

Begonia House Upgrade Indicative Business Case

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Begonia House Upgrade Indicative Business Case

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Begonia House Upgrade

Executive Summary

1 Executive Summary

1.1 Introduction

This Indicative Business Case (IBC) seeks formal approval from Wellington City Council (WCC) to invest capital of \$25 million (inflated) from 2025/26 to 2027/28 to plan for, and upgrade Begonia House (the greenhouse, garden store, boiler-room services, café and ancillary back of house buildings) to achieve a modern fit-for-purpose, and safe facility.

The purpose of an indicative business case is to provide decision-makers with an early indication of the preferred way forward for high value and/or high-risk investment proposals. The IBC:

- Outlines how the proposed investment fits within the organisation's strategic intentions and context,
- Confirms the need for investment, and makes the case for change,
- Identifies and considers the feasibility of a range of potential options including a status quo and/or do minimum option,
- Based on this analysis, recommends a preferred way forward for further development of the investment proposal, and
- Identifies a limited number of short-listed options for further analysis.

The evidence provided is indicative, not detailed. The IBC provides decision-makers with an early opportunity to consider change and agree the short-listed options for further analysis, or to decide not to proceed with the project before work starts on more detailed analysis.

This IBC follows the Treasury Better Business Cases guidance and is organised around the five-case model, designed to systematically ascertain that the investment proposal:

1. Is supported by a compelling case for change - the 'strategic case'
2. Optimises value for money - the 'economic case'
3. Is commercially viable - the 'commercial case'
4. Is financially affordable - the 'financial case'
5. Is achievable - the 'management case'.

1.2 Background

Begonia House, situated at the Wellington Botanic Garden, is a popular destination for locals and visitors. It provides an events space for weddings and other functions and is an iconic backdrop to the historic Lady Norwood Rose Garden and over the 2021/22, the Rose Garden, café and Begonia House recorded over 238,000 visitors.

Constructed in 1960, Begonia House has become a place of high heritage value and has been historically important for more than 60 years. It has undergone a number of upgrades and additions over the last six decades, and its assets are found to be no longer fit for purpose, in a safe condition, or meet the needs of users and the community.

The asset condition has been assessed as fair to poor condition with many recommendations for asset replacements. The existing heating and ventilation systems do not provide for year-round comfort for visitors and staff and adversely impact plant health during temperature extremes. This is further exacerbated by a non-weathertight, inefficient single-glazing system. This prohibits events being able to be held throughout the year particularly when demand is highest. In addition, the glazing system is increasingly experiencing failures during extreme weather events presenting safety hazards to users of the facility.

Capital funding of \$8.5m was allocated in the 2021-31 Long Term Plan (LTP) for an upgrade to Begonia House. However, as concept designs for the upgrade have progressed and cost estimates obtained, it has become apparent that the current funding allocation is insufficient to meet minimum recommended renewals let alone an upgrade to meet modern day requirements.

1.3 Options development and assessment

In 2022, Wellington City Council commenced a concept development phase for the upgrade and investment into Begonia House. A project scope was shaped using a prioritisation methodology from staff input and public feedback, and an iterative set of concept designs were developed.

From these early options, four options were taken forward to include in the shortlist for assessment. In addition, a 'demolition' option was included along with an option to remove the greenhouse activity from the facility retaining the iconic historic structure only. The following shortlist options were therefore assessed against investment objectives, costs, risks and business needs;

- A. **Demolish** – all assets will be demolished with the exception of the café and kitchen.
- B. **Iconic Building** – retain and renew heritage aspects and repurpose space for events only.
- C. **Do Minimum** – renew all end of life assets as per condition survey.
- D. **Partial Scope** – new back of house 281m² facility and upgrade public facing areas.
- E. **Meets Scope** – new back of house 440m² facility and upgrade public facing areas.
- F. **Scope Plus** – new back of house facility and new public facing areas and function rooms over three storeys.

1.4 Preferred way forward

The shortlist options were assessed against how well each option meets the investment objectives of:

- Improved asset condition and performance
- Increased utilisation for events and public use, and
- Preserving heritage value.

In addition to costs and risks, each option was assessed as to how well it meets Council's business needs by assessing against the following WCC plans and strategies:

- Te Mahere ā-Rohe i tūtohua mō te tāone o Te Whanganui-a-Tara - Proposed District Plan
- Begonia House Conservation Plan 2022
- 2021-31 Long Term Plan Community Outcomes
- Te Atakura – First to Zero 2019
- Toward 2040: Smart Capital
- Te Whai Oranga Pōneke Open Space and Recreation Strategy 2019
- Botanic Gardens Masterplan 2014
- Tūpiki Ora Māori Strategy
- Accessible Wellington Action Plan 2019.

The options assessment found the preferred way forward is to implement **Option E – Meets Scope** by upgrading the HVAC system and greenhouse structure to include double glazing, new back of house facilities constructed away from the bank, and a new *Changing Places* facility, new driveway, café, kitchen and outdoor seating area. The preferred Option E is estimated to cost up to \$25 million capital cost (inflated).

This option will achieve a safer, thermally efficient, weathertight glazing system and significant reduction in CO₂ emissions by removing the reliance on gas systems. Such improvements will optimise growing conditions for plants, reduce overall operating costs, and enhance safety provisions. Begonia House will be equipped to service year-round events and increase overall public visitation that is inclusive to accessibility needs. By preserving and upgrading the historic structure, both the aesthetic appeal and community value will be greatly improved.

This IBC finds that the preferred way forward is supported by a compelling case for change, optimises value for money, is commercially viable, financially affordable, and achievable.

1.5 Next steps

If the preferred way forward is endorsed, detailed designs, costings, revenue generation, and a benefits cost assessment should be undertaken by way of a detailed business case. If no decision is made on the future of Begonia House and it is left to deteriorate, it will eventually need to be closed due to health and safety risks, and eventually demolished.

Making the Case for Change

Strategic Case

2 Strategic Case

The Strategic Case summarises the strategic context for the investment proposal and makes the case for change.

The key driver for this investment is that Wellington Botanic Garden's Begonia House requires significant renewal and upgrades to improve asset performance, maintain heritage precinct values, and meet levels of service and visitor expectations.

This investment will deliver a fit-for-purpose greenhouse display and event venue that meets modern requirements for holding events year-round while preserving the historic structure as far as possible. The expected outcomes and benefits are;

- Improved asset condition and performance
- Increased utilisation for events and public use
- Preserved heritage precinct value for current and future generations.

2.1 Strategic Context

The Botanic Garden is a Local Purpose (Public Gardens) Reserve, listed as both a heritage area in the Wellington City District Plan and registered as a historic area by Heritage New Zealand Pouhere Taonga (HNZPT). Begonia House is managed as part of the Botanic Garden by Parks, Sport and Recreation, WCC. The Wellington Botanic Garden is listed by Wellington NZ, the regional economic development agency, as one of the top ten things to see and do in Wellington.

As one of the oldest gardens in New Zealand, it contains a series of curated collections and seasonal displays, designed and cared for by a team of dedicated staff. The international and native range includes collections of dwarf conifers, camellias, harakeke (flax), ferns, grasses, and threatened species.

The Botanic Garden is a member of the Botanic Gardens Conservation International (BGCI), which represents botanic gardens in over 100 countries around the world. Established in 1987, their mission is to mobilise botanic gardens and engage partners in securing plant diversity for the wellbeing of people and the planet.

BGCI aims to promote an efficient, cost-effective and rational approach to plant conservation in botanic gardens. Their strategic framework outlines five ways to achieve this:

1. Saving plants
2. Inspiring and leading people
3. Sharing knowledge and resources
4. Addressing global challenges through public engagement and education, and
5. Ensuring an effective and resilient BGCI.

Resilience and rising cost issues with some buildings in the Botanic Garden have led to Wellington City Council allocating \$8.5m in their 2021-31 Long Term Plan for renewals and refurbishments at the Botanic Garden Begonia House, café, and associated service buildings to meet levels of service and visitor expectations.

2.2 Historical Context

Originally a deep gully with a stream, the current location of the Botanic Garden was formally established and developed from 1868. The Rose Garden area (Honeyman's Gully) was constructed by manual labour starting in 1906. The construction took part in two major stages, with the first stage creating Anderson Park and the second filling in between Anderson Park and the hills behind.

During World War II, the site was occupied by the US Marines. After the war, it took four years to clear the land. In 1948, plans for a formal rose garden were made, and it was largely completed by 1953, with funding from the Norwood family. By 1950, the WCC decided to honour the philanthropy of Sir Charles and Lady Rosina Norwood by naming the garden in the latter's honour.

In 1960, construction of Begonia House began, made possible by a substantial donation from the Norwood family. The building was of great interest to the media, and newspapers updated the public with photos showing construction progress. During construction, gardens from around New Zealand and globally were contacted for advice, which resulted in contributions from gardens around the world. Begonia House opened in December 1961. The pent-up interest in the property garnered many visitors, resulting in numerous tours and parties taking place shortly after opening.

The opening of Begonia House created employment opportunities for gardeners, maintaining the environment, tending to the plants, and managing public visitation. Over the life of the building, these basic roles have remained, sustaining a workplace for generations of gardeners.

In 1981, once again made possible by a donation from the Norwood family, a teahouse was built, followed by a kitchen addition. The heating and ventilation systems were replaced the same year. A toilet block and staff mess room were added in 1983. In 1989, the Lily House was built along with a south extension of the foyer, and the building was re-glazed. Further glazing work was done in 1991 and the boiler house was likely relocated in the early 1990s. In 2003, a garage/workshop/store building was added. In 2011 following the Christchurch earthquake and changes to the building code, a structural assessment revealed the need for seismic strengthening, which was completed in 2012.

Over time, Begonia House became a place of high heritage value, serving as the backdrop to the Rose Garden, a popular tourist spot. It has a strong aesthetic appeal, resembling European conservatories, and is known for its design and rich plant collection. The heritage conservation goal is to preserve and upgrade the structure to ensure its future use while preserving its historic values.

2.3 Organisational Overview

The WCC long term strategic vision is: Wellington 2040 – an inclusive, sustainable and creative capital for people to live, work and play. The vision is supported by four community outcomes and are the centre of their 2021-31 long term plan:

- A sustainable, climate friendly eco capital (environmental wellbeing)
- A people friendly, compact, safe and accessible capital city (social wellbeing)
- An innovative, inclusive and creative city (cultural wellbeing)
- A dynamic and sustainable economy (economic wellbeing).

The long term plan outlines six priority objectives for the next three years:

- A functioning, resilient and reliable three waters infrastructure
- Wellington has affordable, resilient and safe housing
- The City's core transport infrastructure is a safe, resilient and reliable network
- The City has resilient and fit-for-purpose community, creative and cultural spaces
- An accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua.

The Council's annual report 2022/23 identifies Begonia House as a key investment project that will continue development of the design for a major refresh of the building, its infrastructure and plant displays.

The City's parks, beaches and open spaces are highly valued by the community. The main measurement for this goal is resident satisfaction with the quality and maintenance of green open spaces (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts). The 2022/23 Annual Plan measured 90% satisfaction, with a target to remain at this level for years 2023/24.

Over the 2021/22 period, the Rose Garden, café and Begonia House recorded 238,000 visitors of which the Wellington City Council subsidises each visit for just \$5.00. This compares to subsidies of over \$50 per visit for other Council activities that drive economic development in the City (Table 1).

Table 1. Cost per visit for WCC, council-controlled organisations or trust activities.

City visitor activity	Cost per visit*
Wellington Gardens (four sites)	\$5.00
Wellington Cable Car	\$5.25
Zealandia	\$8.23
Basin Reserve Trust	\$13.36
Experience Wellington (all sites)	\$24.86
Wellington Zoo	\$24.83
Wellington Regional Development Agency**	\$51.44
Sky Stadium Trust***	\$57.90

* Calculated by gross operating costs divided by number of visitors

** Offset by significant economic value to the City however this has not been included as no economic value has been assessed for the other entities

*** Regional figures/resident

2.4 Alignment to Existing Strategies

Wellington City Council District Plan

The district plan details the specific objectives, policies and rules that have been adopted to promote the sustainable management of natural and physical resources in Wellington which enables people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety. Maintaining and enhancing the quality of the built environment is a key consideration of the district plan, noting the importance to protect areas of special character and heritage conservation, and to improve accessibility to, ease of use, and enjoyment of the public spaces, amenities and facilities provided by the built environment.

The district plan lists out heritage provisions to protect historic heritage from inappropriate subdivision, use and development. A conservation plan is a method used to assess the cultural significance of a place of cultural heritage value, to ensure that when changes occur the heritage values are not removed or lost. The Begonia House Conservation Plan¹ was subsequently developed in 2022 with recommendations to:

- Protect the setting of the Begonia House from any change that could impact on heritage values (this means managing the wider area as a coherent whole).
- Prioritise work that ensures the physical integrity and safety of the building over other work.
- Provide enhanced interpretation on the site to better tell the story of the whole of the Rose Garden area.

Heritage New Zealand Pouhere Taonga Act (2014)

The Heritage New Zealand Pouhere Taonga (HNZPT) Act promotes the identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand. Begonia House, although not currently individually scheduled by the WCC or by HNZPT, does include 'historic, social, aesthetic and scientific value' (section 23), and has been assessed in accordance with guidelines for preparing a conservation plan (NZHPT, 2000), prepared by heritage consultant, [REDACTED] and heritage architect, [REDACTED]. The Botanic Garden in which Begonia House is situated in, is a Local Purpose (Public Gardens) Reserve. It is listed as a heritage area in the Wellington City District Plan (11/17-5).

¹ [REDACTED], 2022, Begonia House Conservation Plan.

The Conservation Plan also carried out an assessment of heritage inventory, which assessed Begonia House as having varying degrees of significance based on individual elements of the structure.

Assessment of significance

Historic

Begonia House has been a central part of Wellington's botanical spaces for over 60 years. Situated within the Rose Garden, it represents the City's ongoing commitment to beautifying its parks and gardens, a challenge in the rugged physical environment that Wellington occupies.

Social

The Botanic Garden is one of the most visited places in Wellington and the Rose Garden and Begonia House is a key attraction. Popular amongst both locals and overseas tourists, the café is one of the busiest in Wellington during the summer season. The events space lends it to a backdrop to many photographs and special events.

Aesthetic

Begonia House has strong aesthetic appeal. The design of the building is reminiscent of European conservatories, from its aesthetic setting to its architecture. This is visually represented in its simple steeply-roofed form with rounded ends and central bays, and use of materials – brick, steel, aluminium, and glass.

Scientific

While not primarily a scientific structure, the building displays modest scientific and technical interest as it was constructed using common material and techniques of the time. The collection of plants has some scientific value.

Wellington City Council Botanic Gardens of Wellington Management Plan (2014)

The Wellington City Council Botanic Gardens Management Plan (falling under Reserve Management Plans) outlines the strategic management and development goals for botanic gardens in Wellington including the Wellington Botanic Garden, Ōtari-Wilton's Bush, Bolton Street Cemetery and Truby King Park. The plan outlines methods for overall management, operation, development, protection and public use of the gardens, structured by the following key themes (guiding principles):

1. Plant collections
2. Education and awareness
3. Recreation and access
4. Cultural and natural heritage
5. Marketing and promotion
6. Partnerships and community involvement.

A well-functioning Begonia House aligns with the guiding principles in the following ways:

1. **Plant collections:** The management plan emphasises the conservation of plant collections and the enhancement of horticultural displays. Investing in the Begonia House greenhouse would support the preservation and cultivation of rare and delicate plant species, aligning with the plan's conservation goals.
2. **Education and awareness:** The management plan aims to create a positive visitor experience by providing educational and recreational opportunities. Upgrading or expanding Begonia House can enhance the overall experience for visitors, as it provides an attraction and an educational resource within the garden.
3. **Recreation and access:** Begonia House has served as a popular and picturesque events space for decades, while housing a café which attracts locals and visitors alike. The multi-use aspect of Begonia house enhances the recreational experience offering visitors a unique, year-round attraction for those who visit the Botanic Garden.

