
REPORT 2

**APPROVAL FOR UNDERTAKING PUBLIC
CONSULTATION ON A PROPOSED DESIGN FOR SITE
10 ON WELLINGTON'S WATERFRONT**

1. Purpose of Report

Wellington Waterfront Limited (WWL) has selected Willis Bond & Co (Willis Bond) as its preferred developer of Site 10 in Wellington Waterfront's Kumutoto precinct. WWL is now requesting that a process of formal public consultation is initiated on the Willis Bond development proposal for Site 10.

2. Executive Summary

Since late 2012 WWL has conducted a competitive selection process for proposals for the development of sites 9 & 10 at Kumutoto on Wellington waterfront.

WWL presents its selection of Willis Bond as the preferred developer of Site 10 and seeks the Committee's approval in order to initiate a process of formal public consultation on the preliminary concept designs and adjacent public space for the site. WWL will continue the negotiation and agreement of all legal and commercial terms for a development agreement and ground lease.

Officers have assessed the preliminary design and outline commercial terms, including the results of an independent review of the terms, and are satisfied that the Willis Bond proposal is of sufficient quality and robustness to proceed to public consultation; the project essentially will have a positive impact on WWL's forecast operating and loan position.

The Committee will have the opportunity to further review and approve the developed design for Site 10 and adjacent public space following the consultation process, currently scheduled to run in early 2014. At that time, Council approval will also be sought on the development agreement, lease and detailed commercial and legal terms. This is anticipated to be in April 2014.

3. Recommendations

It is recommended that the Committee:

- 1. Receive the information.*

2. *Note that Wellington Waterfront Limited has undertaken an extensive developer selection and proposal evaluation process and has selected Willis Bond & Co as the preferred developer for the development of Site 10.*
3. *Note that officers have assessed the proposed commercial terms of the agreement and have found them to be in line with current market expectations and will report these to Council following the public consultation process.*
4. *Note that the preliminary concept design of the Willis Bond & Co development proposal for Site 10 has been reviewed and approved in principle by the Council's Technical Advisory Group.*
5. *Agree that the Willis Bond & Co development proposal for Site 10 meets the requirements of the Wellington Waterfront Framework and, with the exception of height parameters, the North Kumutoto Design Brief.*
6. *Note that the maximum height of the proposed design is 25.75 metres above mean sea level which exceeds the suggested height recommendation of the 2012 Environment Court decision by 3.75 metres and that this will be considered through the public consultation process and, should the Council agree to the design, the publicly notified resource consent process.*
7. *Note that a programme of public consultation will be carried out beginning in January 2014, the results of which will be reported back to the Committee in April 2014.*

4. Background

Council's vision for the Waterfront is that "Wellington Waterfront is a special place that welcomes all people to live, work and play in beautiful and inspiring spaces and architecture that connect our city to the sea and protect our heritage for future generations."

The Waterfront is a central part of Wellington's identity as a city and a key visitor attraction. Summary background information on the history of the Waterfront is provided in Appendix 1.

4.1 History of the Kumutoto (North Queen's Wharf) precinct

The Kumutoto precinct is an important part of Wellington's waterfront. It acts as a public gateway to the waterfront from the north and offers recreational, cultural and employment opportunities. It has strong connections to the central business district and links north to Shed 21, the Railway Station, CentrePort and the Stadium.

The precinct has been the focus of considerable planning and consultation for over a decade. Following the completion of the Framework, the North Queen's Wharf Design Brief (2002) was developed and consulted upon. The design brief established five new building sites:

- Site 6 – the Union Steamship (now Foxglove) building;
- Site 7 – the Meridian building;
- Sites 8 and 9 – the car parks south of the Whitmore Street entrance; and
- Site 10 – currently a car park and the motor home park, adjacent to Shed 21.

The North Queen's Wharf Design Brief (2002) set the parameters for the future development of the area and was consistent with the Waterfront Framework.

In 2007, WWL initiated a design competition for Sites 8, 9 and 10 (North Kumutoto). Following public consultation, Athfield Architects was named the competition winner for all three sites. However, the global financial crisis resulted in the withdrawal of all investor and developer interest in North Kumutoto.

