

Convention Centre proposal – list of submissions

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Anne Jonathan

From: Mckee Family <Mckee.family@paradise.net.nz>
Sent: Tuesday, 8 July 2014 9:17 a.m.
To: BUS: Convention Centre Proposal
Cc: Mike Mckee
Subject: MckeeNZ - Ratepayers are not a bank.

Dear Sir

I wish to protest at the proposal for ratepayers to fund a developer's proposal for a conference centre.

1. ratepayers are not a bank and do not vote for councillors to treat us as one
2. \$2m a year cost for 3rd party asset for ratepayers who don't use it is not on.
\$2m cost for 20, 30 ? years for a developer to make money off of us. NO. I vote no.
3. set up an entity to handle requests like this but on a partnership basis with the entity.
that entity in no way beholdens ratepayers that entity always gets equity for any funding or support.

Mike Mckee
31 Hector Street
Seatoun
04 970 8002
021 107 1120

Anne Jonathan

From: Michael Gibson <michaelpcgibson@hotmail.com>
Sent: Tuesday, 8 July 2014 10:15 a.m.
To: Kevin Lavery
Subject: Share of Equity in return for Funding

Dear Dr Lavery - SUBMISSION RE CONVENTION CENTRE.

The financing deal sounds very dodgy if the Council's Public Notice can quote such unsubstantiated statements as:

1/ "The Council would lease the convention centre from the developer for 20 years. The average net cost to the city would be around \$2 million each year over the term of the lease."

2/ "The new convention centre would bring up to \$35 million in new spending to the city each year."

At the very least, a share of the equity should be required - as well as full transparency about these claims.

For the sake of the record: I oppose the Council's scheme since it presently fails in both respects. I wish to be heard when the matter is next considered by the Council or one of its Committees.

**SIGNED
Michael Gibson
Northland**

Convention Centre Proposal

1

First Name:

Christopher

Last Name:

Heckmann

Street Address:

27 Sugarloaf Road

Suburb:

Brooklyn

City:

Wellington

Phone:

0276241082

Email:

heckmantis@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

I think a convention centre would be great for the city and it's amazing we don't already have one. Plus a Hilton would bring a well known luxury brand hotel to downtown. There should be no question as to whether or not to build this. Hope to see it happen!

4

Convention Centre Proposal

1.

First Name:

Nimarta

Last Name:

Bawa

Street Address:

27 Sugarloaf Road

Suburb:

Brooklyn

City:

Wellington

Phone:

0223953767

Email:

bawa_nimarta@yahoo.com

I am giving this submission:

as an individual

Your comments on our proposal:

I am in favor of the convention center being built!

Wellington needs to raise its profile to attract more international and national visitors, students etc... The convention centre will support that. And also provide more jobs for the community.

Convention Centre Proposal

1.

First Name:

Niall

Last Name:

Mackay

Street Address:

55/185 Victoria Street

Suburb:

Wellington

City:

Wellington

Phone:

64220934208

Email:

nmackay1982@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

To Whom it may concern,

I think this proposal is a fantastic idea and the vision of the council and other stakeholders is to be commended.

It is a prime spot in Wellington to build a convention centre that is currently underused.

The economic benefits will be significant to Wellington and will catch us up with the other major NZ cities.

I wholeheartedly support this proposal and the council's backing for it.

It will be a massive boost to Wellington.

Regards,

Niall Mackay

6

Convention Centre Proposal

1.

First Name:

Steve

Last Name:

Carruthers

Street Address:

Lower Hutt

Suburb:

City:

Lower Hutt

Phone:

Email:

homynige@hotmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

It is a good idea and should go ahead. I have been on an organising committee for a conference in Wellington and was well aware that there were no good purpose built facilities in the city. For the capital city that is not good enough. It will provide lots of opportunities for the city.

7

Convention Centre Proposal

1.

First Name:

George

Last Name:

Nour

Street Address:

97 thurleigh grove

Suburb:

Karori

City:

Wellington

Phone:

0272888225

Email:

chaatta1@hotmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

Fantastic to have a convention centre in the hart of Wellington , and the location is amazing , so happy to see this development up and running , and most of Wellington will benefit , more jobs more tourist , it's going to be a fantastic spot , well done guys .



Convention Centre Proposal

1.

First Name:

Mervyn

Last Name:

Taueki-Ransom

Street Address:

74-160 Adelaide Road

Suburb:

Mt Cook

City:

Wellington

Phone:

0278454396

Email:

mervransom@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

I support the proposal.

We're still the capital and it's frustrating to have to travel to Auckland for most conferences.

9

Anne Jonathan

From: Kiwit <bff@paradise.net.nz>
Sent: Wednesday, 9 July 2014 11:54 a.m.
To: BUS: Convention Centre Proposal
Subject: Convention Centre

Hello

Why is the City Council getting involved with the convention centre?

It is better left to private enterprise.

Regards

Brian Alderson

10

Convention Centre Proposal

1.

First Name:

Ian

Last Name:

Fisher

Street Address:

Oxford Street

Suburb:

Tawa

City:

Wellington

Phone:

Email:

Fish@hotmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

Seems like a well thought out and innovative proposal. Definitely agree that the current offering is very limited and this is a good way to address this without council having to do it on their own. That part of town is a bit of a mess and you can see the Hilton here driving further improvements. I support this proposal strongly.

11

Convention Centre Proposal

1.

First Name:

Joel

Last Name:

George

Street Address:

208 Evans Bay Parade

Suburb:

Hataitai

City:

Wellington

Phone:

6021

Email:

georgejoelm@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

Fully support. It will fill a gap in the middle of the city, and is an ideal location.

Convention Centre Proposal

1.

First Name:

Matthew

Last Name:

Sew Hoy

Street Address:

155B Glenmore St

Suburb:

Kelburn

City:

Wellington

Phone:

Email:

deepred6502@hotmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

While I support the idea of a high-grade convention centre for Wellington in principle, there are a couple of issues that need attention.

