

Shelly Bay

Councillor Workshop – Wednesday 12 February

A brief timeline

- **June 2014** – The Wellington City Housing Accord is signed which set out how WCC and the Government would work together to increase housing supply in the city.
- **December 2015** – Shelly Bay becomes a Special Housing Area.
- **April 2017** – Resource Consent granted to The Wellington Company for a proposed development at Shelly Bay.
- **July 2017** – Public consultation on the proposed land sale and lease at Shelly Bay including public participation.
- **September 2017** – Council agreed to the sale and lease of land to Shelly Bay Limited.

Agreed to by Councillors in 2017

In total, 16 items were either; noted, agreed to or requested in the 27 September 2017 Council paper. Of most significance:

- Sell the area identified in the report, being 0.3 hectares, more or less, to Shelly Bay Limited (SBL) for approximately \$2.5 million.
- Lease the area identified in the report, being 0.6 hectares, more or less, and Shed 8 and the Shipwright's Building to SBL for a period of 125 years for approximately \$5.5 million.
- Council officers prepare a development agreement outlining the principal commercial and legal terms of a sale and lease agreement with SBL.
- Delegate authority to the Council's Chief Executive Officer and the Deputy Mayor to finalise and execute the relevant agreements (i.e. commercial terms of sale and lease).
- A full review of the Shelly Bay project including decision making processes, legal risks, financial implications and consistency with the Resource Management Act 1991.

Post September 2017 Council meeting

- **April 2018** – The High Court dismissed an application for judicial review of the consent.
- **December 2018** – The Court of Appeal quashed the resource consent approval and instructed Council to reconsider the application.
- **April 2019** – The Council decided to appoint independent Commissioners to consider reapplication of resource consent.
- **October 2019** – The Commissioners re-issue the consent with a minor correction under section 56 of HASHAA and section 133A of RMA.

Review of Shelly Bay decision making

2017

Councillors resolved that a full review of the Shelly Bay project should be completed covering:

- decision making processes
- legal risks
- financial implications
- consistency with the Resource Management Act 1991

2019

- Review scope and terms of reference brought to Council and laid on the table.

What the CEO committed to in 2019

In addition to the review that was committed to in 2017, the CEO committed to not carrying out any action in accordance with the delegation given to the him on 27 September 2017.

Instead a paper will be brought to the Council's City Strategy Committee (or equivalent) for referral to the Council, which makes recommendations including:

- The key terms of the transaction that Council proposes entering into in respect of the development, including the counter party;
- The timeframe, scope and funding of further work in respect of Shelly Bay Road;
- Any of the resolutions made on 27 September 2017, which may need to be amended or rescinded as a result of any of the above.

Next steps

Barbara McKerrow