4. **Cultural and Natural Heritage:** The management plan values the Botanic Garden's cultural and natural heritage. Investing in Begonia House can contribute to the preservation of its historic and cultural significance of Wellington, while providing a 'gateway' to the garden's rich heritage.
5. **Partnerships and Community Involvement:** The management plan encourages partnerships and community engagement. The development of Begonia House can involve collaboration with local organisations, nurseries, and community groups, aligning with the principle of community involvement.

Resource Management Act (1991)

The Resource Management Act 1991 prioritises the sustainable management of natural and physical resources and recognises the significance of historic heritage as a valuable national resource. While Begonia House may not be heritage-listed, the Act's emphasis on safeguarding historic heritage from "inappropriate subdivision, use, and development" indirectly supports the greenhouse by promoting responsible and respectful management of historic elements within the broader context of the Wellington Botanic Garden, even if they are not individually designated as heritage-listed structures.

Te Whai Oranga Pōneke Open Space and Recreation Strategy (2019)

Te Whai Oranga Pōneke, provides an overarching framework and strategic direction for Wellington City Council to manage and develop public open space, recreation facilities and recreation programmes and services over the next 30 years. The strategy sets out five strategic focuses with approaches for action, directing investment decisions and actions in the open space and recreation sectors. The five focuses are:

1. **Integrated:** Well-distributed, multi-functional, and connected spaces, places and programmes that respond to Wellington's current and future needs.
2. **Inclusive:** Inclusive, equitable, and accessible spaces, places and programmes that make everyone feel safe and welcome.
3. **Regenerating and resilient:** The mana and mauri of our environment will be uplifted and will support the resilience of our City.
4. **Re-indigenising:** Te ao Māori, Te Tiriti o Waitangi, and mātauranga Māori are reflected in the decision making, management, activities and the visual presence of our places, spaces, and programmes.
5. **Diverse:** Diverse recreation experiences across our places, spaces, and programmes equitably support our communities' physical, social, and restorative wants and needs.

Situated within the Wellington Botanic Garden, Begonia House supports the Wellington Open Spaces Strategy by providing an integrated, multi-functional space, providing a botanical experience that responds to the City's current needs for diverse recreational and educational spaces. Being a public building makes it an inclusive and accessible attraction.

However, as it stands, Begonia House is not structurally resilient to climate change. Improving the structural resilience and improving the carbon efficiency of the building by removing the dependence on gas can minimise its environmental impact, reduce its carbon footprint, all the while providing an environment for native and exotic flora to flourish.

Te Atakura – First to Zero (2019) and Wellington Towards 2040: Smart Capital Strategy

Te Atakura – First to Zero is a blueprint to make Wellington City a zero-carbon capital (net zero emissions) by 2050. It outlines key activities that can help reduce emissions in four target areas: Transport, Building Energy and Urban Form, Advocacy, and the Council.

The blueprint is closely aligned to Wellington Towards 2040: Smart Capital Strategy, which identifies developing Wellington as an eco-city as one of four goals. This goal involves a proactive response to environmental challenges. It recognises the importance of Wellington taking an environmental leadership role as the capital city of clean and green New Zealand. Wellington's many natural assets give the city a head start and opportunities as part of a green economy.

Begonia House has the potential to align and adhere to this through improving its energy efficiency and reliance on fossil fuels. In proposed improvement plans for Begonia House, retrofitting electricity in replacement of gas will provide lower carbon impacts, healthier environments, and less expensive operating costs.

Heritage Policy (2010)

Wellington City Council's Heritage Policy is a framework that guides the preservation, protection, and celebration of the City's cultural and historical heritage. This policy sets out guidelines and regulations for heritage conservation, including the maintenance of historic buildings, landmarks, and cultural traditions. It emphasises the importance of recognising and maintaining Wellington's rich heritage to ensure it is sustained for future generations and remains an integral part of the City's identity.

As outlined previously, although Begonia House is not listed as a heritage building, the Botanic Garden surrounding the building is. The rich history of the construction of Begonia House has made it a cultural artefact and created significant historic interest in the City, increasing its importance to maintain and protect it.

Accessible Wellington Action Plan (2019)

The Accessible Wellington Action Plan is Council's commitment to accessibility through strategic and operational, internal and external actions, to ensure that all people in Wellington are able to participate in all aspects of City life on an equal basis. The goal of the strategy is that all people, residents and visitors, are confident accessing the information they need to participate in Wellington City life, they are able to get to and from all venues and use the services at a destination with ease.

Begonia House can contribute to this goal by ensuring there is accessible access to its buildings and movement throughout. The plan notes this may look like:

- More buildings, public places and homes are compliant with the MBIE accessibility requirements/guidelines.
- Council facilities and tourist attractions, hospitality venues, hotels, restaurants, and cafés in Wellington will be compliant with NZS4121:2001 (and subsequent amendments).

Tupiki Ora Māori Strategy

Developed by Mana whenua, Māori and the Council, Tupiki Ora Māori Strategy is a ten-year strategy that sets out the vision for everyone in Wellington to thrive, creating the future desired for all mokopuna. The strategy sets out a number of commitments for mana whenua, Māori and the Council to collaborate on the implementation of the strategy.

2.5 Work done to date

The process to upgrade and invest in Begonia House began in 2020 when the greenhouse revealed many of its failing assets. In particular, the glass panes making up most of the structure were deteriorating, requiring immediate attention. Additionally, the need for a fire system upgrade became evident during the staff depot's reroofing. Challenges with regulating temperature affect the comfort of staff and visitors, while also causing condensation and impacting plant health. Leakages in the foyer and staff depot area during rainfall, public toilets reaching 'end of life', and pipe failures all inhibited the day-to-day functioning of Begonia House. It became clear that Begonia House needed a major upgrade due to aging facilities, equipment, and buildings.

An initial business case was put forward requesting funding of \$8.5m in the WCC 2021-31 Long Term Plan (LTP). Funding was approved and allocated in years two to five of the LTP.

In 2022, the concept phase began, and the initial scope was based on critical upgrades, staff input, and maintenance requirements. Feedback from staff and the public helped shape the project's scope using the MoSCoW² prioritisation method (Figure 1), incorporating user feedback, and considering the future of Begonia House. The scope was presented and approved at a governance group meeting in August 2022 (Appendix 1). Architects began reviewing concept layout options following this approval.



Figure 1. MoSCoW methodology to guide initial projects scope - see Appendix 1 for full scope development.

In February 2023, the development phase kicked off with project stakeholders, consisting of Begonia House staff, plant collections team, and assets and maintenance team. Five concept layouts were developed and presented to the project stakeholders for feedback (Appendix 2). In April 2023, these options were discussed, and decisions were sought from the governance group:

- Concept Layout 01 was discarded due to the separate shop and other ancillary buildings.
- Concept Layout 02 was dropped in favour of a preferred building location away from the bank.
- Concept Layout 03, a hybrid layout, was chosen to proceed, despite cost and feasibility concerns.
- Concept Layout 04 was discounted as the café was disconnected from the outdoor seating area.
- Concept Layout 05 was initially eliminated due to funding constraints however has been included in the options assessment for comparative analysis (Appendix 3).

In May 2023, after further feedback and refinement, Concept Layouts 07 and 08 were presented to stakeholders, while Concept Layout 06 was discarded due to complex roof requirements with minimal space gain for a cafe extension.

June and July 2023 saw the development of Concept Layout 09, with changes based on further feedback, including alterations to shop and storage locations. However, budget concerns persisted, and Concept Layout 10 was created, simplifying the design while addressing cafe layout issues. Concept Layout 10 met the minimum scope identified by feedback from staff and public (Appendix 4). This concept layout was shared with the governance group, the Café operators, and heritage consultants.

In July 2023 a rough order of cost (ROC) design estimate³ was produced by WT Partnership (WT) based on Concept Layout 10. The ROC totalled \$19.7m including escalations, fees, consents, and project contingency.

² MoSCoW acronym stands for "must-have," "should-have," "could-have," and "won't-have (this time)." The method is a helpful tool for organisations that need to prioritise product features.

³ WT, July 2023, Rough Order of Cost estimate (draft) Begonia House upgrade, Botanical Gardens, Wellington.

The project was therefore faced with a significant setback when the cost estimate exceeded the LTP budget, triggering the development of this indicative business case.

Further 'descoped' options were also investigated to identify ways of reducing total costs. Two of these, Descoped Option 2 and Descoped Option 3, have been assessed within the shortlist of options. These descoped options are attached as Appendix 5 and 6.

2.6 The Need for Investment

WCC commissioned a condition survey report⁴ conducted by WT in August 2023, which identified several structural components in poor condition, partly due to deferred maintenance. Notably, the glazing system, heating system boilers, and original heating and water supply pipework requiring replacement. Additionally, significant defects and damage were found in the rear staff room, as well as in the toilet blocks and central annex. The structural frame, however, is considered to be in fair condition with some recommended isolated repairs.

The condition survey estimated that required remedial works would cost \$10.8m with enhancement works costing an additional \$6.3m totalling \$17.1m. Recommended enhancement works were to improve the glazing system, steel frame, flooring and facilities, services, staff and public toilets, to increase asset performance and operational efficiencies.

Given the substantial investment required, the following section aims to explore the rationale for change, identifying the main problems with current asset operations in order to support key considerations for investment.

Table 2. The case for change is summarised for each investment objective below.

Problem 1	Poor asset condition and life expired assets, leads to asset failure, higher maintenance costs, increased safety risk, and diminishes visual appearance.
Evidence	<p>The facility does not meet public venue requirements, particularly the restroom facilities. The greenhouse toilets have reached the end of their usable life, and a temporary minimal refurbishment has been done to the rear public toilets to extend their service until 2026. The general visual amenity of the facility is poor.</p> <p>The glazing is in poor condition, leading to heat, air, and water leakage. Seals and clips are deteriorating, and glazing bar fixings are failing, causing glass panes to slide from their frames. There is significant moisture and advanced decay in the timber framing of the staff area, with suspected issues in the tool storage area.</p> <p>Limited storage space has led to overflow of café equipment into the driveway, creating an unsafe environment for pedestrians due to vehicle manoeuvring. The Begonia House is disconnected from the Dell and faces away from it.</p> <p>The gas-fired boiler heating system is nearing the end of its serviceable life. There is significant damage and defects observed in the structural timber purlins, requiring rust treatments for some parts of the steel portal frames.</p> <p>Certain slate floor tiles are prone to movement, expanding and contracting, causing trip hazards, and there are no expansion joints. The plant room, workshop, and rear storage shed have also reached the end of their usable lives, and defects and damage have been identified in the drainage systems. The failing bank compromises the structural integrity and weatherproofing of the back of house buildings.</p>

⁴ WT, August 2023, Condition Survey Report, Wellington City Council.

Problem 2	Outdated, inefficient, and unreliable temperature control systems, negatively impacts the comfort for visitors, staff and plants, and inhibits event viability.
Evidence	The wide range of internal temperatures, ranging from maximums of 5 degrees Celsius in winter months to 38 degrees Celsius in the summer, imposes limitations on when events and exhibitions can be held. Inadequate temperature control affects the comfort and safety of both staff and visitors, as well as the condition of the plant display. The facility's energy efficiency is suboptimal, mainly due to the outdated single glazing system, which lacks thermal efficiency and cannot meet the carbon reduction targets set by WCC. Persistent black mould is a recurring problem in the staff area. The heating and ventilation systems have reached the end of their operational lifespan and over the last year experienced significant failures, incurring accumulated costs of over \$120,000. Additionally, there is no clearly defined entry point to the Begonia House, and it remains disconnected from the Dell. Moreover, some of the light fittings and electrical cables are not suitable for use in high humidity environments.

Problem 3	Poor facility aesthetics, that have and continue to decline, reduces heritage value, key stakeholder sentiment & satisfaction with WCC approach
Evidence	The presence of front facing pergolas does not align with the objectives set by NZHPT for historic areas like the Botanic Garden and has been determined to hold no heritage value. This decline in visual amenity falls short of meeting public expectations. Additionally, there is an accumulation of surface-mounted service cables and ducts that serve as collectors of dust and moss, posing challenges for cleaning.

2.7 Investment Objectives

Following a site visit and workshop with WCC, an Investment Logic Map (ILM) was developed to identify the investment objectives and to gain a better understanding of the business needs. After consultation with Council staff, the problems and benefits of change were determined. The group confirmed what the problems are with the current situation and what the desired benefits of change are.

Four key strategic responses were identified to address the problems and benefits, these are:

1. Develop optimised maintenance and renewal interventions planning.
2. Develop an investment plan to identify value for money improvements.
3. Develop an events strategy and plan, identifying market opportunities, and market expectations.
4. Preserve heritage value for current and future generations, ensuring ongoing support for retaining the asset.

2.8 Investment Logic Map

Figure 2 below maps out how Begonia House could preserve its heritage value and increase its utilisation while improving its cost effectiveness.

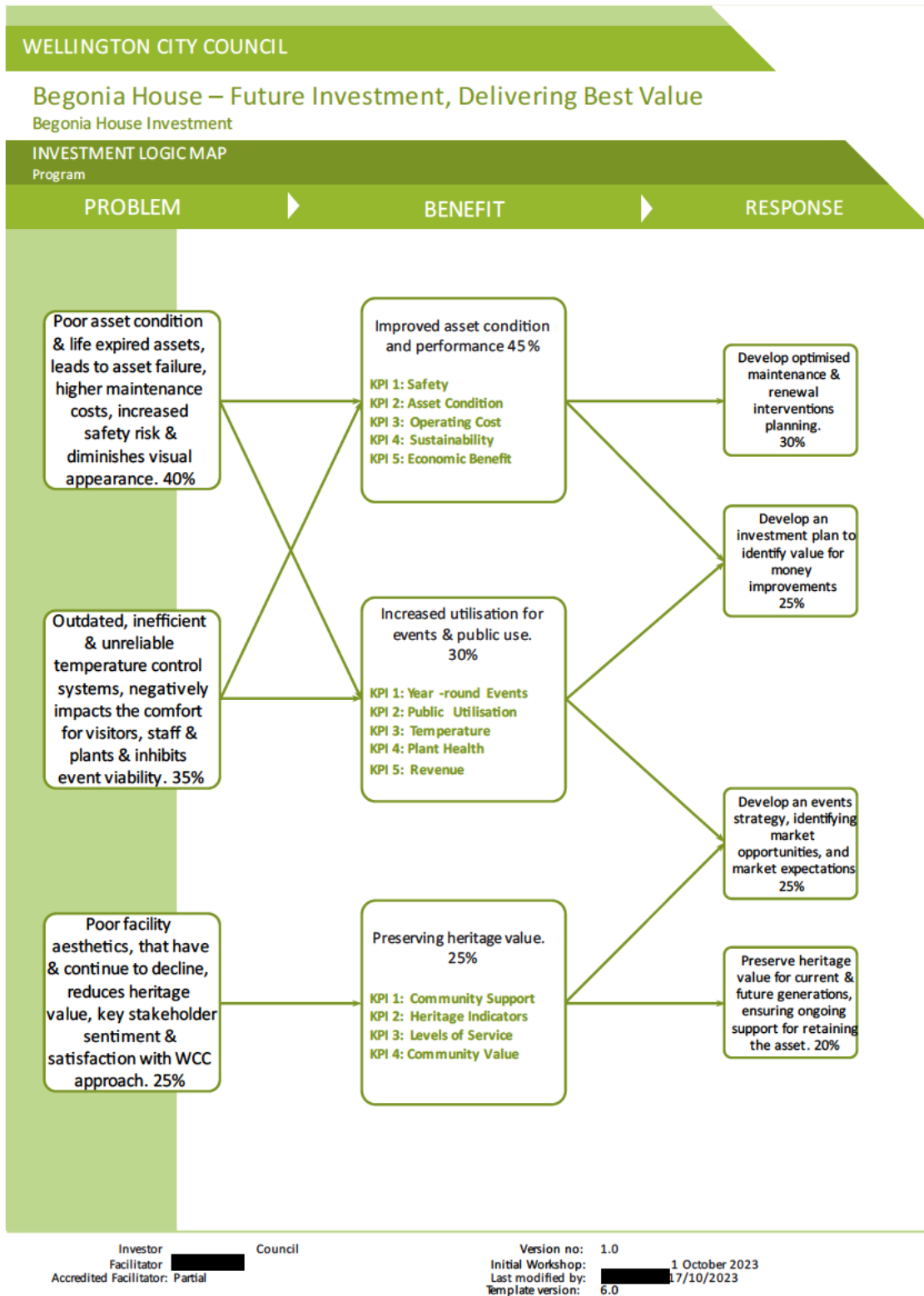


Figure 2. Begonia House Investment Logic Map.