Firstly, as with all major building projects, there's only one chance to get the architecture right. Te Papa, which is directly opposite the proposed convention centre, wasn't a poor design but was still a missed opportunity in that respect.

Secondly, the Convention Centre presents a chance to resolve pedestrian access issues from Courtenay Place to the waterfront, as mentioned in the following architecture-related post:

<http://eyeofthefish.org/convention-centre-and-the-presence-of-the-hilton/>

Wellington City Council
Att. Baz Kaufman
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Wellington 6140

James Shaw
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Manners Street
Wellington 6142

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(m) 021 337 675

Thursday 10th July 2014

Mr. Kaufman,

Submission on the Convention Centre Proposal

Executive Summary:

I am conditionally supportive of the Convention Centre Proposal, including that ratepayer money being invested into the project, on two provisos:

1. That the architectural design be appropriately ambitious, as this will be a significant landmark building in Wellington for many decades to come and in which there is direct public investment,

and

2. That the building is designed to the highest possible 'green building' standards.

This would be measured by the award of a 6-star Green Star rating from the Green Building Council, or equivalent, and would incorporate such features as:

- a. Solar Photovoltaic and/or wind turbine array on the north-facing roof
- b. Rain- and grey-water capture and use
- c. Passive solar heating and the highest standard energy efficiency measures
- d. Landfill diversion of organic waste (e.g. into biogas production and composting)
- e. Use of recycled materials (e.g. Christchurch demolition wood) in interior design

I submit that the benefits of these two conditions would outweigh the costs, would be net present value positive, reduce the operational and economic risks of the building and would be consistent with both Wellington City Council and Hilton Worldwide standards.

1. Economic Benefit:

Including green building features such as those listed above will increase the up-front cost of the Convention Centre. However, such measures are usually NPV-positive within 10-15 years, i.e. they will actually save money over the 20-year lease.

Assuming the lease is renewed, there will be even more significant savings over the longer term as the cost of water, energy and waste disposal increase to well above today's levels.

In addition, such features will add to the marketing proposition of the Convention Centre – increasing numbers of organisations are looking to reduce the environmental footprint of their events and there is a shortage of venues that are able to support them in that.

Accordingly, the business will flow to those that do offer such features. It is worth noting that the forthcoming Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) will host a rooftop community solar park, up to 400kw in size.¹

The Wellington City Convention Centre will be expected to compete with SICEEP on environmental standards, alongside other purchasing criteria such as cost and facilities.

2. Risk Mitigation:

I note that the risk section of the Convention Centre brochure makes no mention of the risks arising from energy, water or other resource scarcity, sea-level rise and other resilience-related risks (which are well documented by the insurance industry).

Including such features will both increase the direct resilience of the building (e.g. having rain-water capture and solar PV will mean at least a limited ability for the building to operate in the event of a major storm or earthquake that interrupts utility services).

But it will also offset the risk of dramatic cost increases in the future for the provision of such services.

3. Consistency with the City Council Vision:

I note that the Convention Centre brochure also omits any mention of environmental or green building and features envisaged for the new building.

1

<http://embark.com.au/display/public/content/Community+solar+for+Darling+Harbour;jsessionid=910E01CF47EA536D436877C1D3CC4BA3>

The Wellington City Council's has two guiding vision documents, both of which specifically reference environmental leadership:

1. *Towards 2040: Smart City*, Goal 3. Eco-City, which "recognises the importance of Wellington taking an environmental leadership role as the capital city of clean and green New Zealand."²
2. *Big Ideas for Economic Growth*, Liveable City, which aims to, "reduce harmful emissions as we continue to protect and enhance the environment and our biodiversity."³

I submit that to ignore environmental performance aspects of the building's design would be inconsistent with both of the City's guiding vision documents.

4. Consistency with the Hilton Worldwide Commitment:

Hilton Worldwide has a corporate commitment to 'Living Sustainably' and believes that, "it's important for us to lead our industry with sustainable practices that deliver great guest experiences and protect the world in which we live."⁴

Accordingly, they are both renovating existing properties and building new ones to include many such features. Examples include:

- a. *Hilton Fort Lauderdale Beach Resort* is adding six wind turbines to the 25-story, all-suite resort located just feet from the Atlantic Ocean.
- b. *Hilton Stockholm Slussen Hotel* has introduced a waste management system resulting in a 70 percent reduction in waste volume sent to a landfill. The hotel converts 4 tons of waste to biogas production each month and sends the residue to agricultural fields. It recycles more than a ton of cardboard weekly. And when rooms are renovated, the décor is replaced with recyclable materials.
- c. *Doubletree by Hilton Durango* is switching all of its toilets to low-flow models, which will save about 1 million gallons of water per year. Sink aerators in every guest room conserve a gallon-and-a-half per minute. The hotel has lowered its water consumption by 24 percent over the last four years.
- d. *Hilton Sydney* retrofitted 3,350 lamps and drivers, saving around 80,000 kWh per month, equivalent to 7% of the hotel's total electricity consumption. The hotel avoids the release of over 150 tonnes of greenhouse gas emissions into the atmosphere.

² <http://wellington.govt.nz/your-council/structure-and-vision/vision-2040/towards-2040-smart-capital>

³ <http://wellington.govt.nz/your-council/structure-and-vision/vision-2040/big-ideas-for-economic-growth>

⁴ <http://cr.hiltonworldwide.com/sustainably/sustainability.html>

I suggest that Hilton Worldwide would want the Wellington Convention Centre to add to its reputation, rather than detract from it.

5. *Intrinsic Value*

In the points above I have mostly concentrated on the environmental and green building features that I hope will be included in the design, in return for the public's investment in the project. I believe that such features will add significant intrinsic value to the building – Wellingtonians will be proud to know that their city hosts and is invested in a building that meets the highest standards.

However I also submitted that I hope that the building will be architecturally ambitious.