In 2010 the Council promoted the proposed District Plan Variation 11 that sought to prescribe various aspects of waterfront development in the Kumutoto precinct, in part to give more certainty to developers with respect to the resource consent process

In April 2012, the Environment Court dismissed the plan provisions promoted by Variation 11, but made recommendations for Council in regards to the development of North Kumutoto. In summary, the elements of the Court's decision were:

- Site 10: a suggested building height up to of 22m above mean sea level (amsl) rather than the proposed 30m amsl height, and the 'form' should be adjusted so it reads as more than one building with a setback greater than 9m on the seaward side for much of its length;
- Site 9: generally satisfactory but building height should be adjusted down relative to Site 10 - making it 16m amsl and 19m amsl high (rather than 16m amsl and 25m amsl as proposed in Variation 11);
- Site 8: should be developed as public open space;
- Public accessibility: the 60% ground floor accessibility rule was held to be an effective method of opening-up the waterfront and enhancing its use as a recreational and social space and should apply in the area; and
- Resource consent applications for all developments must be publicly notified.

Following the Environment Court decision, a refresh of the 2002 North Queens Wharf design brief was undertaken to provide guidance and certainty over developments in the area. Renamed as the North Kumutoto Design Brief, it set out broad principles for building and open space design, and suggested limits for building footprints and heights. The Council's Strategy and Policy Committee adopted the North Kumutoto Design Brief on 22 November 2012.

A map of the Kumutoto Precinct is included in Appendix 2.

4.2 Site 10

Site 10 was originally the location of Shed 17. Following the demolition of the shed in the early 1970s, Site 10 became a commuter car park.

The key features of Site 10 are:

- Located immediately north of the Whitmore St gate entry to Wellington Waterfront, on the eastern side of Waterloo Quay opposite the NZ Post headquarters building, the site was reclaimed in 1901;
- A more or less level contoured, rectangular-shaped 2,561 square metre site;
- Currently a combined commuter car park and motorhome park capable of accommodating either 156 commuter cars or 39 motor home vehicles that contributes approximately \$400k per annum to offset wider operations and maintenance; and
- A prime location for commercial development in the CBD.

Prior to the Rugby World Cup 2011, WWL converted the car park to a temporary motorhome park pending redevelopment of the site. The expected short term life of the motor home park dictated the need for the provision of a basic level of motor home park amenity by WWL.

WWL is currently engaged with Council officers around the possible relocation of the motor home park to another site on the Waterfront when the current facility is closed. To facilitate this, WWL has recently commissioned Business & Economic Research Limited (BERL) to undertake an economic impact assessment of the Wellington Waterfront Motorhome Park which will help WWL and Council determine the appropriate resources required to re-establish the facility on another site. The results of the assessment will be reported to WWL by mid-December 2013.

4.3 Site 9

Site 9 is essentially a rectangular shaped 855 square metre site. Located immediately to the south of the Whitmore St gate entry to Wellington's Waterfront on the eastern side of Jervis Quay, the area was formed as a result of the large-scale waterfront reclamation work in 1901 to accommodate Shed 15. The building was demolished in the mid-1970s and the space used as car parking for up to 40 vehicles.

Because of its small lot size, long and narrow configuration, and height limitation of (maximum) 19 metres amsl, it is widely regarded as a difficult site on which to deliver a successful commercial development.

During the most recent competitive selection process, several development proposals were received for Site 9, but for various reasons (quality of design and/or commercial terms) were not successful.

5. The Proposal

5.1 The development selection process

In 2012 WWL initiated a Request for Proposals (RFP) process for Sites 9 and 10. From the 9 expressions of interest that were received, 5 developers prepared full development proposals.

An evaluation and selection panel comprised the WWL's board and management and Council's Technical Advisory Group (TAG) assessed each proposal against the following objectives:

- High quality developments of character and identity that display design excellence and benefit and enhance the strategic location of each site;
- Provision of uses that complement or preferably add a new use(s) to the existing range of uses of buildings on the waterfront;
- Compliance with the vision and objectives of the Wellington Waterfront Framework and the principles and parameters of the North Kumutoto Design Brief;
- Provision of some civic amenity or public good; and
- An acceptable commercial outcome for developer(s), the Council and WWL.

Further review of the short-listed proposals resulted in the selection of Willis Bond & Co as the preferred developer. Willis Bond is well known for a number of significant commercial development projects in Wellington, including those of Chews Lane and the Overseas Passenger Terminal. A brief summary of the Willis Bond organisation is provided in Appendix 3.