2.9 Existing Arrangements and Business Needs

Key stakeholders identified the following investment objectives for this investment proposal.

Table 3. The case for change is summarised for each investment objective below.

Investment Objective One	Improved asset condition and performance (45%)
Existing Arrangements	<p>Many assets have reached or are approaching their end of life stage. Consequently, maintenance and repair expenses have increased significantly, resulting in a more reactive approach rather than a proactive one.</p> <p>The temperature control systems in Begonia House are powered by gas, posing environmental and economic inefficiencies. These systems are also nearing the end of their operational life. Furthermore, the inefficiencies in temperature control have negatively impacted the visitor experience.</p>
Business Needs	<p>KPI 1: Safety KPI 2: Asset Condition KPI 3: Operating Cost KPI 4: Sustainability KPI 5: Economic Benefit</p>
Investment Objective Two	Increased utilisation for events and public use (30%)
Existing Arrangements	<p>The deteriorating state of the assets has significantly detracted from the aesthetic appeal of Begonia House, making it a less appealing destination for both visitors and event organisers.</p> <p>Moreover, the escalating safety concerns raise the possibility of building closures, further limiting its availability for events and general public use.</p> <p>Additionally, the inefficient temperature systems reduce the use of the building, impacting year-round event viability, comfort for both visitors and staff, and impacting the quality and health of the plants within the greenhouse.</p>
Business Needs	<p>KPI 1: Year-round Events KPI 2: Public Utilisation KPI 3: Temperature KPI 4: Plant Health KPI 5: Revenue</p>
Investment Objective One	Preserving heritage value (25%)
Existing Arrangements	<p>The existing state of the building's aesthetics reflects a history of reactive repairs, where repair work prioritises structural integrity over visual appeal. As key structural components approach end of life, an increasing number of emergency repairs of this nature are becoming necessary. This not only diminishes the historical significance of Begonia House but also impacts key stakeholder sentiment and satisfaction with the WCC's approach to preserving this heritage.</p>
Business Needs	<p>KPI 1: Community Support KPI 2: Heritage Indicators KPI 3: Levels of Service KPI 4: Community Value</p>

2.10 Potential Business Scope and Key Service Requirements

As mentioned previously, WCC completed a 'MoSCoW' analysis to shape the project scope and subsequently inform the initial concept design plans. While much of the MoSCoW remains relevant, this analysis has compartmentalised the key service requirements in the table below:

Service Requirements (in decreasing order of relevance compared to the investment objectives)	Scope Assessment	
	In scope	Out of scope
Temperate Greenhouse	Yes	
Glazing system	Yes	
Climate control system (HVAC)	Yes	
Tropical Greenhouse	Yes	
Events	Yes	
Shop	Yes	
Café (fixed assets only)	Yes	Replacement of café/kitchen plant
Kitchen (fixed assets only)	Yes	Replacement of café/ kitchen plant
Toilets	Yes	
Public Toilets	Yes	
Garden Store	Yes	
Services	Yes	
Lily Pond	Yes	Significant modifications to the lily pond
Garden Beds	Yes	
Outdoor Area	Yes	Changes to the front paved terraces/pergolas
Driveway	Yes	
Portacoms	Yes	

The MoSCoW considered the following as out of scope:

- Changes to the core footprint of the buildings (excludes lean-to structures and add-ons)
- Removals/significant modification of the lily pond.
- Refitting/replacement of the café kitchen plant owned by the leasee
- Upgrades to the Dell
- Changes to the front paved terraces and pergolas.

2.11 Main Benefits

Stakeholders agreed the following benefits, weightings and indicators of performance at the MCA and ILM workshop on 31 October 2023 and confirmed at a second workshop on 10 November 2023:

1. Improved asset condition and performance - 45%.

This benefit aims to achieve a safer, thermally efficient, watertight and weathertight glazing system, improved infrastructure and functionality between the café, toilets and display areas, and significant reductions in CO₂ emissions by removing the reliance on gas systems. These improvements will optimise

the growing conditions for plants, reduce overall operating costs and enhance safety provisions within Begonia House.

- KPI 1: Safety
- KPI 2: Asset Condition
- KPI 3: Operating Cost
- KPI 4: Sustainability
- KPI 5: Economic Benefit.

2. Increased utilisation for events and public use - 30%.

By improving the café space and kitchen, back of house services and functions space, Begonia House will be equipped to service year-round events and increase overall public visitation that is inclusive to all accessibility needs.

- KPI 1: Year-round Events
- KPI 2: Public Utilisation
- KPI 3: Temperature
- KPI 4: Plant Health.

3. Preserving heritage value - 25%

Begonia House holds a lot of historical significance being situated within the Botanic Garden heritage listed site. It has a strong aesthetic appeal, and although its assets are depleting, preserving and upgrading the structure to ensure its future use will improve both the aesthetic heritage appeal and community value.

- KPI 1: Community Support
- KPI 2: Heritage Indicators
- KPI 3: Levels of Service
- KPI 4: Community Value.

A list of stakeholders attending both workshops in attached as Appendix 7.

2.12 Main Risks

Risks result from uncertain events that either improve or undermine the achievement of benefits. The main risks that might create, enhance, prevent, degrade, accelerate, or delay the achievement of the investment objectives are identified and analysed below.

Table 4. Initial risk analysis.

Main Risks	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Low level of political appetite for investment	High	Medium	Create a good communications plan to manage community expectations.
Low level of political and community support	Medium	Low	Create a good communications plan to manage community expectations.
Scope management	Medium	Medium	Use Better Business Case (BBC) methodology throughout project lifecycle and front load stakeholder engagement to define scope.
Funding availability	High	Medium	Develop relationships with third-party funders to explore with them future funding applications.

Main Risks	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Poor project management	High	Low	Complete Project Execution Plan and other Project Management processes.
Poor governance	High	Low	The Begonia House Upgrade Project Board is the governance group appointed to ensure the successful delivery of the project.
Deliverability	Medium	Low	Use BBC methods with good optioneering processes.

Climate change and extreme weather events

New Zealand is experiencing a surge in extreme weather events due to climate change. Apart from the rising sea levels, the primary expected threats to Wellington revolve around more frequent and severe storms. Begonia House, with its predominantly glass exterior, is relatively delicate and susceptible to wind and storm damage.

To mitigate the impact of extreme weather, it's crucial to maintain the building in optimal condition. This involves secure attachment and proper sealing of the glazing, as well as regular upkeep of flashings, gutters, and related weather-resistant elements. Additionally, vegetation around the building should be managed to minimise the risk of storm-related damage.

2.13 Key Constraints and Dependencies

A preferred option to meet the community and business needs of the Wellington City Council will be subject to a number of constraints and dependencies. The following table outlines these at a high level.

Table 5. Identified key constraints and dependencies.

Constraints	Notes
The Reserve Management Plan	The Reserve Management Plan restricts new buildings being built on reserve areas (such as the Botanic Garden). However, since the existing structure is within the Gardens, and no proposed substantial extensions are proposed, this should be able to be mitigated.
Budget ready for 2024-34 Long Term Plan	Scope of project and estimated costs to be finalised by December 2023 to be included in Council's Long Term Plan considerations.
Restricted funding	The project maybe too ambitious for the funding available.
Heritage (Conservation Plan)	While Begonia House itself is not a heritage structure, it is captured within the heritage area of the Botanic Garden giving it heritage status. However, the heritage assessment that has been completed allows project to pass through resource consent stage and still meet most of the required outcomes.
Dependencies	Notes
Funding	The project is dependent on additional funding to be able to deliver on the preferred option.
Centralisation of depot staff facilities	Plans are underway to centralise the Botanic Garden staff facilities at a single depot which will reduce reliance on the Begonia House facilities.

Exploring the Preferred Way Forward

Economic Case

3 Economic Case

3.1 Options Identification

The stakeholders worked through a wide range of options using the process outlined above and evaluated these against the investment objectives, costs, risks and business needs. This resulted in six shortlist options being identified and broadly described below:

- Option A. Demolish:** No renewals or upgrades to occur to the existing facility. Facilities are closed and all buildings, with the exception of the café and kitchen, are eventually demolished.
- Option B. Iconic Building:** Heritage aspects only are retained and renewed, and the greenhouse is repurposed for an events space. The building structure, roof and walls are renewed to retain heritage aspects. The planting, planting beds and lily pond are removed, the floor is renewed to create a flat space to allow events. All life-expired assets are demolished.
- Option C. Do Minimum:** (*descoped option 3*) Renewals are undertaken where possible, and some assets are demolished and replaced with temporary buildings to ensure Begonia House continues to operate its current functions (status quo operations). The structure is renewed along with greenhouse assets (including single glazing), café, kitchen, HVAC, garden store and services. Planting is retained in the greenhouse. Garden store, garage and staff facilities are demolished and replaced with temporary buildings. No change to the rear public toilets which have been assessed to be in good condition although further investigation to assess weathertightness is required.
- Option D. Partial Scope:** (*descoped option 2*) Development of a new back of house facility built away from the bank with minimum stabilisation of the bank. New staff facilities, toilets, garden store, and services adjoin the greenhouse. Existing structures against the bank are to be demolished and a new driveway established to enhance traffic movements. Upgrades will be undertaken to the HVAC system, structure, greenhouse assets, double glazing, events area, café, and kitchen. The new build footprint is 281m².
- Option E. Meets Scope:** (*concept layout 10*) Development of a new back of house facility built away from the bank with the construction of a new retaining wall to stabilise the bank. New staff facilities, toilets, *Changing Places* facility, garden store, and services adjoin the greenhouse. Existing structures against the bank are to be demolished. Upgrades will be carried out to the HVAC system, structure, greenhouse assets, double glazing system, events area. A new driveway, café, kitchen, and seating area. The new build footprint is 440m².
- Option F. Scope Plus:** (*concept layout 5*) Development of a new back of house facility away from the bank with the construction of a new retaining wall to stabilise the bank. New functions and events spaces are positioned on a second and third story above the back of house facility. Existing structures are demolished. New assets include the HVAC system, greenhouse structure, staff facilities, toilets, *Changing Places* facility, double glazing system, garden store, and services. A new driveway, café, kitchen and outdoor seating area are established.

Greater detail of the concept for Options C, D, E and F can be found in appendices 3, 4, 5 and 6.

Table 6. Summary of shortlist options.

	Option A Demolish	Option B Iconic Building	Option C Do Minimum	Option D Partial Scope	Option E Meets Scope	Option F Scope Plus
Planting	Remove plants		Retain plants			
Demolition	Demolish all structures except rear public toilets, café and kitchen	Demolish life expired assets	Demolish garden store, garage and staff facilities	Demolish all back of house facilities (garden store, garage, public toilets, services and staff facilities)		
No change	Rear public toilets, café and kitchen			None		
Renewals	None	Renew structure (greenhouse & events areas) and flat floor space for events	Renew end of life assets (greenhouse structure and single glazing system, nursery and services)	Renew structure (greenhouse & events areas), services, greenhouse toilets and lily pond	Renew structure (greenhouse & events areas), greenhouse toilets and lily pond	Lily pond
Upgrades	None		Upgrade HVAC system	Upgrade HVAC system, upgrade from single to double glazing ⁵		None
New builds	None		New standard portacombs for staff toilets and facilities	New back of house facilities, café storage, services, garden store/garage and green house toilets & driveway	New back of house facilities, café storage, services, garden store/garage and green house toilets, driveway plus Changing Places toilet	All new build including back of house facilities, café storage, services, garden store/garage and green house toilets, HVAC and glazing system, driveway & Changing Places toilet
Bank stabilisation	Minimum bank stabilisation				New retaining wall	
Operations	Closed	Events space for hire	Status quo	Visitor attraction plus year-round events		Visitor attraction plus year-round events across multi-function spaces

⁵ Options D, E and F are assessed as having double glazing however single glazing remains an option for all three options if the glazing assessment finds it preferable for commercial glasshouse purposes.

3.2 Options Assessment

OPTION A: DEMOLISH

A base case option must be included and is used as a baseline for comparing marginal costs and benefits of alternative investment options or courses of action. It provides the benchmark for determining the relative marginal value for money added by the other short-listed options under consideration.

Usually this is the "status quo" or "do nothing" option. In some cases, maintaining the current level of services is not a viable option going forward. In the case of significant change or service delivery failure, some restorative action may need to be assumed to be taken and the baseline costs and benefits adjusted accordingly.

The "do nothing" option results in demolition of Begonia House, with no improvements or upgrades to the existing facility. Facilities will need to be closed as they pose safety hazards, and all buildings except the café and kitchen will be demolished.

Advantages

- Low financial investment required (demolition and disposal costs).

Disadvantages

- Negative impact on visitor experience.
- Negative impact on heritage value.
- Loss of employment for those working within the building.
- Loss of potential revenue from events.

OPTION B: ICONIC BUILDING

This option focuses exclusively on heritage preservation. This includes renewing the building structure, roof, and walls to preserve its heritage features. The operational greenhouse is removed, and the floor is renewed to create a flat floor space for events. All assets that have reached the end of their life are demolished.

Advantages

- Retains historic aspect of the building structure.

Disadvantages

- Doesn't adequately address the purpose of the Begonia House – for exotic floral and plant displays.
- Limited functional upgrades.
- Does not address safety and environmental concerns.
- Reduced revenue potential from limited improvements.
- Does not preserve plants established within Begonia House.

OPTION C: DO MINIMUM

With this option, renewals are undertaken where possible, and some assets are demolished and replaced with temporary buildings to ensure the continued operation of Begonia House in its current capacity. This includes renewing the structure, greenhouse assets, café, kitchen, HVAC, garden store, and services. The existing glazing system will be replaced with single glazing. The planting in the greenhouse is retained. A new portacom is introduced for the Begonia House staff facilities and toilets, with the demolition of the original assets against the bank. There are no changes to the public toilets which have been assessed as being in good condition due to a recent refurbishment. This option will achieve the minimum remedial works identified in the recent condition survey. Current operations will be able to be maintained (status quo).

Potential benefits

- Maintains current operations by renewing end of life assets.

Potential disbenefits/risks

- Further deferrals will create cost escalations for future upgrades.
- Limited improvements in safety and modernisation.
- May not significantly enhance visitor experience or increase revenue from year-round events.
- Does not address safety and environmental concerns.