Wellington is still recovering from the lost opportunity and embarrassment of having turned down Frank Gehry's proposal for Te Papa – the proposed Convention Centre, facing Te Papa, offers us an opportunity to add to Wellington's cityscape an iconic building that will act as a drawcard for tourists, visitors and photographers. Such opportunities do not come along very often – at most once every few decades.

The siting of the Convention Centre, directly facing the most visited building in the city and a stone's throw from the sea, has extraordinary potential, which could easily be wasted.

As a project in which the public is invested, both financially and as a significant feature of our shared space, the Convention Centre deserves to be an iconic building.

Conclusion:

The proposed Convention Centre is of great public interest in architectural terms and in terms of both direct financial investment and wider economic impact. Buildings have the ability to transform the cities that host them – as Winston Churchill said, "First we shape our buildings and thereafter they shape us."

I hope that, in return for the assurance of the 20-year lease, the Wellington City Council will see fit to place conditions on the development of the proposed Convention Centre, such that it is both architecturally ambitious and designed to the highest possible green building standards.

The spin-off economic benefits of such a building would far exceed the actual revenue from the convention centre itself. And it would be a building that Wellington would be proud to host, a real feature of the city.

I would value the opportunity to make an oral submission in support of this written submission, if possible.

James Shaw

Convention Centre Proposal

1.

First Name:

Bryan

Last Name:

Pope

Street Address:

3 Arapiko St

Suburb:

Johnsonville

City:

Wellington

Phone:

Email:

bryan.pope@clear.net.nz

I am giving this submission:

as an individual

Your comments on our proposal:

This smacks of the Simpsons "Monorail" episode to me. If the proposal is economic, it should not require public money. If it is not economic, why would the people of Wellington want to throw money at it. If this proceeds any money invested in this should be funded by a rates increase for the beneficiaries, the hotels and the hospitality sector.

Anne Jonathan

From: Berndt R. Olesen <mount.marua.ra@gmail.com>
Sent: Friday, 11 July 2014 9:01 a.m.
To: BUS: Convention Centre Proposal
Subject: WELLINGTON CONVENTION CENTRE

Thank you for inviting comments from the public.

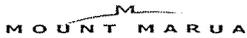
My wife and I are very much in favour of the proposed hotel and convention centre.

The development will be a boost and a long-term asset for Wellington. The suggested site is ideal for this project.

Berndt R. Olesen

Administrator
Mount Marua Residents' Association

p 04 528 5929
m 027 728 5929
e mount.marua.ra@gmail.com

The logo for Mount Marua, featuring a stylized 'M' above the words 'MOUNT MARUA'.

Anne Jonathan

From: Neil Plimmer <plimmern@xtra.co.nz>
Sent: Friday, 11 July 2014 12:04 p.m.
To: BUS: Convention Centre Proposal
Subject: submission

I wish to register my support for the proposal, on the basis that the economic and other benefits of conferences in Wellington are well documented and the future of this sector needs to be assured.

I ask for two particular considerations:

1. The financial arrangement needs to be better explained. Presumably the \$2 million annual cost to the Council assumes a certain occupancy rate, and if the usage of the centre were higher than this the cost to the Council would reduce or be eliminated. Presumably there is not a net payment to be made regardless of usage.
2. The architecture of the centre, when stripped of its pretty early sunrise colouring, is mundane at best. The Council needs to ensure that the design and appearance enhance the city's improving architecture standards. High quality architectural design will also enhance its appeal and saleability, and low quality in these matters will have the opposite effect.

Neil Plimmer
6 Central Tce
Kelburn
Wellington

475 6105

Convention Centre Proposal

1.

First Name:

ian

Last Name:

southall

Street Address:

71 todman street

Suburb:

brooklyn

City:

wellington

Phone:

0212285634

Email:

ian_southall@hotmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

i like the idea and its a great use of a site that needs to be built on. the proposal seems sound and the economics seems to stack up.

Convention Centre Proposal

1.

First Name:

Ken

Last Name:

Gorbey

Street Address:

55 Moana Road

Suburb:

Highbury

City:

Wellington

Phone:

9772256

Email:

ken.gorbey@paradise.net.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I agree with the proposal that WCC should act as a contributing partner to establish the Convention Centre as part of the hotel to be built in Cable Street opposite Te Papa. I believe this to be a sound investment in Wellington as a vibrant City of which we can all be proud.

I have one further suggestion. I am not in support of the restoration and strengthening of the Old Town Hall. I hold this view for two main reasons. First I believe the considerable cost involved will bring a very limited return to the City. It is a building with restricted function and we would be much better served with a new facility more attuned to contemporary need.

Secondly the austere bulk and stern frontages of the building, designed in times when authoritarian architectural statements excluded those not meant to enter in, is a barrier to the proper lively functioning of Wakefield Street. Further it denies the Civic Square an activity edge (ref Federation Square Melbourne) that would make it even more successful than it is currently.

My recommendation would be to use the monies saved to support Wellington as a conferencing city.

Ken Gorbey

Anne Jonathan

From: Sue Usher <sue.usher@actrix.co.nz>
Sent: Sunday, 13 July 2014 10:34 p.m.
To: BUS: Convention Centre Proposal
Subject: ConventionCentre

I am writing in response to the information in the EveningPost on Tuesday, 8 July.

- I note that the Chief Executive indicates that the Convention Centre would bring in up to \$35 million in spending to the city each year. I would like to know the basis for this estimate. It is noted in the article that Auckland, Christchurch and Queenstown will have conference facilities by 2018 – probably before the Wellington one is up and ready to go, even though you suggest that the Wellington facility will be up and running by 2017. Even if the Wellington Centre is completed before 2018, those organising conferences will be fully aware of the facilities being developed in three other centres and so there will be a great deal of competition for conferences. How has the estimate decided on the number of large, medium and small conferences they will host? A large conference has settled on its venue four years prior to the event. There are only a certain number of conferences with 1,000+ delegates.