5.2 The Willis Bond Proposal

The initial Willis Bond proposal was for buildings on both Sites 9 and 10. However, following a period of negotiation over commercial terms, this has been revised to be the development of Site 10 only.

The Willis Bond proposal for Site 10 is for a high quality, 25.75 metre amsl, six-level, predominantly commercial office building of contemporary design.

The main features of the proposed development are:

- an attractive six level, predominantly commercial office building of contemporary design, the appearance of which is broken into two primary horizontal forms;
- a ground floor public pedestrian link through the middle of the building that connects Waterloo Quay with the harbour;
- a colonnade that will connect with the colonnade of the adjacent shed 21 building to provide a continuous sheltered public walkway from the Whitmore St gates to opposite the railway station;
- a large glazed three storey space with a civic portico that provides shelter and overlooks the Whitmore Plaza;
- a publicly accessible ground floor including retail, food and beverage facilities and an innovation cluster/serviced office suites;

- the potential for a publicly accessible rooftop restaurant and roof garden that overlooks the harbour;
- environmentally sustainable building design including mitigating measures against climate change;
- seismic base isolator foundations;
- floor plate sizes of up to 2,300 square metres;
- total net lettable floor area of approximately 11,500 square metres, capable of accommodating over 700 office workers;
- basement car parking for up to 40 vehicles and 40 bicycles;
- preservation of view shafts from the CBD to the former Eastbourne Ferry terminal and on to the harbour, and views through a significant portion of the ground floor of the building;
- improved public space and pedestrian amenity and connectivity from Kumutoto through to the Railway Station, CentrePort and the Stadium to the north; and
- commercial proceeds from the lease that will be re-invested into the development of public space and also reduce the WWL's loan from Council.

The WWL board and management recommend that the Willis Bond proposal for Site 10:

- delivers the vision and meets the objectives of the Wellington Waterfront Framework;
- presents the opportunity to revitalise a bleak, uninviting and unfinished, yet important, gateway to and from the waterfront;
- offers an exemplary architectural response;
- provides an optimal blend of commercial, retail and publicly accessible spaces within Site 10;
- respectfully addresses most of the recommendations included within the Environment Court's decision;
- connects and integrates Kumutoto with CentrePort land to the north and Queens Wharf to the south, provides a greater degree of continuous shelter for pedestrian commuters accessing public transportation hubs (ferry, bus & rail), and extends the reasons and opportunities for movement between the city and the waterfront.

5.3 TAG assessment of the Willis Bond proposal

TAG is a Council-appointed panel of architects and urban designer charged with providing expert advice on Waterfront development and design issues. The group has been involved throughout the development process of Site 10 to date.

In September, TAG made a full assessment of the initial Willis Bond proposal for Sites 9 and 10. However, as a result of ongoing negotiations on the commercial terms, the developer made several changes to the design proposal, including the decision to defer development planning of Site 9 pending further investigation. Subsequently, a number of design changes were made which TAG has now provisionally assessed.

While TAG notes that a number of minor matters have been identified for further attention in design development, overall the development remains of

suitably high quality and meets the requirements of the North Kumutoto Design Brief. In their opinion, “subtle compositional changes, including a minor increase in height, have resulted in enhancements in the way the building relates to its context.” TAG’s assessment of the revised building height is noted below, and the group will continue to work with the developer and architects on refining aspects of detailed design noted in their full report.

5.4 Planning & Consenting

As noted above, the Environmental Court suggested a building height of up to 22m amsl on Site 10. The North Kumutoto Design brief provided for a 22m building at ground level (effectively 24m amsl).

Willis Bond has presented a proposal for a six storey, multi-use building on Site 10. While at ground level the bulk form reads as 22m amsl and inline with the top of Shed 21, the structure includes a top storey that is set well back from the outer edge of the building. At its highest point, the addition of the smaller 6th floor brings the overall height of the building to 25.75m amsl.

TAG’s assessment of the revised overall building height is that “it is appropriate from both an urban design and an architectural perspective, and the design changes have resulted in an enhanced formal composition that relates better to its waterfront context.”

WWL has engaged Resource Management Group Ltd (RMG) as specialist consultants in the Resource Management Act and consenting matters. In their report, RMG notes that a specific proposal is considered in all respects in order to determine whether the design is successful in managing impacts of building bulk on the surrounding area. RMG’s view is that exceeding the Court’s suggested permissible height by 3.75m is not of itself significant, and that there are a number of factors in the current proposal that soften the risk. Including:

- the height of the main bulk form of the building is in line with the top of Shed 21;
- the smaller top floor has been set back on all sides and is not obvious at street level; and
- the bulk form at the southern, Whitmore street end of the building is broken up by creating a cut-away portico to provide sheltered public space.