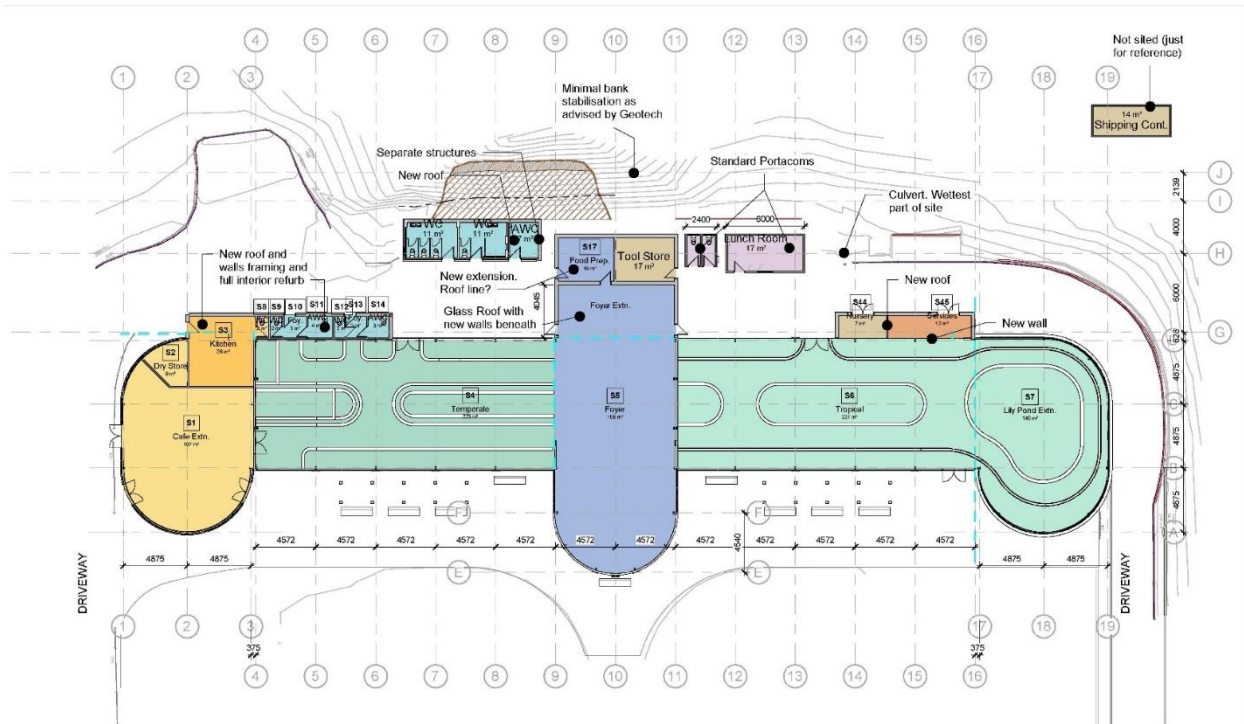


Figure 3. Concept layout for Option C - see Appendix 5 for greater detail.

OPTION D: PARTIAL SCOPE

This option involves the development of a new adjoining building away from the bank and minimum stabilisation of the bank. This option includes the introduction of new staff facilities, toilets, garden store, and services and a new driveway. Existing structures are demolished, and the new build footprint is 281m². The HVAC system, structure, greenhouse assets, events area, café, and kitchen are all upgraded. The glazing system will be upgraded to double glazing however single glazing remains a viable option.

Potential benefits

- Comprehensive renewal and upgrade of critical assets.
- Climate control is economically and environmentally efficient.
- Partially aligns with organisational strategies and business needs.
- Ensures safety and structural integrity.
- Potential for increased year-round utilisation and revenue.

Potential disbenefits/risks

- High cost (approximately \$17.5 million capital cost, uninflated).
- Does not fully address modernisation and accessibility requirements.
- Disruption during construction.

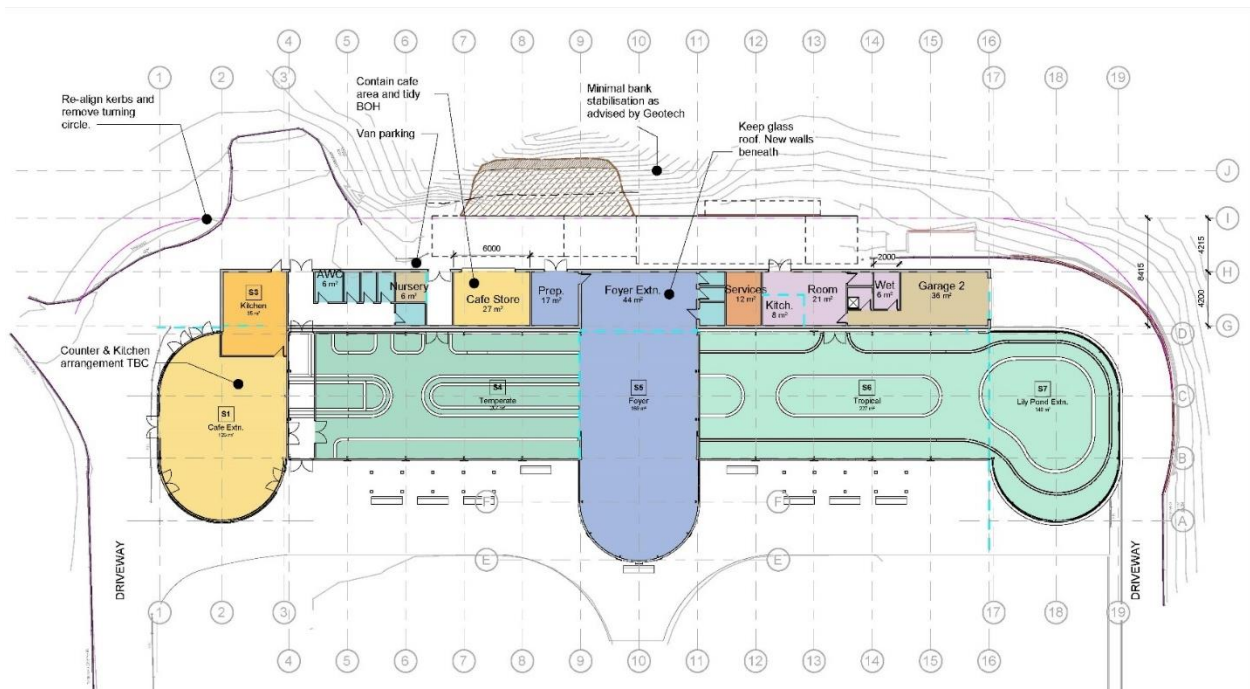


Figure 4. Concept layout of Option D - see Appendix 6 for greater detail.

OPTION E: MEETS SCOPE (PREFERRED OPTION)

Comprehensive site-wide renewals and upgrades are carried out, including new staff facilities, toilets, a glazing system, garden store, and services constructed away from the bank and a new retaining wall will be built. The new build footprint is 440m². Existing structures are demolished, and there are upgrades to the structure, greenhouse assets, HVAC system, and events area. Additionally, a new Changing Places facility, driveway, café, kitchen, and seating area are introduced.

Potential benefits

- Comprehensive site-wide renewal and upgrade of all assets.
- Aligns with organisational strategies and business needs.
- Climate control is economically and environmentally efficient.
- Reduced net operational costs.
- Long-term increase in revenue through events hosting and café.
- Lower maintenance costs.

Potential disbenefits/risks

- High cost (approximately \$20 million capital cost, uninflated).
- Disruption during construction.

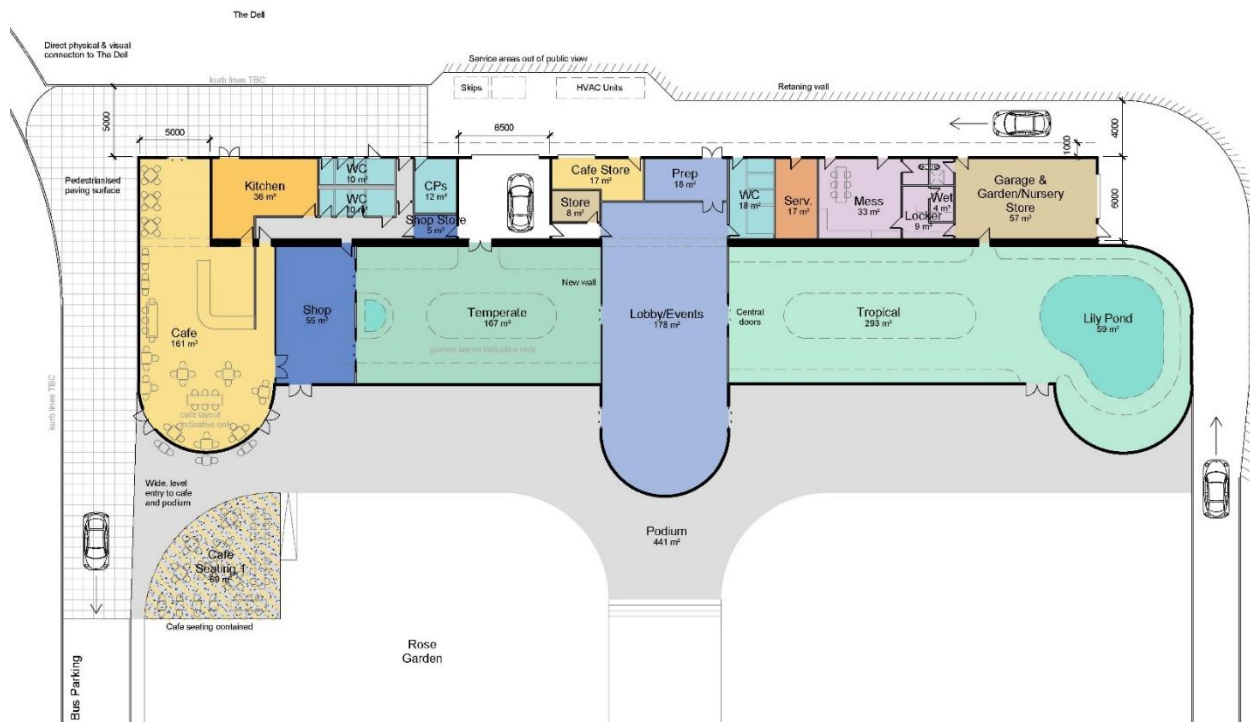


Figure 5. Concept layout for Option E - see Appendix 4 for greater detail.

OPTION F: SCOPE PLUS

New events and functions spaces are established on a second and third story. The plan also includes building a new greenhouse structure, greenhouse assets, HVAC system, staff facilities, toilets, glazing system, garden store, and services. Existing structures are demolished, and a new driveway, café, kitchen, and seating area are added.

Potential benefits

- Total upgrade of the main greenhouse and events area.
- Lower maintenance costs.
- Climate control is economically and environmentally efficient.
- Reduced net operational cost.
- Improved event hosting.
- Potential increase in revenue.

Potential disbenefits/risks

- Significant cost (approximately \$25 million capital cost, uninflated).
- Disruption during construction.
- Will require significant planning and approvals.
- Heritage value will be compromised.
- Anticipated higher operating costs.



Figure 6. Concept layout for Option F - see Appendix 3 for greater detail.

3.3 Multi-Criteria Assessment of the Shortlisted Options

A summary of the multi-criteria assessment is set out in the table below. The overall assessment ranks Option E first and Option D second. Options F and C ranked third and fourth respectively however the difference in the weighted scores is negligible. Refer to Appendix 8 for the detailed multi-criteria assessment.

Table 7. Summary of the multi-criteria assessment.

	Option A	Option B	Option C	Option D	Option E	Option F
Investment objectives	0%	23%	53%	78%	90%	90%
NPV⁶ Cost (10 Years)	\$1.0m	\$8.5m	\$12.8m	\$17.6m	\$19.7m	\$24.7m
Capital	\$1.0m	\$9.0m	\$11.0m	\$17.5m	\$20.0m	\$25.0m
Net Annual Operating	\$0	\$43k	\$369k	\$222k	\$198k	\$256k
Risks	H	H	L-M	L-M	L-M	M
Business needs	L	L	L-M	M-H	H	M-H
Overall assessment	5	6	4	2	1	3
Weighted score	40%	34%	55%	63%	69%	57%

⁶ Net present value (NPV) is the difference between the present value of cash outflows over a period of time.

Assumptions

For the purposes of the net annual operating cost model, the following assumptions have been made:

- Staff and overheads: allowance for 1 staff and 50% decrease in overheads for Option B. 25% increase in staffing costs for Option F. All other options assume no change.
- No change to materials costs.
- Cleaning costs scaled according to gross floor area of proposed option.
- Utilities costs assume Option D, E, F, switch to only electricity. Costs scaled according to gross floor area of proposed option.
- Current repairs and maintenance (R&M) unit rates are deemed to be very high due to the vast amount of life-expired assets. R&M costs are scaled according to gross floor area of proposed option, and adjusted by 50%, 70%, and 90% unit rate decreases in Options D, E, and F, to reflect renewed and improved assets.
- Uplift in events bookings to reflect upgrades and expansion of events space. Uplifts are 10%, 23%, and 27% respectively for Options D, E, and F.
- Uplift in café lease to reflect upgrades and expansion of café/kitchen space. Uplifts are 29%, 66%, and 31% respectively for Options D, E, and F.

There is currently a low level of confidence in these operational cost estimates however for the purpose of comparing options they are considered appropriate at the IBC level of analysis.

With the exception of Option E there has been no ROC for construction of the options and the amounts were estimated based on relative scale to guide discussions during the options assessment workshop.

3.4 Estimated Costs

Depreciation, capital charges, interest and other financing costs are excluded from the analysis.

3.5 Risks and Uncertainty

RISK ASSESSMENT

Below identifies and evaluates the key risks that might create, enhance, prevent, degrade, accelerate or delay the achievement of the investment objectives.

Risk	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Cost assumptions	High	High	A detailed business case will provide greater rigour around the capital cost requirements and a financial model for operations.
Ability to attract third party funders	High	Medium	Friends of Begonia House with assistance from WCC to approach funders and coordinate a joint funding application, demonstrating strategic alignment and wider social and economic value-add Begonia House upgrades will provide.
Political appetite – Council is unwilling to increase funding contribution	High	Medium	Initial funding of \$8.5m was allocated in 2021-31 LTP, which has demonstrated the Council's commitment to invest in upgrades for Begonia House.

Risk	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Support from the community and stakeholders	Medium	Low	A good communications plan will be critical in ensuring the community and stakeholders are informed of plans and progress as it occurs.

3.6 Testing the Preferred Option and Sensitivity Analysis

Sensitivity analysis is a form of quantitative analysis that examines how net present values, benefits, costs or other outcomes vary as individual assumptions or variables are changed. This approach is used to test the robustness of the options analysis.

The options analysis is sensitive to the investment objectives, costs risks and business needs. When there is a change of weighting of individual components, the preferred option can change.

SENSITIVITY ANALYSIS

A sensitivity analysis was undertaken to understand how variable the option ranking was to change in criteria weighting assumptions.

Table 8. Sensitivity analysis - criteria weighting assumptions.

	Initial	Trial 1	Trial 2	Trial 3	Trial 4
Investment Objectives	25%	50%	17%	17%	17%
Cost	25%	17%	50%	17%	17%
Risks	25%	17%	17%	50%	17%
Business Needs	25%	17%	17%	17%	50%

The sensitivity analysis reveals that the ranking of options remains fairly consistent across different criteria weightings. In particular, Option E remains the preferred option. The exception is where cost becomes a critical factor (Trial 2 - 2x Costs). In this case, Option A is favoured due to its much lower investment cost.

Table 9. Sensitivity analysis - options ranking.

	Option A: Demolish	Option B: Iconic Building	Option C: Do Minimum	Option D: Partial Scope	Option E: Meets Scope	Option F: Beyond Scope
Initial	5	6	4	2	1	3
Trial 1 – 2x Inv. Obj.	6	5	4	2	1	3
Trial 2 – 2x Costs	1	5	2	4	3	6
Trial 3 – 2x Risk	5	6	3	2	1	4
Trial 4 – 2x Bus. Needs	5	6	4	2	1	3

3.7 The preferred option

The preferred option is Option E: Meets Scope. It achieves the best overall rating against the investment objectives/benefits, community and business needs, risks and value for money criteria. The implementation of this option will improve the asset condition and performance over a long term so it can continue to accommodate visitors and hold events year-round, while best preserving its iconic status and heritage value.