- I am in favour of a conference centre being established within the Hilton Hotel; however, I am sceptical about the sum the Chief Executive has assessed would come to the city by the conferences and associated spending. Within the Council and the Wellington area there has recently been estimated income way above the eventual outcome in businesses and organisations and indeed, in some instances, the Council rate payers have had to “bail them out”. This would be an intolerable situation to happen again and I would like to know how the sum was achieved. As a rate payer, who will carry the burden if this becomes another one of those examples, I believe the figures should be transparent and do not want to hear that this is “commercially sensitive” –that statement is used far too often to escape scrutiny.

Sue Usher
21 Colway Street
Ngaio
Wellington 6035
479 6857

Anne Jonathan

Subject: Submission Conference Centre Funding

From: Rosamund [<mailto:rosaverton@hotmail.com>]

Sent: Sunday, 13 July 2014 12:19 p.m.

To: Danny McComb; Kevin Lavery

Subject: Submission Conference Centre Funding

Submission: Convention Centre Funding due 14th August 2014

Danny McCombs: Manager Council Controlled Organisations and City Growth
Wellington City Council,
101 Wakefield Street,
Wellington 6140.

Danny.McCombs@wcc.govt.nz

Rosamund Averton
12/17 Brougham Street,
Mount Victoria,
Wellington 6011.

Phone: 3851 495

13th July 2014.

Submission: Convention Centre Funding

I make this submission as an individual and wish to be heard for 10 minutes.

Background:

In spite of making a LGOIMA request in June after the first inkling of this proposal was put to the public. I have still not received any of the specific information that I requested.

Therefore this "submission" is informed by published press commentary in the Dominion Post and the Wellingtonian over the last 6 weeks. Regrettably our elected representatives chose to hold their briefings and discussions on this topic with the public excluded.

I presume that this matter will be subject to the "Special Consultative" process as part of the Long Term Plan and will make a further formal submission at that time.

Submission:

To avoid any doubt I support both the erection of an hotel incorporating a convention centre, to be managed by Hilton Hotels Ltd and built by property developer: Mark Dunajtschik.

However, I do not support the provision by ratepayers of any funding in any form or by any means being

used to fund or sustain this project.

I note that the site is reclaimed from Wellington harbour. Is WCC planning on providing any direct or indirect funding by using any financial instrument that will facilitate land drainage. Is WCC going to pay or to forgive payment for the installation of a pumping station, as has been required at the Indoor Sports Centre in Kilbirnie which is on a similarly reclaimed site.

Is WCC going to provide funding to accommodate any wastewater system required to take grey water away from the proposed "165 room venue".

Is WCC intending to forgive the payment of land rates during the 20 year period when WCC intends paying a rental fee of a sum reportedly between \$2m to \$3m.

My understanding is that the sum mentioned as a rental fee is intended as reimbursement for the Council using private land for a public purpose ie: conferences.

This use of public funds is novel when the main beneficiary is a private investor developing private land. What guarantees have been provided to WCC that if the projections/estimates of potential users proves overly optimistic that no compensation will be expected by the developer.

WCC has a history of relying on overly optimistic projections of visitor numbers ie: the 190,000 who were to come to KWS after the costly erection of the "Visitor Centre/coffee shop/conference centre".

I note that WCC has many public conference venues already including the under-utilised Wellington Show Buildings with only 18% of available space being used. WSB has more than 8 acres of floor space and also liberal vehicle parking near very near to Newtown.

I look forward to making a fully informed submission on this expenditure at the time of the Long Term Plan.

Thank you for this preliminary opportunity to provide feedback.

Rosamund.

Rosamund Averton
12/17 Brougham Street,
Mount Victoria,
Wellington 6011.

Phone: 3851 495

Note: I visit my inbox approx. fortnightly, to speak to me ring 3851 495. Thank you.

Convention Centre Proposal

1.

First Name:

Ian

Last Name:

Apperley

Street Address:

12 Elphinstone Avenue

Suburb:

Wellington

City:

Wellington

Phone:

64272743405

Email:

ian@isisgroup.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

You haven't provided enough information on this project for me to provide feedback. Release of the reports would be a great start.

Convention Centre Proposal

1.

First Name:

Iona

Last Name:

Manning

Street Address:

62 Harbour View Road

Suburb:

Northland

City:

Wellington

Phone:

4755451

Email:

manningdan@xtra.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

It is a positive initiative for the city and should be supported.

Convention Centre Proposal

1.

First Name:

Jane

Last Name:

Byrne

Street Address:

62A The Parade

Suburb:

Island Bay

City:

Wellington

Phone:

0274441156

Email:

pearlproductions@partadise.net.nz

I am giving this submission:

as an individual

Your comments on our proposal:

This concept seems to me to go against the grain of the Coolest little Capital in the world. Why on earth would we want a purpose built Convention Centre in the middle of the CBD at the considerable cost to ratepayers. Does Wellington really want this or are the Council still not listening?

Convention Centre Proposal

1.

First Name:

David

Last Name:

Stevens

Street Address:

63 Rangoon Street

Suburb:

KKhandallah

City:

Wellington

Phone:

Email:

docstevens@xtra.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I am generally in favour of the proposal :

- a) Wellington could do with a new 5-star hotel and the Hilton chain is well known,
- b) the proposed location is very convenient to the CBD, Te Papa, Courtenay/Cuba etc,
- c) the location is not controversial and a new hotel properly designed should enhance the area,
- d) WCC cannot afford to build a convention centre of its own.

As a great proportion of the benefits from the new centre will accrue to businesses in the wider CBD area, I would suggest that at least 50% of the annual costs should be paid for by the Downtown Levy.

One question I have is how the management of the Convention Centre will tie in with the WCC CCO Positively Wellington Venues. The proposal says that Hilton International will operate and manage the new convention centre. An integrated approach to securing conferences to Wellington making use of all available venues is still required.

Anne Jonathan

From: David Blackmore <db@davidblackmore.com>
Sent: Tuesday, 22 July 2014 3:17 p.m.
To: BUS: Convention Centre Proposal
Subject: Convention Centre

I'm writing in support of the proposal to build a new convention centre in conjunction with a new Hilton hotel.