6. Commercial & Legal Terms

WWL and Willis Bond have negotiated and agreed the outline principal legal and commercial terms for approval by Council.

Officers have sought an expert independent assessment of the preliminary commercial terms and are satisfied that the preliminary commercial terms are robust enough to proceed to a process of public consultation on the preliminary Willis Bond design. Finalised commercial and legal terms will be provided to Council following the completion of the public consultation process on the design and the incorporation of any resulting changes to the overall design.

7. Public Consultation process

Council will work with WLL to consult and obtain feedback on the Willis Bond preliminary concept design. It is anticipated that this will be run in early 2014.

The public consultation process will include:

- Newspaper advertisements
- Media releases
- Council and WWL website information
- Use of social media
- A comprehensive information display (plans and perspectives)
- Public notices and information on the development site
- Public information an open day(s) including Q&A sessions
- Direct engagement with key stakeholders and interest groups
- Oral submissions to be heard by the Transport and Urban Development Committee

The information gained from public consultation will be analysed and reported back to the Committee. The feedback from the public consultation process will contribute to further development of the preliminary concept design, prior to seeking final approval for the design from the Council.

Following this, it is anticipated that the developed design, final commercial terms, proposed development agreement and ground lease will be presented to Council for consideration and formal approval in April 2014.

8 Conclusion

Officers have assessed the preliminary design and commercial terms and are satisfied that the Willis Bond proposal is of sufficient quality and robustness to proceed to public consultation.

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

The proposed development of Site 10 and adjacent public spaces, as part of the Waterfront Development Plan, would contribute to the following Council Outcomes:

Eco-City: The proposed building designs will be in accordance with ESD (environmentally sustainable design) principles with the intention of achieving a five green star rating

People-Centred City: Wellington's waterfront contributes to the sense of place for people who live here as a vibrant and beautiful space. Completing the development of the northern end of the waterfront is in line with the vision on the waterfront as a special space for Wellingtonians that was anticipated in the Waterfront Framework.

Connected City: These developments are expected to not only draw major companies with strong international connections into its commercial spaces but also attract local, national and international visitors to Wellington's waterfront. Free wi-fi available in the public spaces in and around the buildings, people will be able to connect with the world.

Dynamic Central City: Wellington's waterfront gives people a reason to travel to the heart of the city. The development of Site 10 and adjacent public spaces will enhance the people's experience of the city.

2) LTP/Annual Plan reference and long term financial impact

CX 131 Wellington Waterfront Development. the project essentially will have a positive impact on WWL's forecast operating and loan position.

3) Treaty of Waitangi considerations

Maori have a strong connection with the harbour and waterfront that continues today. There are several sites of significance for iwi around the waterfront, including the Waitangi lagoon, the Wharewaka and Te Aro Pa.

4) Decision-making

The site is not a Strategic asset under the LGA 2002, although the Waterfront as a whole is listed as a Strategic asset. While this is an important decision for the Council it is not considered to be significant decision as defined in the LGA 2002, after considering our Significance Policy.

From an assessment of the general criteria, the decision to approve the preliminary concept design does not constitute a significant decision, in particular because the proposal does not have a 'substantial' impact on the Council's overall financial resources and ability to deliver, and in terms of the

community the property does not affect all or a large portion of the community.

Finally, the proposal under consideration flows logically from existing decisions in the LTP through specific references to the Waterfront Framework and the Waterfront Development Plan which make it clear that Site 10 is to be developed.

5) Consultation

a) General consultation

Consultation will be undertaken on the concept design.

b) Consultation with Maori

Representatives from the Council's mana whenua Treaty partners – Wellington Tenth Trust and Te Rūnanga o Toa Rangatira will be engaged in the project through the consultation process.

6) Legal implications

Advice will be sought on documenting the commercial terms and the LGA 2002 decision making process

APPENDIX 1

Appendix 1: WWL Background and Framework

The history of Wellington's Waterfront is long and varied. Indeed, the connection that exists between the city and harbour is part of the character of area that resonates powerfully with Wellingtonians. The precinct has strong connections with Iwi and the early European settlement of Wellington, through to modern times when the port served as a commercial link to national and international ports.