It is therefore recommended to proceed on this basis. If this option is not progressed and no or limited investment is applied, continual deterioration can be expected including possible catastrophic failure of the building.



Commercial Viability

Commercial Case

4 Commercial Case

4.1 Procurement Strategy

Procurement for this project will be in line with Wellington City Council's Procurement Strategy (2021), which is informed by, and seeks to, align with the Government Rules for Procurement (4thed, 2019, published by the Ministry of Business, Innovation and Employment (MBIE)) and the New Zealand Transport Authority (NZTA) Procurement Manual.

To date, WCC have procured services to complete a building condition report and obtain glazing expertise. This process was supported by an open tender, stating that WCC may direct appoint future services to the successful tenderer or may complete a closed tender for the subsequent stages of work.

4.2 Required Services

The required services in relation to the preferred way forward are:

- Project Management
- Glazing Expert
- Heritage/conservation specialist
- Engineers (including services, civil, structural, geotechnical)
- HVAC specialists
- Architect (in-house)
- Quantity surveyors
- Resource consent consultant
- Construction contractor.

4.3 Implementation and Contract Management

██████████ Asset Manager and ██████████, Project Manager Parks, Sport and Recreation, will hold responsibility for managing delivery under the Engineering, Consultants and Designers contract.

Project management will be delegated to project specific appointment of a project manager to drive this project forward at pace once funding is confirmed.

4.4 Detailed business case development

Once detailed design is completed, a detailed business case will confirm the preferred option upon review of the options analysis including detailed costs and benefits assessment to mitigate any uncertainty of investment.

Funding Pathway

Financial Case

5 Financial Case

5.1 Impact on the Financial Statements

The preferred way forward has an approximate inflated capital cost of \$25 million with ongoing operational costs approximated at \$3.78 million (excluding depreciation) per annum. The operational costs were supplied by WCC and include operating expenditure, labour, interest, insurance, and revenue. Detailed financial modelling will be required at the Detailed Business Case stage.

The cashflows presented in the table below (10) assume the bulk of capital cost occurs between 2026 and 2028 and has Treasury's CPI forecast applied to adjust for inflation. It provides a total capital cost of \$24.86 million, and a 10-year operational cost of \$13.22 million. The operational costs are expected to be lower than current due to renewal and upgrade of assets, and it is assumed this cost will continue to be funded by rates, café lease and event bookings revenue.

Table 10. Anticipated cash flows for preferred way forward.

\$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Capital	\$0.26	\$0.63	\$7.73	\$8.22	\$7.64	\$0.37	\$0.00	\$0.00	\$0.00	\$0.00	\$24.86
Operational	\$0.52	\$0.46	\$0.49	\$0.70	\$1.03	\$1.64	\$2.15	\$2.20	\$2.31	\$2.26	\$13.76
Revenue Stream	-\$0.06	-\$0.06	-\$0.06	\$0.00	\$0.00	-\$0.06	-\$0.07	-\$0.07	-\$0.08	-\$0.08	-\$0.54
Total	\$0.73	\$1.03	\$8.16	\$8.92	\$8.67	\$1.95	\$2.08	\$2.12	\$2.23	\$2.19	\$38.08

5.2 Assumptions

- Interest rate for Net Present Value Calculation is 5% per annum.
- Depreciation has been excluded from the NPV, as per Treasury guidance.
- The average insurance cost is anticipated to increase by approximately 5-10% per annum. The 7% increase reflects an assumption of increased property value and an elevated insurance premium rate.
- Due to the planned two-year construction period (year 26/27 & 27/28), Begonia House will be temporarily closed. This will result in no revenue, as the café lease will be inactive and there will be no events held. Additionally, staff will not be working in Begonia House during this time.
- The interest for the first half of the year will be applied to new borrowings made within that year. This assumes that the debt will be drawn incrementally each year.
- Revenue grow will depend on final lease agreement and tourist trends.

5.3 Funding sources

COUNCIL FUNDING

Currently, \$8.5m⁷ has been allocated in the 2021-31 LTP. Additional WCC funding will be sought for approval via the 2024-34 LTP process and may require Council borrowing due to the increased costs estimated for this project.

Third-party funding should also be pursued. However, it is recognised that securing third-party funding for council projects is challenging due to the need for project alignment with the funding source. In addition, any funding obtained is unlikely to significantly impact the decision on whether to proceed.

A revenue generation strategy should be developed to inform the detailed business case. Potential funding grants and sources are listed below.

⁷ The \$8.5m was estimated in 2019 which is equivalent to \$11.98m in 2023.

LOTTERIES COMMUNITY FUND

The Lottery Grants Board (LGB), operating under the Department of Internal Affairs, is responsible for distributing funds generated from the sale of lottery products to various community organisations and projects throughout the country. The primary objective of the LGB is to provide financial support to community-focused initiatives and community projects.

Lottery Environment and Heritage grants are available for projects that will help protect, conserve or care for our natural, cultural and physical heritage. This fund provides grants for plans, reports and one-off projects that will protect, conserve and promote the following aspects of New Zealand heritage:

- Natural heritage projects promote, protect and/or keep our native plants (flora) and animal life (fauna) safe from harm (including the on-going costs of pest and predator control).
- Physical heritage projects restore, protect and/or conserve places, structures and large built objects that are important to our history.
- Cultural heritage projects conserve, protect and/or promote collections and stories that are important to our cultural heritage and identity.

The fund has guidelines and criteria for funding and have certain categories of activities that it does not fund. The closing date for funding applications for the 2023/24 financial year is 28 February 2024.

MINISTRY FOR CULTURE AND HERITAGE – REGIONAL CULTURE AND HERITAGE FUND

The Regional Culture and Heritage Fund (RCHF) is a contestable fund of last resort. Its purpose is to assist communities to meet genuine fundraising shortfalls for a range of capital construction projects at public performing arts venues, museums, galleries, iwi museums/whare taonga, and/or heritage buildings housing significant collections.

Projects might be for new buildings or extensions for growing entities; involve seismic strengthening or modernisation of existing buildings and their plant; involve energy and resource efficiency projects as part of a sustainability upgrade; to improve health, safety, and security while also improving accessibility. Strong applications will be for well-documented construction-ready projects which best meet the fund's purpose and criteria.

While open to applicants from throughout Aotearoa New Zealand, the RCHF's primary focus is to support capital projects outside the main centres of Christchurch, Wellington and Auckland. Projects in those major centres will be considered on a case-by-case basis.

RCHF grant rounds are usually held once per year, but the timing and frequency of rounds can vary. Funding for 2023 has closed, and timing for 2024 has not yet been announced.

NATIONAL HERITAGE PRESERVATION INCENTIVE FUND

The National Heritage Preservation Incentive Fund (NHPIF) is an annual grant that provides funding for the conservation of privately owned places on the New Zealand Heritage List/Rārangī Kōrero (the List). Therefore, this project is not eligible.

FRIENDS OF THE WELLINGTON BOTANIC GARDEN

Friends of the Wellington Botanic Garden is a community group of volunteers supporting the work of Wellington Botanic Garden. Incorporated in 1990, their aim is to promote and support the development of the Botanic Garden, to raise funds and support Garden projects, and to foster public interest in its scientific, educational, cultural, and recreational functions. In the interest of community ownership and support, it is recommended that the Project team approach Friends of the Wellington Botanic Garden to explore joint fundraising initiatives.

5.4 Overall affordability

The proposed cost of the project is \$38.08 million over the next ten years. This is made up of \$20 million in capital costs adjusted for inflation to \$24.86 million plus 10 years of net operational costs also adjusted for inflation to total \$13.22 million. Financial resources are scarce for many local government organisations and how this would be funded and prioritised against other Council investment has not been attempted.

Delivery Arrangements

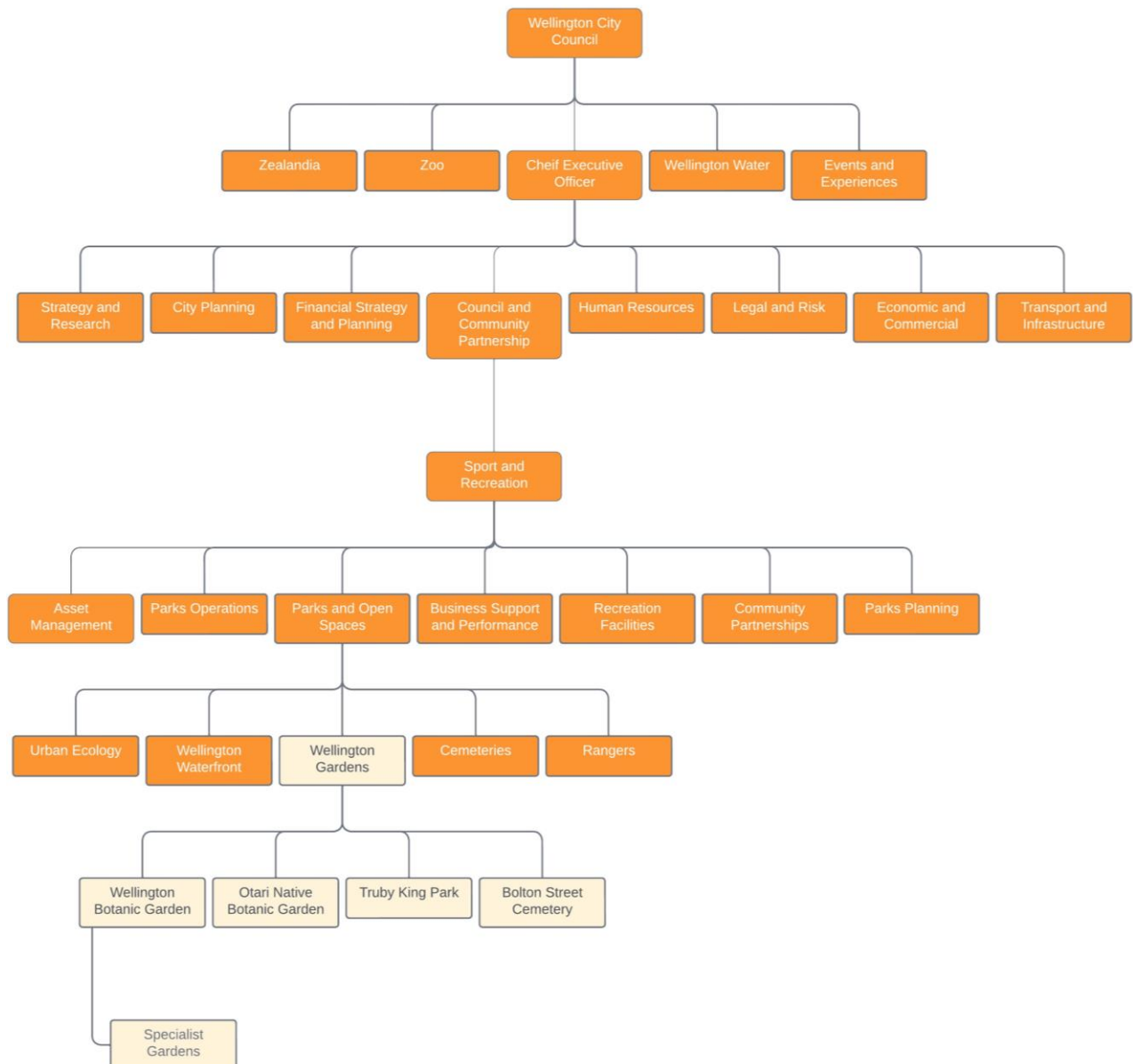
Management Case

6 Management Case

The management case confirms that the proposal is achievable and details the arrangements needed to both ensure successful delivery and to manage project risks.

6.1 Project Governance and Reporting

The Specialist Gardens Team maintains the Begonia House, Nursery and Discovery Garden, all situated within Wellington Botanic Garden. The proposed governance structure and the reporting arrangements for Begonia House are as follows:



6.2 Project Management and Assurance

Role	Responsibility
Begonia House Upgrade Project Board (Governance Group)	<p>The responsibilities of the Project Board are to:</p> <ul style="list-style-type: none"> • Provide governance oversight and overall direction, to ensure that the project is tracking as expected and operating within the agreed tolerances for decision-making. • Monitor project benefits, ensuring the project remains viable. • Make decisions on matters that have been escalated to the Project Board by the Project Manager. • Request reports and information to ensure the Project Board has adequate visibility to make decisions, monitor performance and provide direction to the project. • Ensure that project risks and issues are identified, managed and/or appropriately escalated. • Approve changes or exceptions to budget, schedule or scope etc. within agreed tolerances or escalate as appropriate. • Act as an advocate for the project, supporting and facilitating the identified change and champion the project to key stakeholders as appropriate. • Keep key stakeholders [including Councillor advocates] informed of progress. <p>Other responsibilities to consider include:</p> <ul style="list-style-type: none"> • Direct the nature and level of project assurance activities • Provide oversight and direction on identified project dependencies and wider organisational or community impacts.
WCC – Project Sponsor	<p>As Project Sponsor, responsibilities include but are not limited to:</p> <ul style="list-style-type: none"> • Providing the project's strategic direction and overview. • Monitoring progress against the project's objectives.
Project Manager	<p>As Project Manager, responsibilities include but are not limited to:</p> <ul style="list-style-type: none"> • Successfully delivering the project • Ensuring risk is effectively identified and managed. <p>The Project Manager will report directly to the governance group. Both the Project Manager and Botanic Garden Manager will report on construction and retail/functions, recommissioning and parallel plant design and interpretation from July 2024.</p>

PROJECT ROLES AND RESPONSIBILITIES

A Project Management Board has been appointed to ensure the successful delivery of the Begonia House Upgrade project. The Board has responsibility to maintain oversight and provide advice to the Senior Responsible Owner (the Chair of the Board) to support their decision-making.

Members of the Project Board are:

- Paul Andrews (SRO)
- [REDACTED] (Business Owner) - from September 2023
- [REDACTED] (Business Owner)
- [REDACTED] (Senior Supplier)
- Iwi representative – TBC (may be project team)
- James Roberts – (Sponsor) - from October 2023

A project schedule has been established in MS Project and Project Control Book to assist with the project management and for reporting purposes. The project is also loaded on Paiaka.

PROJECT PLAN AND MILESTONES

Key Project Milestone	Description	Approximate Date
Optioneering Complete	High level design options presented, feedback provided by key stakeholders and longlist options to be developed confirmed.	End March 2023
Preferred Design Selected	Concept design for selected options completed and costed. Designs and costings presented to the governance group, and decision to proceed with one option confirmed.	July 2023
Business Case Approval	Business case required to seek additional funding from the LTP 24-34.	July – December 2023
Engagement with key stakeholders	Share selected option with key stakeholders (wider group than involved in the optioneering). Potentially include an update to the public.	December 23 – end of project
Plant relocation planning complete	Planning for relocating the plants complete, including designs for temporary works required in the nurseries.	January 2023 – May 2024
Detailed Design Complete		February 2025
Resource Consent Approved	Assumed not notified and process starting as soon as option is confirmed.	October 2024
Building Consent Approved		June 2025
Plant relocation complete	All plants removed from Begonia House ready for construction	July 2025
Cafe relocation completed	Temporary relocation for café constructed	August 2025
Staff relocation completed	Staff temporarily relocated out of the depot buildings at Begonia House prior to construction	August 2025
Main Contract Awarded		August 2025
Construction Complete	Construction programme to be confirmed by contractor. This is based on a 2-year construction timeframe. We expect it to be shorter.	August 2027

6.3 Communication and Stakeholder Engagement

Level of influence	Stakeholder	Involvement in Project
(High)	Friends of Wellington Botanic Garden	Maintain a key watching brief on garden projects and potential part funder.
	Norwood Family (Walter and Rana Norwood Charitable Trust)	Originally established with a significant grant from Lady Norwood. The family retains an interest in the garden and is a regular funding donor. They have contributed funding to the pergolas, air plant frame and multiple donations for elements in or around the adjacent Rose Garden.
	Mayor and Councillors	Approved \$8.5m of funding for upgrades through the 2021-31 LTP.
	ELT and Parks Management	Comfort that the project is well managed and contained within budget.
	Begonia House Staff	Understanding of: <ul style="list-style-type: none"> Operational functionality Planting design Visitor experience, including venue needs, education, and interpretation Retail operation Staff safety.
(Medium)	Picnic Cafe	Current café lease owners will be impacted by construction and improvement works. Reliant on a well-functioning café kitchen. Picnic will relocate to a temporary food truck style operation adjacent to the Rose Garden. There will be a discussion with the contractors about the scheduling of 'noisy' works to minimise café business disruption.
	Heritage Advisors	Supporting with any heritage-related matters, including advice on built and cultural heritage. Advisors have been able to provide information on the heritage significance of an item, and advise on repair, possible redevelopment, restoration and future conservation. For these reasons, their input has had an impact on the best approach for upgrading Begonia House.
(Low)	Public	The Botanic Garden is listed as Wellington's top 10 things to see and do. Many regular visitors will have an emotional attachment to Begonia House. During construction period, they may be displaced. During the LTP consultation period there is the potential that there will be requests outside the proposed scope – (aviaries, butterfly house etc.).
	Horticultural interest groups	Strong interest in ensuring that plants are protected, preserved, and enhanced. Desire for Begonia House to be retained, in particular the greenhouse aspect.
	Taranaki Whānui	Opportunities for engagement and incorporation of concepts and values (most of these are likely to be addressed in a separate taonga species garden).
	Former staff	Residual interest in the Begonia House displays and collections. May express some resistance to change.