Having spent time in Auckland and Melbourne in recent years, it is clear that Wellington is at present markedly disadvantaged in the competitive market of conference facilities.

As well as the physical facilities that are lacking, Wellington also lacks the international name brand that an operator of the Hilton's calibre brings to the market.

A net contribution of circa \$2 million per annum clearly represents a good opportunity for Wellington to grow its conference and associated tourist market for a very small contribution to the proposed facilities, and will have a spinoff for retailers in the city as well as the very substantive direct benefits to the hotel and other hospitality operators in the Wellington area.

More importantly, Wellington cannot opt instead to just maintain the status quo by sitting here doing nothing, because unless the city moves forwards it is effectively taking a step backwards relative to arguably a more proactive city such as Auckland which is also actively courting more conference and tourist activity.

You only need to look for example at how the World of Wearable Art outgrew Nelson and was lost to Wellington, to appreciate the importance of moving forward and establishing more comprehensive conference and event facilities.

The proposed location, being adjacent to Te Papa, is ideally situated to work in conjunction with that existing tourist and conference facility, and also compliments the existing waterfront rejuvenation, which provides an interesting outdoor break area for conference delegates.

The close proximity to the bars and night life of Courtenay Place is important, because Wellington is already well known for its diverse range of bars and restaurants, and in today's competitive market, a facility such as this will be an important boost to the ongoing vibrancy and diversity of these existing hospitality establishments.

As the manager of a property with a retail component, I see on a daily basis the spend from out of town shoppers, who in many cases come from small towns and cities, and who include shopping on their agenda when away from home in a bigger city, and so I know from experience that there is a very real spinoff for local retailers from a conference facility.

In summary, I see only positives for Wellington from this proposal, as it involves no capital expenditure by Council, and has a range of very real and quantifiable benefits to the city as a whole, and to a wide range of existing businesses that already call Wellington home.

David Blackmore

James Smith's Corner

55 Cuba Street
Wellington

Sent from my iPad

Anne Jonathan

From: Peter Graham <peter.graham1@xtra.co.nz>
Sent: Tuesday, 22 July 2014 8:35 p.m.
To: BUS: Convention Centre Proposal
Subject: My submission

SUBMISSION ON THE PROPOSAL

I am strongly in support of the proposed Convention Centre, based in the proposed Hilton Hotel. Both will be great assets for Wellington. At last the capital of New Zealand will have an upmarket Hilton Hotel, and a decent-sized convention centre able to cater for large conferences in a purpose designed facility.

The major thing missing, and indeed missing from Wellington, is a casino. Look at all the places around New Zealand which have one, even Queenstown and Hamilton let alone Auckland and Christchurch. But the capital hasn't got one! Its about time someone came up with a viable proposal for a casino to add to the city's attractions. We are missing out.

Regarding the convention centre:

- it will obviously be important to keep the impact on rates as low as possible.
- the funding split proposed seems to be reasonable given where the benefits will arise.
- active marketing by all parties involved will be essential - professionals need to be engaged.
- as much greenery as possible needs to be provided at the site - what about a rooftop garden!
- the layout of the centre as shown on page 11 of the information booklet about the proposal seems rather a strange shape. How can the area be organised so there is a centre stage with the audience facing it, required for certain functions?

That's it.

Best regards

Peter Graham

P J Graham JP (retired)
19 Beazley Avenue
Paparangi
Wellington 6037

Phone: (04) 4786108

Convention Centre Proposal

1.

First Name:

Nicolas

Last Name:

Caffardo

Street Address:

355 Willis Street

Suburb:

Te Aro

City:

Wellington

Phone:

048031000

Email:

gmliwe@leisureinnhotels.com

I am giving this submission:

on behalf of an organisation

Organisation name:

Staywell Group Hospitality

Your comments on our proposal:

To remain competitive and to bring more visitors and business to Wellington, our City needs the Convention Centre.
Regards, Nicolas Caffardo - Hotel Manager

Convention Centre Proposal

1.

First Name:

Katherine

Last Name:

Ivory

Street Address:

39 Mornington Road

Suburb:

Brooklyn

City:

Wellington

Phone:

Email:

ivoryruby@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

Dear Councillors

1. I do not agree with the proposal.
2. This is a subsidy of \$40 million from ratepayers to the Hilton. I do not see evidence of the compensating benefits. And those I have seen are not convincing e.g Additional jobs are mostly low skilled and low paid and there is an admission that at peak times there will be insufficient accommodation to utilise the centre fully anyway.
3. The WOW period is cited as a time when Wellington can not host large conventions what a good thing. Even with a new centre at this time there will not be enough accommodation for another big event. So citing WOW (almost as a problem) does not add to the arguments for the proposal.
4. There is no evidence to support the statement that most cities have convention centres because they provide economic benefits. There are many examples of Councils investing in white elephants.
5. With Auckland and Christchurch building large conventions centres it might be better for Wellington to take a different tack and specialise in niche, smaller scale, more creative events in venues that are currently available. I suggest we let the Hilton build what they think will be a profitable hotel with small scale conference services attached if the their business case stacks up, rather than giving the firm a subsidy for coming to town.
6. The document suggest this centre will be open by the end of 2017. What is the probability? Sounds ambitious.
7. The ROI quoted of 8.3-17.8 of GDP is an incomprehensible statement. This undermines other information in the consultation document.
8. It is not clear how the impact on rates is calculated. Is there a risk premium, is it in constant or nominal dollars?
9. As a general comment the proposal does not seem to be fair to businesses already operating in the convention market.

24 July 2014

Convention Centre Proposal

1.

First Name:

Robert

Last Name:

Weinkove

Street Address:

58 Glen Rd

Suburb:

Wellington

City:

Wellington

Phone:

64221746400

Email:

rweinkove@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

I strongly support the proposal to build a convention centre in Wellington. Having recently been involved in the organisation of a small conference in Wellington (200 delegates), I found the location options limited. My only suggestion is that long-term consideration be given to a building centre with larger delegate capacity (e.g. 3000 - 5000) in the Wellington region.

