about what might be included, but there is no detail or drawings. The Framework can be considered a general guide to future development, and the principles can be considered the 'bottom line', but there is flexibility for decisions to be made at later stages.

Development Plan – The Development Plan sets out the phasing for all the work on the waterfront for the life of the project. It is reviewed annually. The Plan is based on high level budgets initially, but these are firmed up once each piece of detailed design work is completed and actual work costed. The Development Plan sets out the order for public consultation over the various areas of the waterfront, based on input from the public as well as professional advice such as market readiness. It covers phasing for work such as redevelopment of heritage buildings. WWL provides significant input into the preparation of this plan.

Performance briefs – Performance briefs are developed for each part of the waterfront before any design work is done. The briefs pick up the

character of each part as described in the Framework, and include major design functions and go into detail about how an area is to perform. The performance briefs make reference to the high level budgets agreed in the development plan, although the final detailed designs signed off may vary in cost. Again, WWL provides significant input into the preparation of these briefs.

Detailed designs – Developed design or concept designs are completed based on the performance briefs. These may include options and are agreed through consultation as to which option to move forward this. Once the concept design is signed off, detailed designs are finished. Detailed design work is commissioned based on the developed/concept design. These detailed designs are of sufficient detail to enable construction work to start, but actual construction cannot begin until resource consent has been obtained.