7 Next Steps

This indicative business case seeks formal approval from Project Sponsor to proceed to progress the implementation of the preferred way forward, Option E - Meets Scope. The next steps to enable this to be realised are:

1. Council workshops to seek endorsement of this business case approach.
2. Council approval of the Indicative Business Case and future funding of the preferred option.
3. Completion of the concept design and feasibility study.
4. Applications for third party funding.
5. Development of the detailed business case.

Appendix 1. Initial scope MoSCoW analysis



Appendix 2. Initial concept layouts



Begonia House - Existing Layout By Department Legend

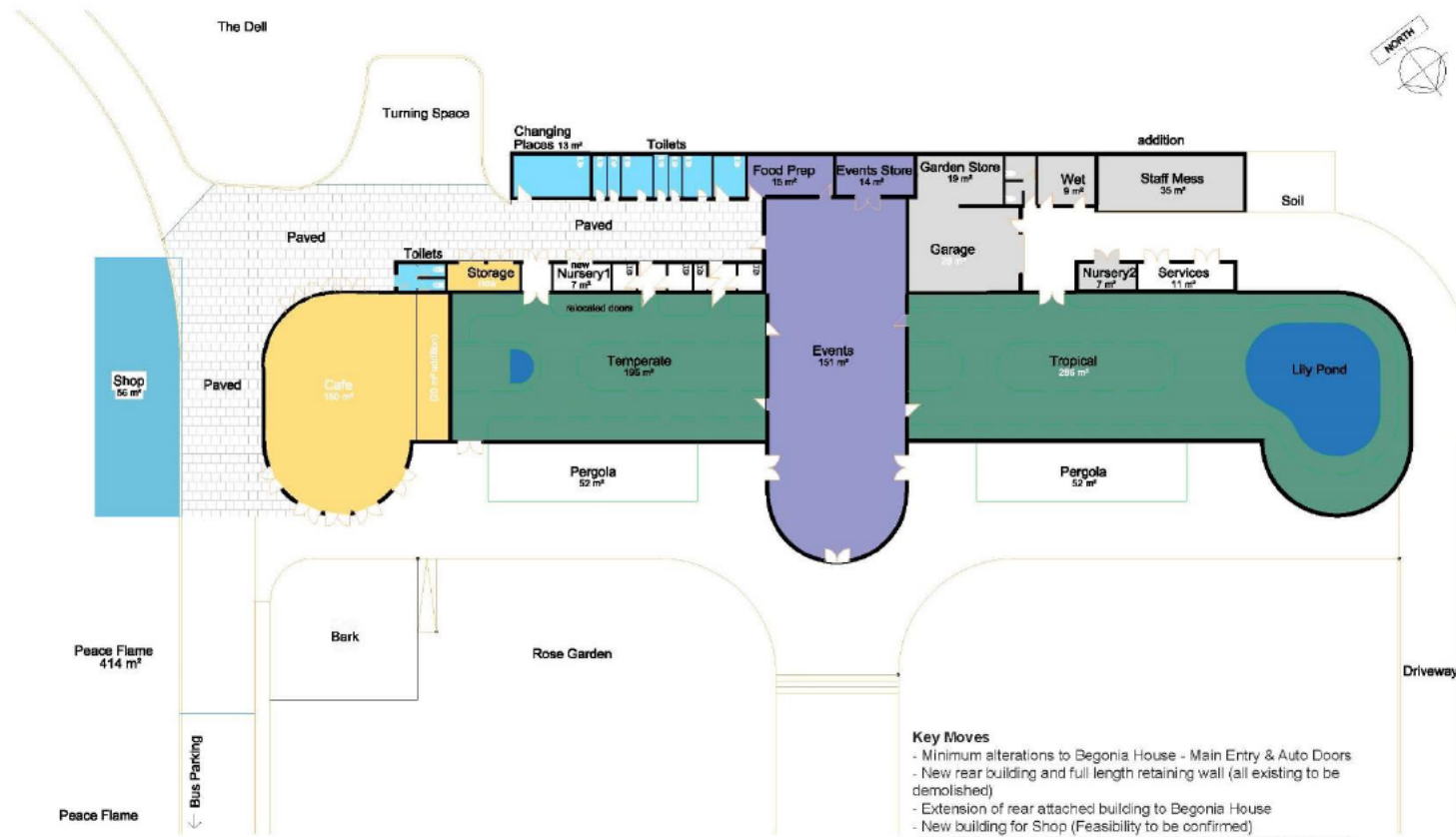
 Temperate	 Kitchen	 Public WC	 Staff Facilities	 Outdoor Area
 Tropical	 Events	 Garden Store	 Lily Pond	 Driveway
 Cafe	 Shop	 Services	 Garden Bed	

1. Congestion / No clear access route
2. Clash of movement between driveway and entry
3. Overflow of cafe equipment into accessway / unsightly
4. Dell currently disconnected from area
5. WC's. Confusion location and layout. Poor condition
6. Failing bank compromising structure and weathertightness of building
7. Existing shop is unusable due to leaking and temperature control issues
8. No main entrance to building / lack of legibility between spaces
9. Staff areas and storage too small and in poor condition
10. Vehicle manoeuvring creates vehicle dominated space unsafe for pedestrians

WC's: 11 Public (3 Accessible), 2 Staff. Total = 13
 Legal Requirements: 4 Public (min. 2 Accessible), 2 Staff.

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By Department Legend

 Temperate	 Kitchen	 Public WC	 Staff Facilities	 Outdoor Area
 Tropical	 Events	 Garden Store	 Lily Pond	 Driveway
 Cafe	 Shop	 Services	 Garden Bed	

Key Moves

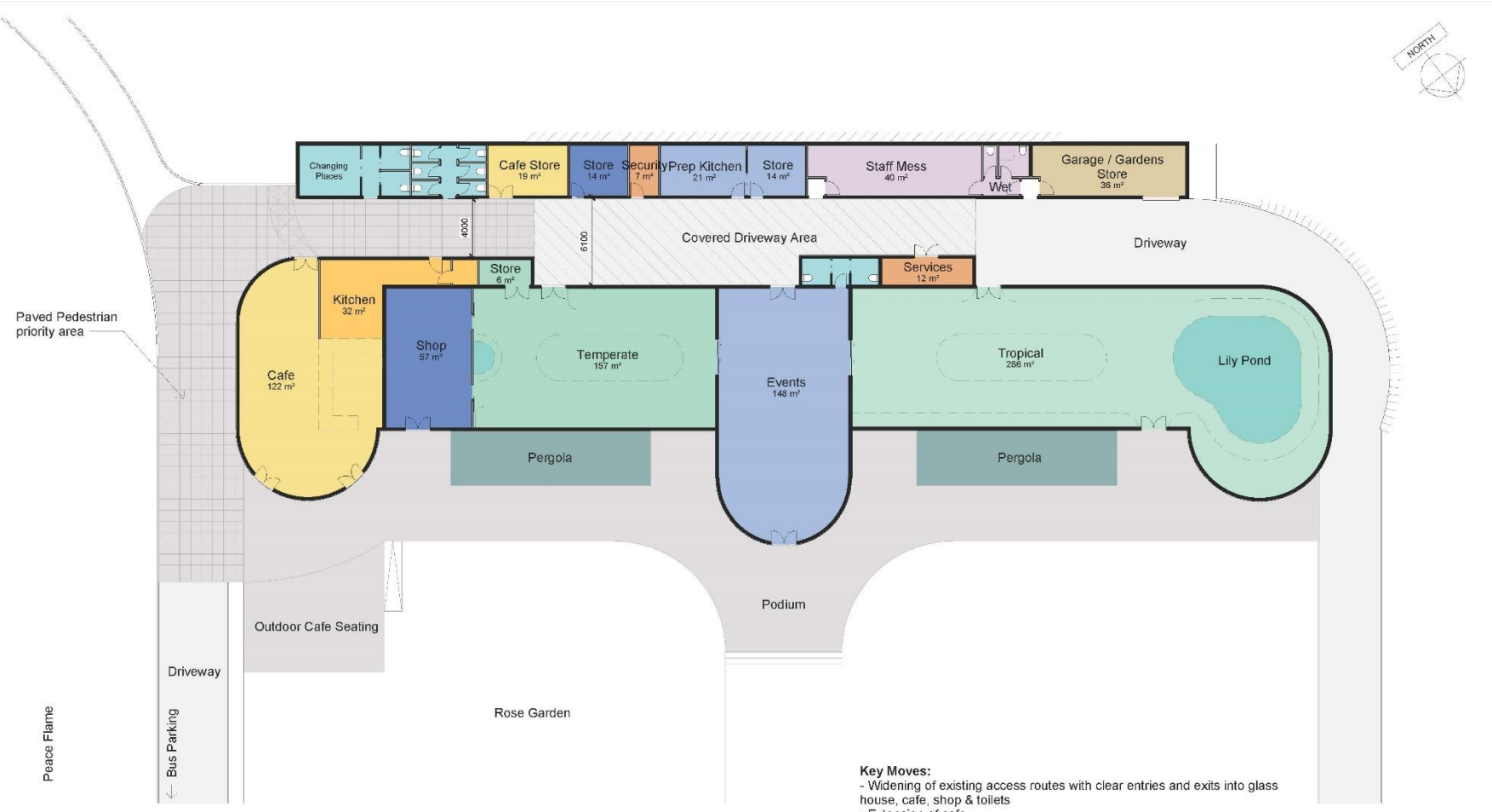
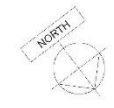
- Minimum alterations to Begonia House - Main Entry & Auto Doors
- New rear building and full length retaining wall (all existing to be demolished)
- Extension of rear attached building to Begonia House
- New building for Shop (Feasibility to be confirmed)
- Complete new paving / pedestrian treatment for NW BH corner of Shop / Cafe (New doors)
- Service area (size) an unknown

Toilets: 13 Public (3 accessible), 1 Changing Places, 2 Staff Total: 16

Benefits

- Independently services Temperate, Tropical and Events areas
- Larger events area (direct access to food prep)
- New staff facilities (all in one level)

Begonia House - Concept Layout 01



Begonia House - Concept Layout 02

By Department Legend

■ Temperate	■ Kitchen	■ Public WC	■ Staff Facilities	■ Outdoor Area
■ Tropical	■ Events	■ Garden Store	■ Lily Pond	■ Driveway
■ Cafe	■ Shop	■ Services	■ Garden Bed	

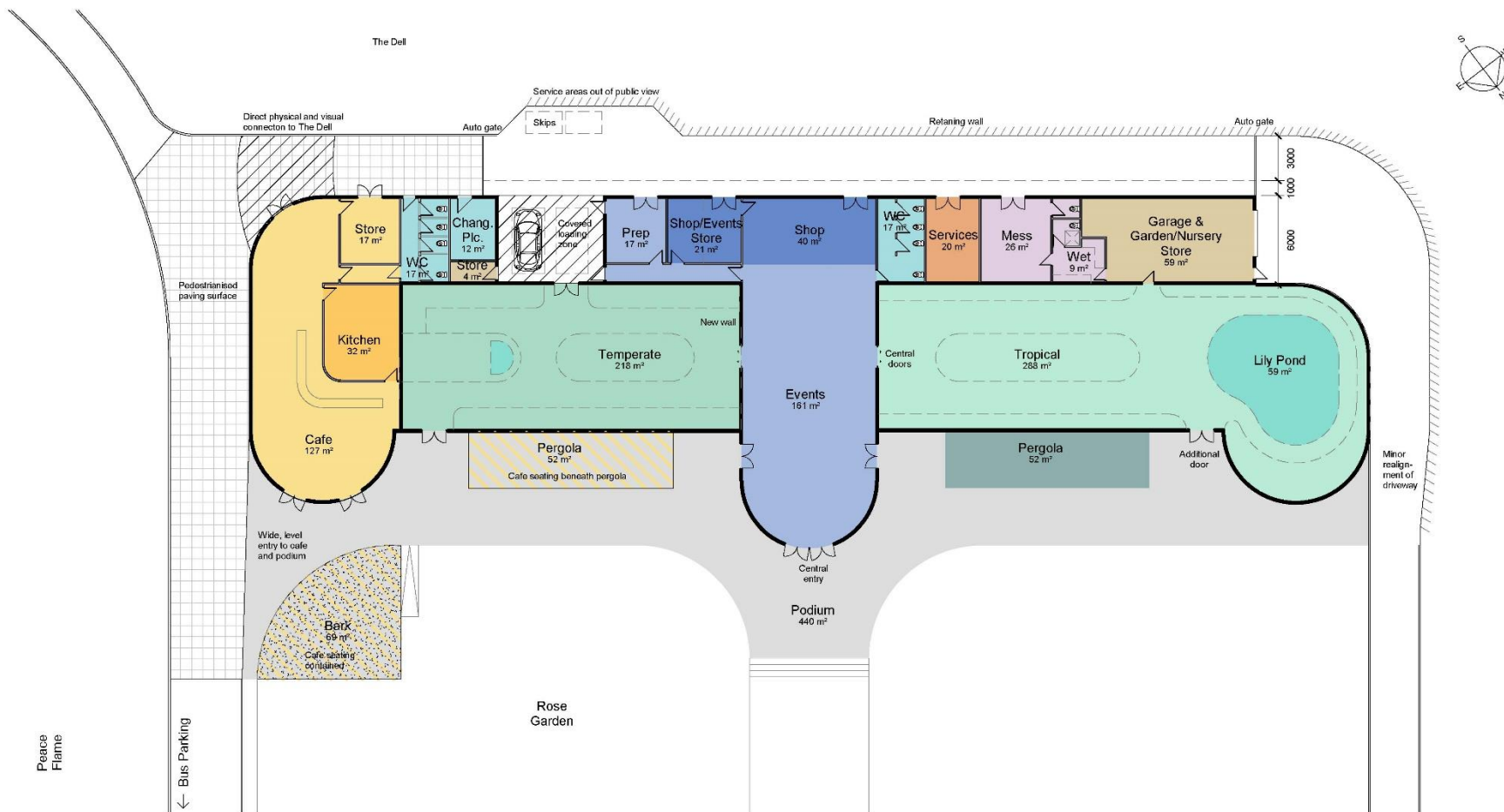
- Key Moves:**
- Widening of existing access routes with clear entries and exits into glass house, cafe, shop & toilets
 - Extension of cafe
 - New rear facilities building extending behind building
 - Relocation of shop
 - Through route driveway