Convention Centre Proposal

1.

First Name:

Jillian

Last Name:

Wellings

Street Address:

7D/42 Cable Street

Suburb:

Te Aro

City:

Wellington 6011

Phone:

043853448

Email:

jillwell@xtra.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I fully support the proposal to build a convention centre as part of a Hilton Hotel on the vacant site opposite Te Papa in Cable Street. I feel it is an opportunity that Wellington cannot miss - to expand our share of the convention market and to support businesses (hospitality, entertainment and retail) already in the city. The increased revenue it would bring to our city and the growth in jobs is something we cannot afford to lose.

I live in the Portal Apartment block adjacent to the proposed convention centre/hotel. As such, we will inevitably be affected in some way. I feel that the end result will only be beneficial to our apartment and the surrounding area, but the building process will possibly be a difficult time for some. The detailed plan of the actual building has not been displayed, and therefore it is difficult to judge just what effect the hotel will have on the eastern facade. This apartment block sways considerably in an earthquake (i.e., the larger earthquakes in 2013 - if the new building is built hard up to our eastern facade, what would be the end result? It would be my expectation that the developer/Council/hotel would keep us fully informed of all future developments as they may affect the Portal Apartments.

Jillian Wellings

Convention Centre Proposal

1.

First Name:

Janet

Last Name:

Weir

Street Address:

32 Hornsey Rd

Suburb:

Melrose

City:

Wellington

Phone:

043894458

Email:

kjweir@xtra.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

Was very supportive of a convention centre and new hotel facilities but not supportive if Hilton wish to put a casino in. Am now very upset Basin Reserve bridge did not go ahead and query wisdom of putting more facilities into the city with such bad entry and exits points. Fixing traffic at Basin Reserve must be part of plan as I presume convention attendees will not be arriving into the city in a horse and cart or on a bike!

Convention Centre Proposal

1.

First Name:

Philippa

Last Name:

Boardman

Street Address:

64 Quebec Street

Suburb:

Kingston.

City:

Wellington.

Phone:

43894571

Email:

pip.m.b@xtra.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I do not believe another convention centre is necessary in Wellington. The finely established Michael Fowler Centre is ideal and the Town Hall would be likewise once successfully earthquake strengthened. Therefore, I would rather see ratepayer's money spent on strengthening the Town Hall. I liked the idea of the Hilton Hotel being constructed on the Cable St. site however, and not a location on the water front, but having a proposed conference centre underneath the prestigious Hotel could produce noise problems and car parking issues for the visiting tourist client. This would be particularly so if the proposed Convention Centre was used for music concerts. Car parking could be a real issue unless TePapa was prepared to share theirs.

TSB centre can also be used for larger conferences. Already in Wellington we have Hotels e.g. James Cook and West Plaza etc. which have very adequate meeting rooms and accommodation for quite large convention groups.

St James Theatre is another venue which could be considered for such. I am surprised that there is a case at all for another Convention Centre and feel the cost involved could be constructively put into another Wellington Business incentive instead to help our City economically. It almost seems like a proposal of convenience for the developer, certainly not the Wellington ratepayers. He should perhaps be more intent on strengthening his historic art deco. Lambton Quay Building?

Convention Centre Proposal

1.

First Name:

David

Last Name:

McGuinness

Street Address:

56 Hawker Street

Suburb:

City:

Wellington

Phone:

Email:

david@willisbond.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I fully support this proposal. It will deliver excellent financial and reputation benefits for the city, which must push ahead with its key assets - being the waterfront, its central NZ location and a vibrant cosmopolitan city.

Convention Centre Proposal

1.

First Name:

Bernard

Last Name:

O'Shaughnessy

Street Address:

139a Daniell st

Suburb:

Newtown

City:

Wellington

Phone:

Email:

Bernardfree13@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

That there should be a new hotel and conference centre built. Great Idea but NO,NO,NO to the ratepayer paying for it. The Council officers and CEO who are for this idea should be sacked! This is sheer madness. Stop the idea and keep your noses out of the ratepayers purse! I will fight this idea to the hilt. I want to attend on Council and make a presentation. Firstly Council Officers cut down my parsley, mint and dill plants now you propose this silly idea. Stop spending ratepayers money on stupid projects that commit us to financial ruin.

36 Ahuriri Street
Strathmore Park
Wellington 6022

35

30th July 2014

Wellington City Council
P.O. Box 2199
Wellington

SUBMISSION: Convention Centre Proposal

To whom it may concern,

Further to the above proposal, as residential ratepayers of Wellington City we submit the following submission for your consideration.

We oppose the proposal on the following grounds.

It is our understanding that this current round of discussions will be followed by a further round of submissions during the course of the Long Term Plan.

We base this on the wording of the public document entitled "**Convention Centre Proposal**" sub titled "*Have your say before we make a final decision later this year*".

We have read the WCC "Indicative business case for a new Convention Centre" (abridged) July 2014.

Generally we support the concept of the Hilton Hotel incorporating a Convention Centre. However, we do not support the proposal where the residential ratepayer will be funding and sustaining a project of this dimension.

Already the Wellington City Council funds Te Papa to the extent of \$2.5 million annually where there is no transparent economic return to the residential ratepayer.

We cannot see any conceivable reason therefore why the Council cannot direct the funds to the Convention Centre project from the funding of Te Papa.

As we recall, the Indoor ASB Sports Centre at Kilbirnie was a potential venue for Conventions when the Council prepared its case prior to its construction.

We comment on the following from the 'Business Plan'

Page 3: Sect 1.2. Proposal Outline – first bullet point, "plus a share of the rates and insurance cost of the convention centre".

Comment: We do not agree that these costs should be the responsibility of Council. Perhaps Central Government should be approached (Sect 5.8.3) for funding in this instance.

Page 4: Sect 1.3 Economic Case – 2nd paragraph – Sect 4: Economic Base 6th Bullet Point

“especially on the nearby Courtenay precinct and result in growth in the Council ratepayer base.”