In 2000, a Council-appointed leadership group started work on developing a framework to guide the future development of Wellington's central Waterfront area – a 20-hectare site from the Overseas Passenger Terminal near Oriental Parade to Shed 21 opposite the Railway Station. The resulting document, The Wellington Waterfront Framework (the Framework), was approved by Council in 2001 as the basis for guiding the vision and development of Wellington's waterfront. The Framework sets out a holistic vision for the whole of the waterfront area, and for the waterfront in relation to the city. Its provisions provide for a balance between the protection and enhancement of the waterfront's open space and the development of built form to encourage vitality and activity.

In order to deliver on its vision for the waterfront, Council established Wellington Waterfront Limited (WWL) in 2001, by converting the existing Waterfront LATE, Lambton Harbour Management Limited (LHML), into WWL. The company has vested in it the Waterfront land and assets, which it holds on trust for Council, and is the implementation agency for the Waterfront Project until June 2015.

It was originally envisaged that the development/implementation phase for the waterfront would take six to eight years. Current forecasts suggest 15-18 years. The delays have primarily occurred around commercial development due to declines in the property market, while the majority of the public space development has been completed.

The success of the Waterfront project is measured through the delivery of the following principles and objectives outlined in the Framework:

- A diversity of activities including maritime, commercial, entertainment, open space, recreation, and culture and heritage;
- Improved access along the waterfront and between the city and the harbour;
- An evolving waterfront experience that is mindful of its historic past and its future;
- Urban design worthy of the waterfront setting; and
- A consultative process that encourages stakeholder participation.

When WWL was established, it was envisaged that the development of the waterfront would be self-funding; the general principle being that commercial development would fund public space development. To enable work to begin, the Council provided \$15m of capital funding to supplement returns from commercial proceeds and to fund management costs. However, the Framework

APPENDIX 1

was not an operational plan, so it did not focus on longer term operational, asset management planning, or the associated funding implications.

In 2011, the Council agreed to review the Waterfront Framework in response to issues raised during a 2011 review of WWL as the Waterfront's implementation company. The review found that the values and principles in the 2001 Waterfront Framework still reflect the values people attribute to the waterfront. There was also agreement that the developments that have occurred along the waterfront have been largely successful in representing these values. The review re-emphasised, however, that the Waterfront is not a uniform entity; the way it performs and connects with the city and its people varies along its length.

Overall, the review found that:

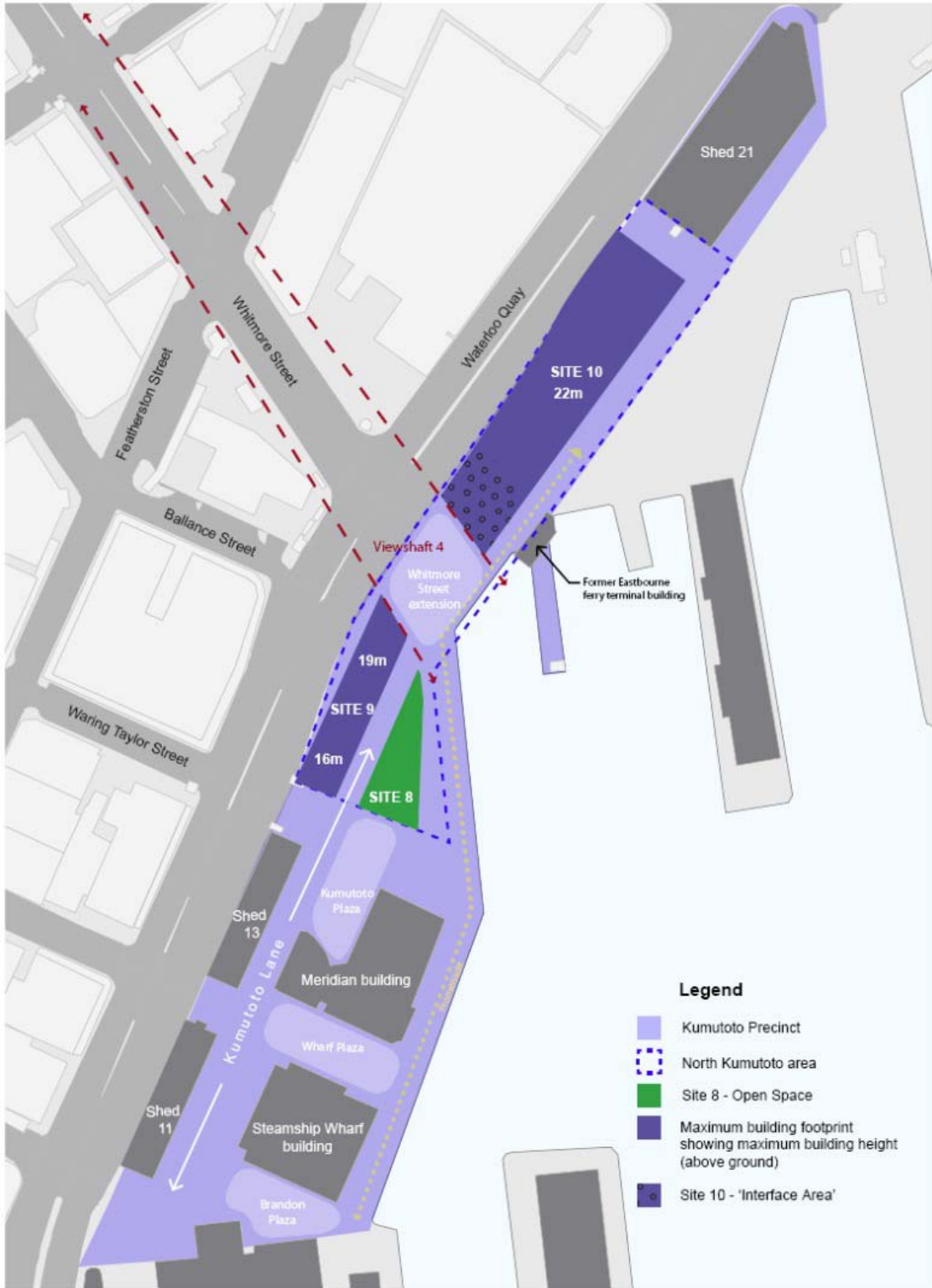
- On the whole, people are supportive of the way the waterfront has been developed to date, although there is recognition that this development is not complete;
- The northern end of the waterfront is seen as a key location for connecting both residents and visitors to the city, and as such, is overdue for improvement;
- The current balance of built form and open space is seen as key to any future waterfront development, especially at the northern end of the waterfront; and
- The Waterfront Framework principles provide a robust framework to guide development, but there will still be site-specific responses required.

As a result, Council agreed to reaffirm the values, principles and objectives in the 2001 Waterfront Framework.

The Waterfront's development significantly adds to Wellington's 'sense of place'. It contains the highest proportion of public open space in the central city (on completion of all planned projects, there more than 67% of the Waterfront will remain as open space), and presents unique opportunities for activity and recreation arising from the area's harbour-edge location. The Waterfront is owned by the Council via WWL and therefore the Council retains control over the development and management of the area as a comprehensive whole.

The current policy places prime importance on the quality of public space and design and, together with high quality implementation, has led to the Waterfront winning over 45 awards and achieving consistent levels of public satisfaction in excess of 90%. These features have established the Waterfront as a special place and have justified managing the Waterfront differently to other parts of the city.

Appendix 2: Map of the Kumutoto Precinct



APPENDIX 3

Appendix 3: Site 10 Developer and Architect

Willis Bond & Co

Willis Bond & Co is an established and successful real estate investment and development company. It was founded in 1988 by its managing director Mark McGuinness and it has delivered many major high quality commercial, residential and mixed use developments in Wellington and on the waterfront in particular.

Current projects of Willis Bond include the Clyde Quay Wharf (ex-Overseas Passenger Terminal) redevelopment, One Market Lane and a major refurbishment of the ANZ building on Lambton Quay. Past projects include the Xero (John Chambers or Rialto Cinema) building, Chews Lane precinct, St Johns building, Shed 22 (Macs Brew Bar) and NZX building.

Athfield Architects

Athfield Architects Limited is a well-known national architectural practice which over its 40 year life has been the recipient of over 60 national and international architectural and design awards including 13 NZ Institute of Architects supreme awards.

Some of Athfield's projects include the current Clyde Quay Wharf (ex-Overseas Passenger Terminal) development, Wellington City Library and Civic Square, Chews Lane, Pipitea House and the Odlin/NZX redevelopment.