WC's: 11 Public (4 Accessible, 1 CP), 2 Staff. Total = 13

- Key Benefits:**
- Create more legible access routes through the building including creating a main entrance
 - Improve legibility and access to WC's by extending facilities building
 - Improve access and connection to the dell
 - Providing fit for purpose facilities with easy vehicle access
 - Locating the shop with a better 'front entry' to improve legibility to both glass house and cafe users

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Begonia House - Concept Layout 03

By Department Legend

 Temperate	 Kitchen	 Public WC	 Staff Facilities	 Outdoor Area
 Tropical	 Events	 Garden Store	 Lily Pond	
 Cafe	 Shop	 Services	 Garden Bed	

Key Moves:

- New building away from bank
- 3 independent areas: Cafe, Shop/Events, Garden Staff
- Pedestrianised area and clear connection to The Dell
- Simplified vehicle circulation

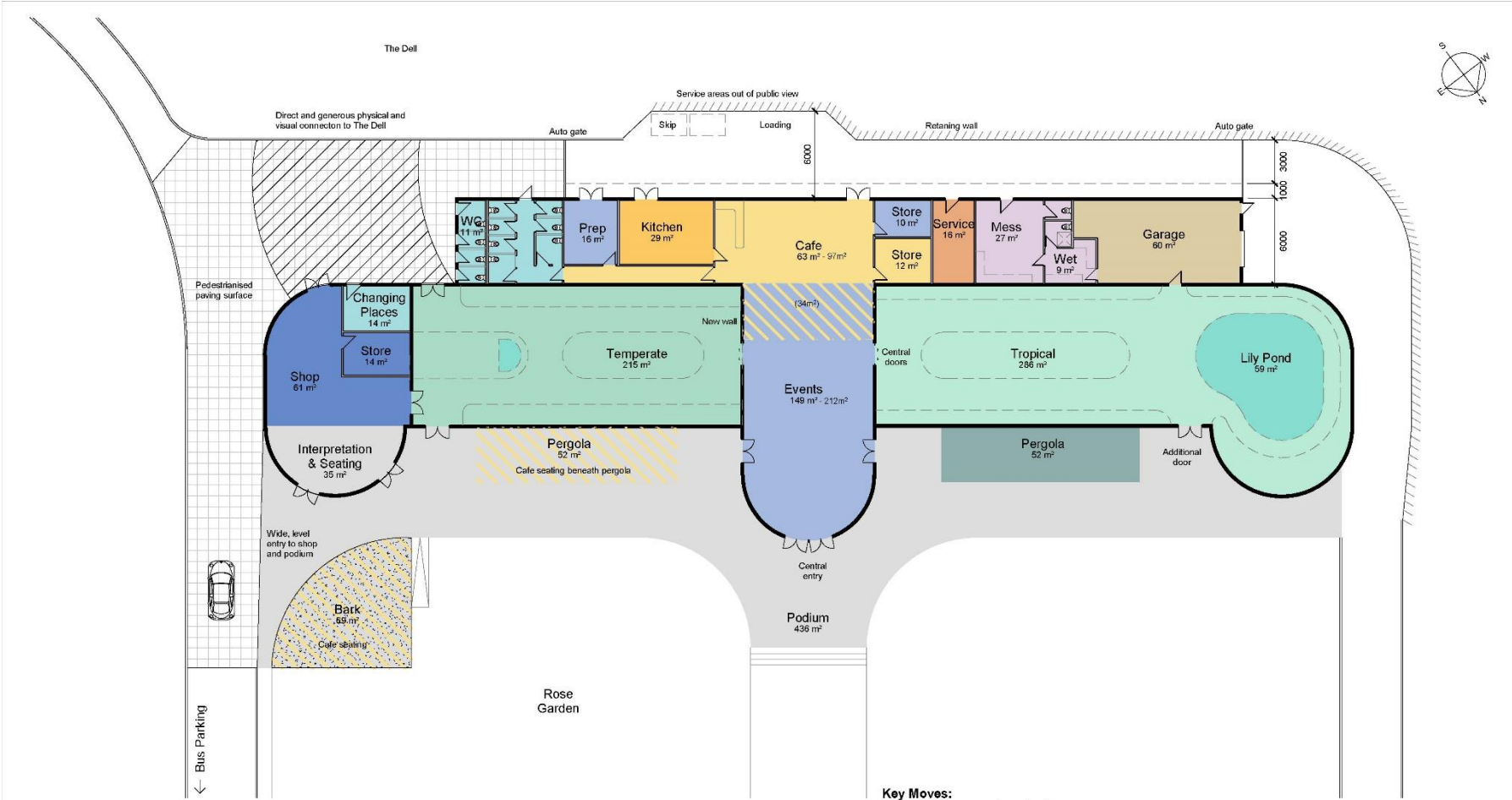
WCs: 9 Public (3 Accessible, 1 Changing Places), 2 Staff. Total = 11

Benefits:

- Improved building resilience with reduced moisture issues away from bank
- Events and shop space has independent temperature control
- Dell area enhanced and enlarged
- Glasshouse plant area maintained (Temperate & Tropical)
- Improved legibility: widened cafe entrance, central entry, WC locations
- Safety improved with less vehicle movements at busiest pedestrian area

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Begonia House - Concept Layout 04

By Department Legend

 Temperate	 Kitchen	 Public WC	 Staff Facilities	 Outdoor Area
 Tropical	 Events	 Garden Store	 Lily Pond	
 Cafe	 Shop	 Services	 Garden Bed	

- Key Moves:**
- New building away from bank
 - Space efficiency with Cafe and Events sharing space at different times
 - Cafe centrally located and shop to eastern end
 - Pedestrianised area and clear connection to The Dell
 - Simplified vehicle circulation

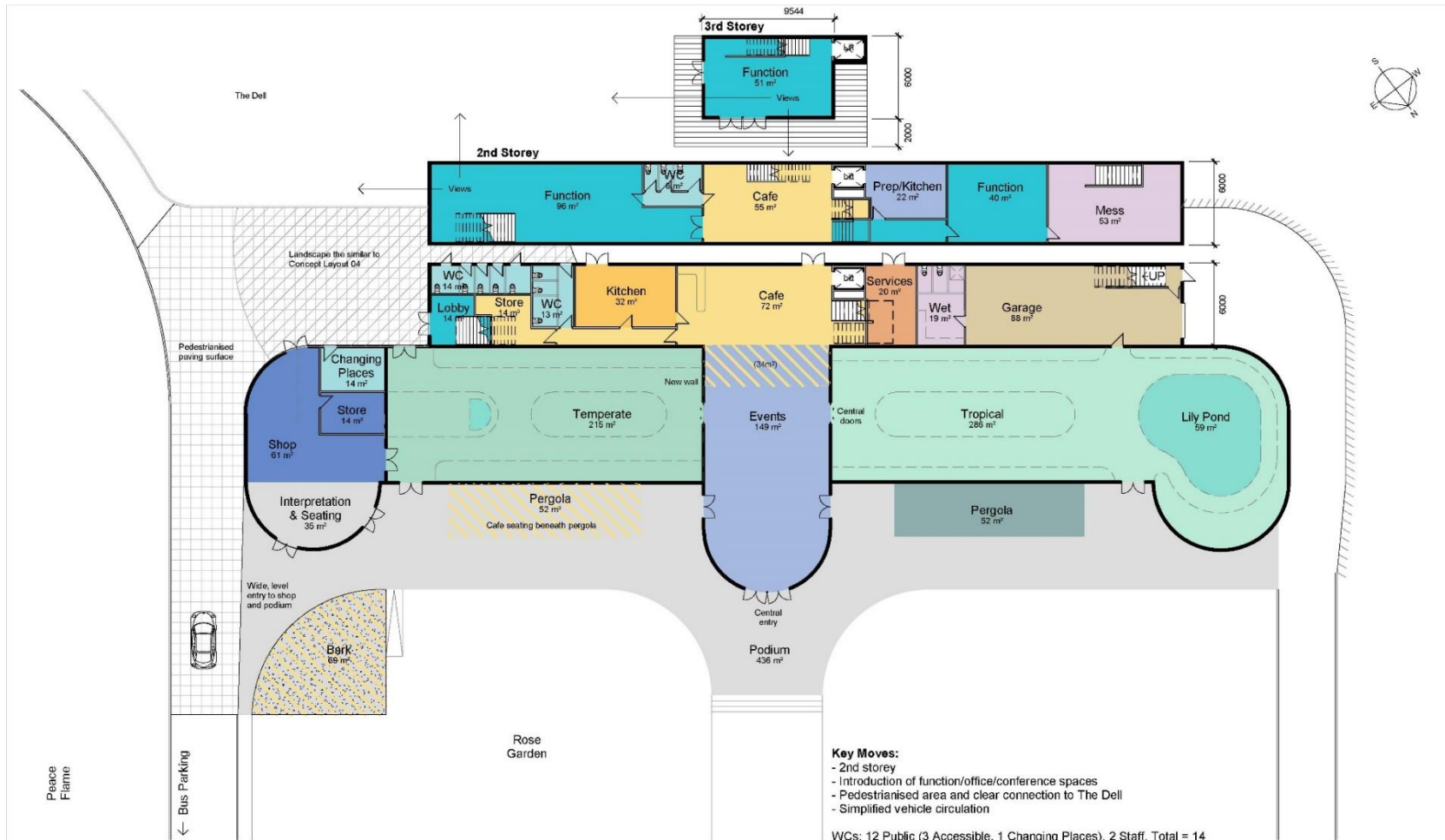
WCs: 12 Public (3 Accessible, 1 Changing Places), 2 Staff. Total = 14

- Benefits:**
- Improved building resilience with reduced moisture issues away from bank
 - Large indoor Cafe space for higher capacity in winter
 - Larger Events space with independent temperature control
 - Designated area for interpretation and public seating
 - Dell area enhanced and enlarged
 - Glasshouse plant area maintained (Temperate & Tropical)
 - Improved legibility: widened cafe entrance, central entry, WC location
 - Safety improved with less vehicle movements at busiest pedestrian area

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Appendix 3. Option F (concept layout 05)



Begonia House - Concept Layout 05

By Department Legend

 Temperate	 Kitchen	 Public WC	 Staff Facilities	 Outdoor Area
 Tropical	 Events	 Garden Store	 Lily Pond	 Function
 Cafe	 Shop	 Services	 Garden Bed	

Key Moves:

- 2nd storey
- Introduction of function/office/conference spaces
- Pedestrianised area and clear connection to The Dell
- Simplified vehicle circulation

WCs: 12 Public (3 Accessible, 1 Changing Places), 2 Staff. Total = 14

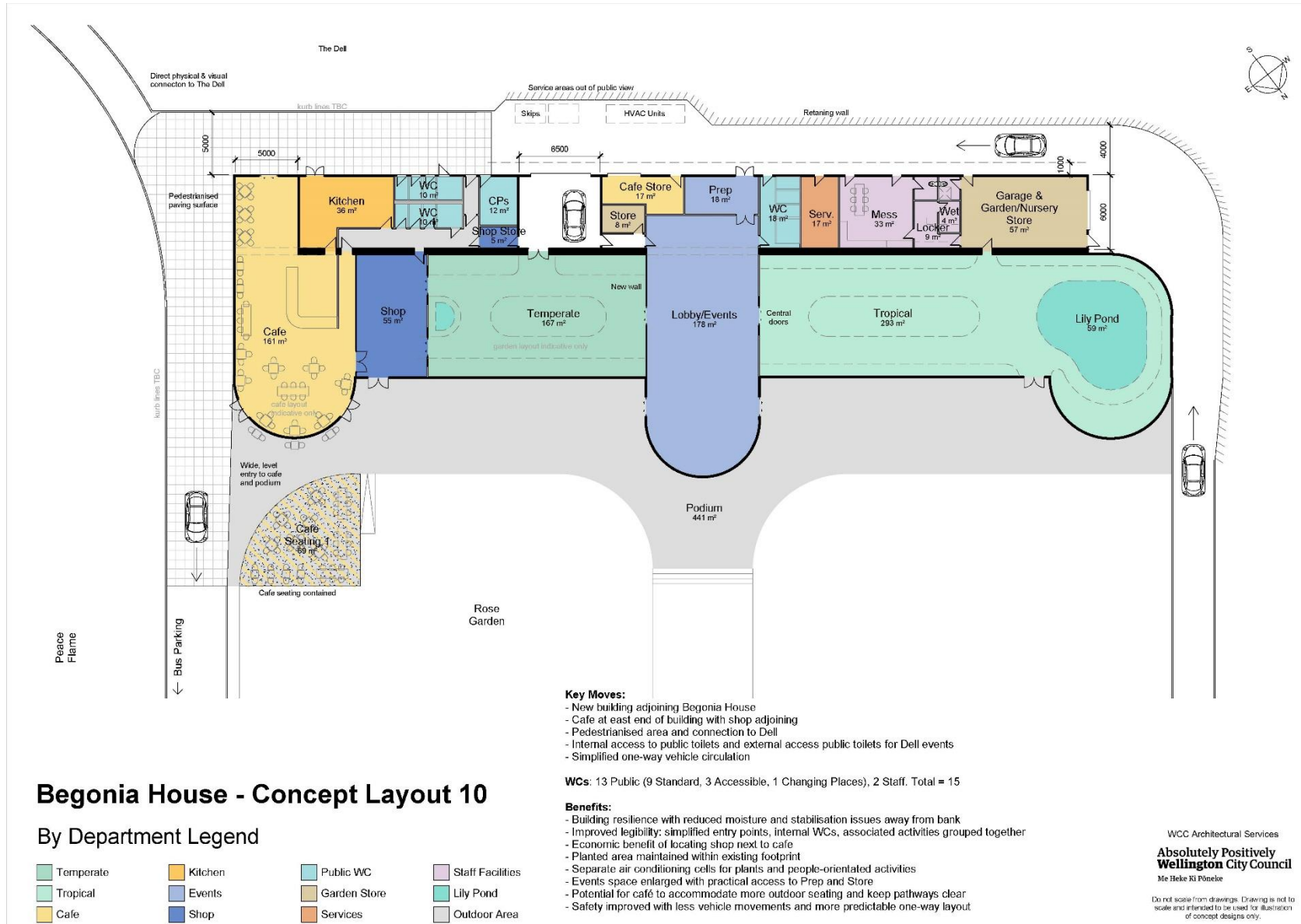
Benefits:

- Destination venue
- Functional diversity and income
- More generous sizing of core functions
- Improved building resilience with reduced moisture issues away from bank
- Large indoor Cafe space for higher capacity in winter
- Larger Events space with independent temperature control
- Designated area for interpretation and public seating
- Dell area enhanced and enlarged
- Glasshouse plant area maintained (Temperate & Tropical)
- Improved legibility: widened cafe entrance, central entry, WC location
- Safety improved with less vehicle movements at busiest pedestrian area