3rd Paragraph: The ability to support our business sector through hosting their premier industry events”

Comment: The economic return will be to the distinct advantage of the Hospitality sector and associated venues. As such the Downtown Levy should include all relevant charges with a payback received from increased revenues. This should also include promotional and marketing expenses incurred by Council.

Council should not be faced with another Zealandia debacle where financial propping up each year has been the norm.

It should also be noted that the application of GST has not been discussed.

While the Business Case may be plausible, the residential ratepayer should not be placed in a situation where the return on investment is subject to factors beyond its control.

Note: As discussed in the document, further negotiations are currently taking place where further comment at a later stage may be necessary in the next round of consultation.

The Business Case states that other Convention Centres will be constructed at Auckland, Dunedin, Christchurch, and Queenstown. The document does not state how the market will deal with the additional competition created by these venues upon completion when offered to prospective Convention customers.

In many cases, where up to 2500 delegate attendees will be hosted in New Zealand “cost” will determine the venue.

A potential price war could develop. In other words Wellington will be in competition with each other venues to capture their respective market share.

Something unique will not always determine the final decision.

This factor has not been discussed in the Business Plan.

Council must consider that the combined impact of expenditure such as earthquake prone buildings, Leaky Home Syndrome and the proposed 8 Big Ideas financial commitments. A case in point is the proposed financial support of the Wellington Airport Runway extension.

The demand on the residential ratepayer over and above the financial consequences of these proposals cannot be overlooked or ignored.

Council must consider a return on investment to maintain sustainable rates rather than pursue a philosophy of increasing rates to merely meet an end result from a theoretical economic boom.

Council must also consider that the spin-offs from this proposal should work toward a reduction in residential rates – not an increase.

As residential ratepayers, further increases due to Capital Expenditure in rate demands would impact on our financial resources beyond our means.

Council must be reminded that rate increase above and beyond the CPI cannot be sustained.

At this stage we wish to be heard.

Yours faithfully,

Stan and Pat Andis

Convention Centre Proposal

1.

First Name:

Rex

Last Name:

Nicholls

Street Address:

5 B 172 Oriental Parade

Suburb:

Wellington

City:

Wellington

Phone:

64293857912

Email:

rex@nicholls.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

Conflict: I am a part owner of CQ Hotels Ltd.

The city really needs a good and large convention centre, particularly with the Town Hall out of action for some years.

The location of this proposal is excellent, Hilton will do the job very well. Not only will all hotels benefit greatly from having this facility, all Wellingtonians will. There will be a lot of jobs generated in all sectors.

The payments to be made to Hilton will turn out to be much higher than announced unless WCC is very careful. WCC needs negotiators much more savvy than current staff to deal with Brian Fitzgerald, who holds the franchise for Hilton in NZ and will be negotiating the deal with WCC.

Deals with hotels are done very infrequently but Hilton, after a couple of set-backs in entering Wellington, is ready to commit.

Convention Centre Proposal

1.

First Name:

Brian

Last Name:

Hasell

Street Address:

4 Clive Road

Suburb:

Khandallah

City:

Wellington

Phone:

Email:

hasell@netaccess.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I strongly support the proposal. There is a critical need for better conference facilities in Wellington. The current offerings even with the Town Hall open were not attractive for the larger conferences and the city has been missing out as a result. The situation will get worse soon as other competing cities open better facilities. The proposed site is excellent for this purpose and partnering with an international hotel chain is advantageous. The proposed funding arrangements help to reduce any risk to ratepayers as the city's partners will be incentivised to make the venture a success.

Convention Centre Proposal

1.

First Name:

Jeremy

Last Name:

Smith

Street Address:

17b Moxham Ave

Suburb:

Hataitai

City:

Wellington

Phone:

0272931346

Email:

jeremy.smith@trinitygroup.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

Trinity Group Holdings (2008) Limited

Your comments on our proposal:

Trinity group owns and operates 8 hospitality businesses in the wider Wellington region, we also employ over 280 people in the Wellington region.

We are totally supportive of the proposed Convention Centre and related Hilton Hotel.

A condition that is very important to this support, is the minimum size of the Convention Centre. Anything less than 2,500 m² will change the focus from a medium to large convention centre to just another hotel conference facility funded by the City.

With the development of a Convention Centre, we note that this will leave a gap in the market for a quality, live music venue. We think this needs to be addressed in the short to medium term.

Our support for the Convention Centre is based on the following main points:

- 1) Wellington needs to remain competitive with Auckland and Christchurch, to do so we need to invest. Investment in areas where Wellington is strong is important and holding conventions and conferences plays to Wellington's strengths.
- 2) Wellington needs to compete at an international level and attracting international business people to Wellington is important.
- 3) Wellington is ideally suited to host conferences and conventions, the city is compact and vibrant; so visitors can walk to most places and they have an amazing array of bars, restaurants and clubs to enjoy great food, craft beer, good NZ wines and varied entertainment.
- 4) Wellington needs to attract business people to the city to show case our business strength. IT (Xero, Trademe, Weta), Government Services, Education (Victoria and Massey) and a range of other opportunities.
- 5) Tourism starts with people talking about the city, as we are the Arts and Entertainment capital of NZ, we need more visitors to experience what we have to offer, so they can return with families and friends.
- 6) A strong Convention Centre will support and help justify the runway extension at Wellington airport. We need the ability for international visitors to fly directly to Wellington from their destination.
- 7) The funding proposal for the Convention Centre is good. The City carries low risk and there is no requirement for large amounts of capital to be raised and invested. (only risk is the city is dependant on the developer delivering on what is agreed to).
- 8) The proposed convention centre is a great example of private/public partnership.
- 9) Wellington needs to invest to grow and remain competitive.
- 10) The development will grow jobs in Wellington, both in the short term during their build and longer term in hotel, hospitality and convention staff.

In summary – size counts we need a minimum of 2,500m² and the project plays to Wellington's strengths.