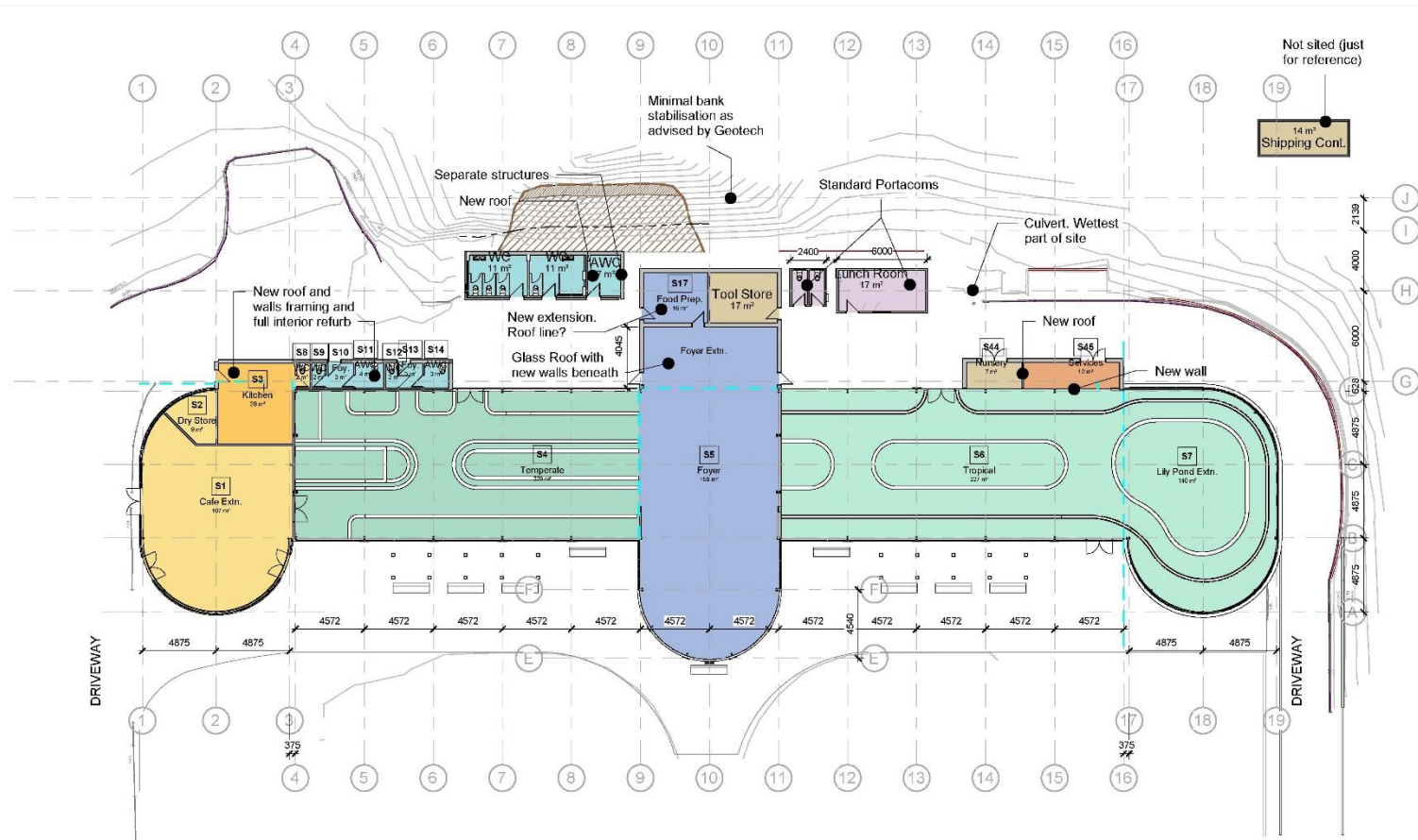
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Appendix 4. Option E – the preferred option (concept layout 10)



Appendix 5. Option C (descoped option 3)



By Department Legend

- Temperate
- Cafe
- Events
- Garden Store
- Staff Facilities
- Tropical
- Kitchen
- Public WC
- Services

Key Moves

- Retain refurbished toilet block. (reroof required)
- Retain lean-tos (full refurb, walls, roofs, interior required)
- Keep glass roof foyer extension (all new walls required beneath)
- Portacombs for staff facilities
- No garage - tractors and machinery stored elsewhere.
- Minimal bank stabilisation as advised by Geotech eng. Minimal or no change to retaining walls.

Notes:

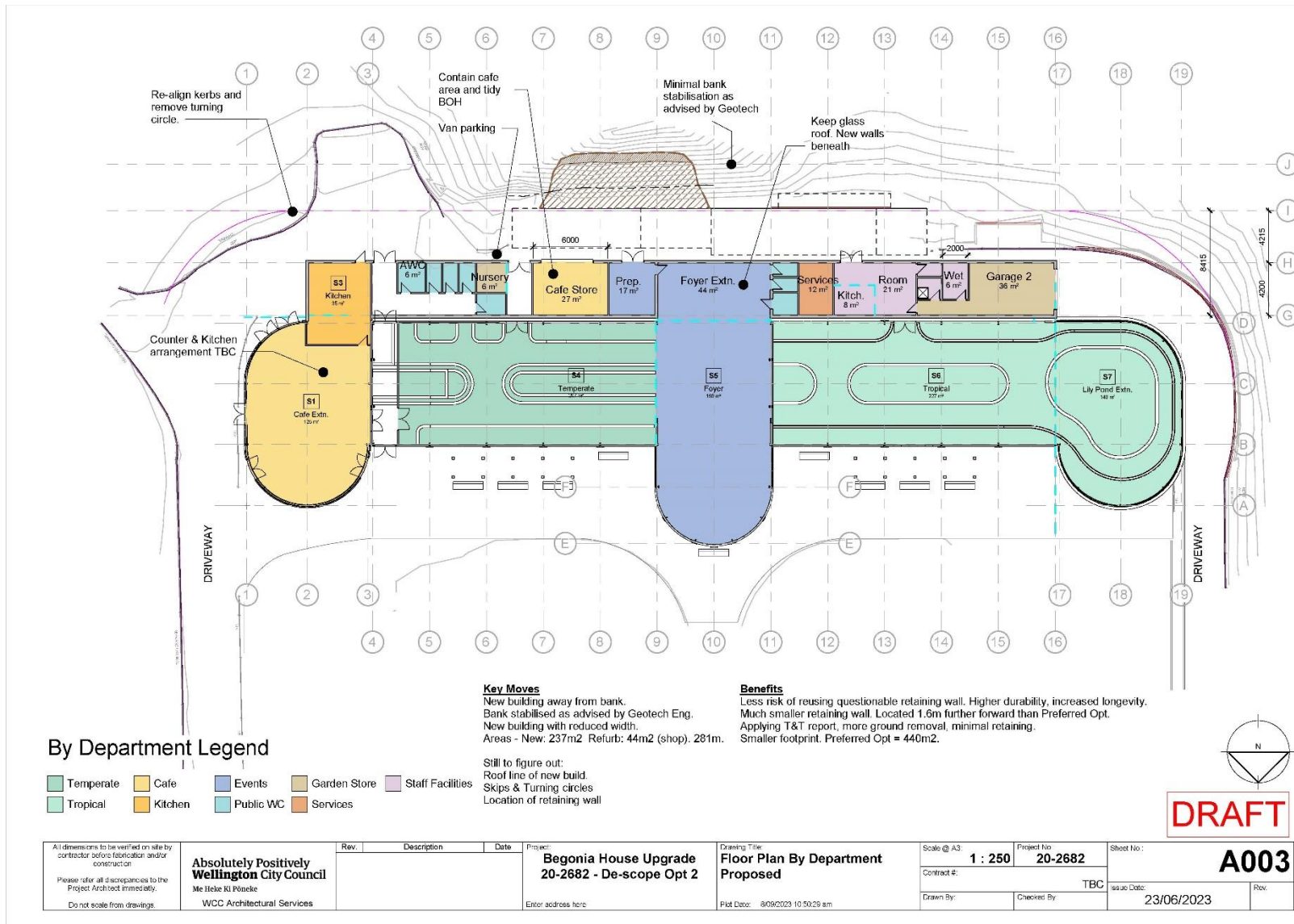
- Project no longer addresses identified issues. e.g. problematic movement patterns, confusing experience for visitors, very messy BOH area preventing other uses due to cafe over-spill, no improvement to arrival/front entry.
- Short term



DRAFT

All dimensions to be verified on site by contractor before fabrication and/or construction. Please refer all discrepancies to the Project Architect immediately. Do not scale from drawings.	Absolutely Positively Wellington City Council Me Heke Ki Pōneke WCC Architectural Services	Rev. Description Date	Project: Begonia House Upgrade 20-2682 - De-scope Opt 3 Enter address here	Drawing Title: Floor Plan By Department Proposed Plot Date: 12/09/2023 2:24:30 pm	Scale @ A3: 1 : 250	Project No.: 20-2682	Sheet No.: A003
				Contract #: TBC		Issue Date: 23/06/2023	
				Drawn By:		Checked By:	


Appendix 6. Option D (descoped option 2)



Appendix 7. Workshop participants

Project/Stakeholder Role	Organisation	Name	Workshop 1	Workshop 2
Project Manager Parks, Sport and Recreation	Wellington City Council	[REDACTED]	✓	✓
Manager Wellington Gardens / Business Owner	Wellington City Council	[REDACTED]	✓	✓
Team Leader Specialist Gardens	Wellington City Council	[REDACTED]	✓	
Venue and Bookings Co-ordinator Botanic Gardens	Wellington City Council	[REDACTED]	✓	
Manager – Open Space and Parks / Business Owner	Wellington City Council	[REDACTED]	✓	
Senior Architect Advisor	Wellington City Council	[REDACTED]	✓	✓
Senior Heritage and Urban Regeneration	Wellington City Council	[REDACTED]	✓	
Principal Architectural Advisor	Wellington City Council	[REDACTED]	✓	✓
Assets and Projects Manager / Senior Supplier	Wellington City Council	[REDACTED]	✓	
Senior Heritage Advisor	Wellington City Council	[REDACTED]	✓	✓
Team Manager Visitor Experience	Wellington City Council	[REDACTED]		✓
Project Manager Facilities	Wellington City Council	[REDACTED]		✓
Team Manager Plants Collections	Wellington City Council	[REDACTED]		✓
Botanic gardens Team Leader – heritage	Wellington City Council	[REDACTED]		
Conservation Consultant	Heritage	[REDACTED]	✓	
Heritage Advisor	Heritage NZ	[REDACTED]		
Workshop Facilitator	Rationale	[REDACTED]	✓	
Workshop Facilitator	Rationale	[REDACTED]	✓	✓
Workshop Facilitator	Rationale	[REDACTED]	✓	✓

Appendix 8. Multi-criteria assessment of short list options

		Activity options						
		Option A	Option B	Option C	Option D	Option E	Option F	
		Demolition of Begonia House	Iconic Building - retain and renew heritage aspects. Re-purposed events space.	Do minimum - Renew all End of Life Descoped Option 3	Upgrade Begonia House Descoped Option 2	Meets scope Concept Option 10	Scope Plus Concept Option 5	
Description		<ul style="list-style-type: none"> No renewals. No upgrades Facilities are closed as they become a safety hazard. All buildings are eventually demolished. 	<ul style="list-style-type: none"> Remove planting. Renew heritage structure. Renew flatfloor space for events. Demolish life expired assets. 	<ul style="list-style-type: none"> Retain planting. Upgrade HVAC system. Renew heritage structure, greenhouse assets, cafe, kitchen, gardenstore and services.. New portacom for Begonia House staff mess, and toilets. Demolish original assets. No change to Public Toilets 	<ul style="list-style-type: none"> New downsized staff facilities, toilets, garden store, services. Demolish existing structures. New footprint is 281m2. Upgrade HVAC system, heritage structure, greenhouse assets, glazing, events area cafe and kitchen 	<ul style="list-style-type: none"> New staff facilities, toilets, glazing system, garden store, services. Demolish existing structures. New footprint is 440m2. Upgrade heritage structure, greenhouse assets, HVAC system, and events area. New driveway, cafe, kitchen and seating area. 	<ul style="list-style-type: none"> New 'gold plated' events space on the second story. Upgrade heritage structure, greenhouse assets, HVAC system, staff facilities, toilets, glazing system, garden store, services. Demolish existing structures. New driveway, cafe, kitchen and seating area. 	
Strategic Direction		WCC are no longer interested in Begonia House and want to divert investment.	WCC are only interested in retaining heritage aspects of Begonia House and want to divert investment.	WCC only want to continue with a minimum viable product that maintains safety and legal requirements.	WCC want to renew and upgrade the whole of Begonia House.	WCC are committed to the future of Begonia House and want to secure its future as an iconic landmark.	WCC want to secure Begonia House as an iconic landmark and create a new and improved events centre.	
Investment								
Temperate Greenhouse		Demolition	Renewal	Renewal	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Tropical Greenhouse		Demolition	Renewal	Renewal	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Events		Demolition	Renewal	Renewal	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Café (fixed assets only)		No Change	No Change	No Change	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Kitchen (fixed assets only)		No Change	No Change	No Change	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Toilets		Demolition	Demolition	Demolition	Renewal + Upgrade	Renewal + Upgrade	New Asset	
Public Toilets		No Change	No Change	No Change	Demolition	Demolition	Demolition	
Garden Store		Demolition	Demolition	No Change	New Asset	New Asset	New Asset	
Services		Demolition	Demolition	No Change	Renewal	New Asset	New Asset	
Staff Facilities		Demolition	Demolition	New Asset	New Asset	New Asset	New Asset	
Lily Pond		Demolition	Demolition	No Change	Renewal	Renewal	Renewal	
Garden Bed		No Change	Demolition	No Change	No Change	No Change	No Change	
Outdoor Area		No Change	No Change	No Change	No Change	New Asset	New Asset	
Driveway		No Change	No Change	No Change	New Asset	New Asset	New Asset	
Investment Objectives								
		Relative Importance of objective	0%	23%	53%	78%	90%	90%
Investment Objective 1	To Improve asset condition and performance	45%	0%	20%	50%	90%	100%	100%
Investment Objective 2	To increase utilisation for events and public use	30%	0%	20%	50%	70%	90%	100%
Investment Objective 3	To preserve heritage value	25%	0%	30%	60%	65%	70%	60%
		100%						
Cost								
NPV Cost (10 Years)			\$ 1,102,799	\$ 12,116,947	\$ 19,720,908	\$ 23,698,249	\$ 31,137,764	\$ 31,463,164
Investment Cost (Range)			\$ 1,000,000	\$ 9,000,000	\$ 11,000,000	\$ 17,500,000	\$ 20,000,000	\$ 25,000,000
Annual Operating Cost (excl. depreciation)			\$ 132,658	\$ 1,481,536	\$ 2,455,246	\$ 2,898,809	\$ 3,782,166	\$ 3,827,337
Risks								
Technical - can it be delivered?	14.29%	L	L	L	L	L	L	L
Operational - how easy will it be to manage going	14.29%	L	L	M	L	L	L	L
Financial - revenue certainty?	14.29%	L	H	M	H	H	H	H
Legal - will it be challenged?	14.29%	H	H	L	L	L	M	M
Political - will it be supported by the politicians?	14.29%	H	H	L	M	M	M	M
Economic - will it deliver wider economic benefits?	14.29%	H	H	M	L	L	L	L
Stakeholder/Public - will it be supported by the	14.29%	H	H	L	M	M	M	H
		100%						
Business Needs								
Preserving and Conserving Heritage - Proposed District Plan (Te Mahere ā-Rohe i ūtohua mō te tāone o Te Begonia House Conservation Plan (July 2022)	12.50%	L	L	M	M	H	M	M
WCC 2021-31 Long-term Plan, community outcomes	12.50%	L	L	M	H	H	H	H
Carbon reduction (First to Zero (2019) and Wellington Towards 2040: Smart Capital Strategy)	12.50%	H	M	L	M	M	M	M
Recreation and Access (Te Whai Oranga Pōneke Open Space and Recreation Strategy 2019)	12.50%	M	M	M	H	H	H	H
Community and partnerships (WCC Botanic Gardens Masterplan 2014)	12.50%	L	M	M	H	H	H	H
Tupiki Ora Maori Strategy	12.50%	L	L	M	H	H	H	H
Accessible Wellington Action Plan 2019	12.50%	L	L	L	M	H	H	H
		100%						
Ranking								
Weighted Score			40%	33%	52%	62%	64%	57%
Final Ranking based on Weighted Score			5	6	4	2	1	3

Note: the 'traffic light' colour coding of the Risks is inverse to that of Business Needs i.e. 'low' risk = green however 'low' business needs = red.