Jeremy Smith
Trinity Group MD.

Convention Centre Proposal

1.

First Name:

gail

Last Name:

rongen

Street Address:

4 Taranaki St

Suburb:

Te Aro

City:

Wellington

Phone:

3812282

Email:

info@macsfunctioncentre.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

Mac's Function Centre

Your comments on our proposal:

We feel the convention centre will be an amazing asset to the city and will attract major conferences to Wellington. This will have a positive spin off in so many ways, employment growth, spend in hospitality sector and all other industries that supply the conference market.

Convention Centre Proposal

1.

First Name:

John

Last Name:

Howarth

Street Address:

49 Todman Street

Suburb:

Brooklyn

City:

Wellington 6120

Phone:

0275682999

Email:

sueandjohnhowarth@paradise.net.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I support this proposal in full.

41

Convention Centre Proposal

1.

First Name:

Chris

Last Name:

Parkin

Street Address:

90 Cable St,

Suburb:

Te Aro

City:

Wellington

Phone:

021459146

Email:

chris.parkin@museumhotel.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

The proposal allows Wellington City a very straightforward and inexpensive option to create a new convention centre. The alternative of full Council ownership would have taken years to get off the ground and a very substantial capital investment. Existing convention facilities are already looking stretched for the 2016 and 2017 years, so the timing is perfect. This investment is the best economic growth facilitator currently available to Council. Conference growth will be rapid, and job growth likewise. The economic spinoffs can be immense. The City will also steal a march on Auckland and Christchurch. Well done.

Convention Centre Proposal

1.

First Name:

Penny

Last Name:

Kerr

Street Address:

7 Dargle Way

Suburb:

Island Bay

City:

Wellington

Phone:

Email:

pkpeanut9@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

I support the proposed Convention Centre

Convention Centre Proposal

1.

First Name:

Greig

Last Name:

Wilson

Street Address:

16/37 Daniell Street

Suburb:

Newtown

City:

Wellington

Phone:

021645154

Email:

greig@ivybar.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

Beer Barron Ltd

Your comments on our proposal:

To WCC

We operate several bars in central Wellington. This is a tremendous proposal. One that is absolutely essential if Wellington is to become an international city. We support this proposal 100%. Whats the delay? Lets start building it!

Greig Wilson

Director

Beer Barron Ltd (Vinyl Bar and Ivy Bar & Cabaret)

Convention Centre Proposal

1.

First Name:

Mike

Last Name:

Egan

Street Address:

P O Box 11608

Suburb:

Wellington

City:

Wellington

Phone:

6421966677

Email:

mike@monsoonpoon.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

Restaurant Association of New Zealand

Your comments on our proposal:

This submission is in support of the proposed new Convention Centre.

We believe that this new asset is vital in assisting Wellington in growing our share of the convention and event market. As a city are competing not only with Auckland but will also be competing with new facilities that will be built in Christchurch and Queenstown. As such an exciting new and purpose built facility such as the one proposed will not only reflect the dynamism of Wellington City but will enable us to compete effectively for future business so that we get our share of this lucrative and important market sector.

As you will be aware conventions add considerably to the economic well being of the hosting city as delegates also spend money in a wide variety of related businesses.

To delay or unduly extend consultation could result in a missed opportunity. We therefore would like the council to move decisively and positively is fully supporting this proposal

Anne Jonathan

From: Mike Vincent <mikevincentnz@gmail.com>
Sent: Tuesday, 5 August 2014 2:10 p.m.
To: BUS: Convention Centre Proposal
Subject: Convention Centre Proposal

I am fully supportive of Wellington City councils hotel and convention centre proposal. I think the proposal could be improved by better considering possible synergies between the hotel/convention centre and Te Papa direct across the road.

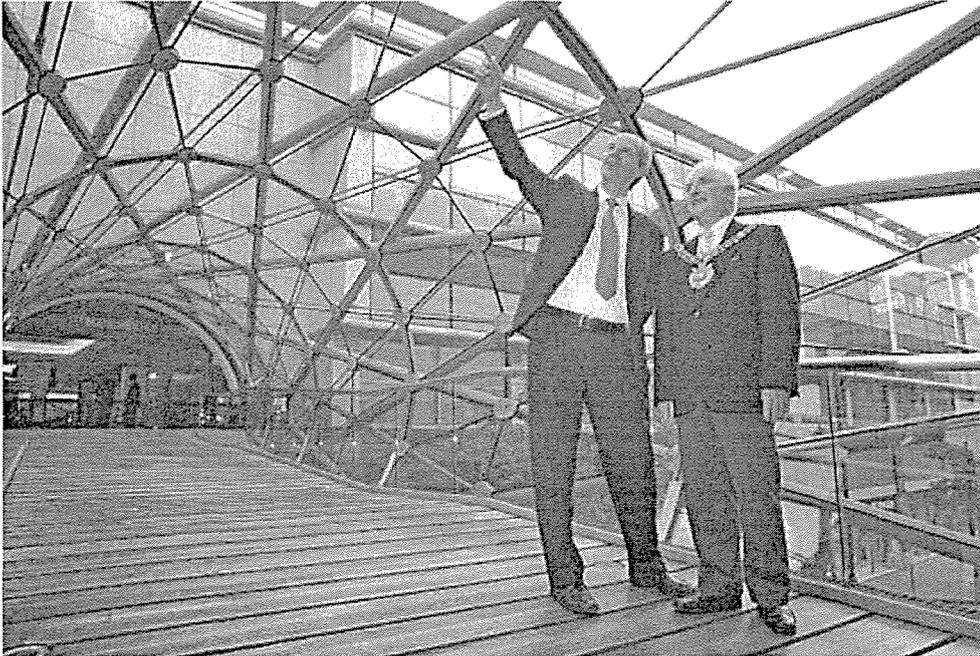
My suggestion is to directly link the convention centre with Te Papa by way of an iconic glass walkway across Cable Street. There are two reasons for my suggestion:

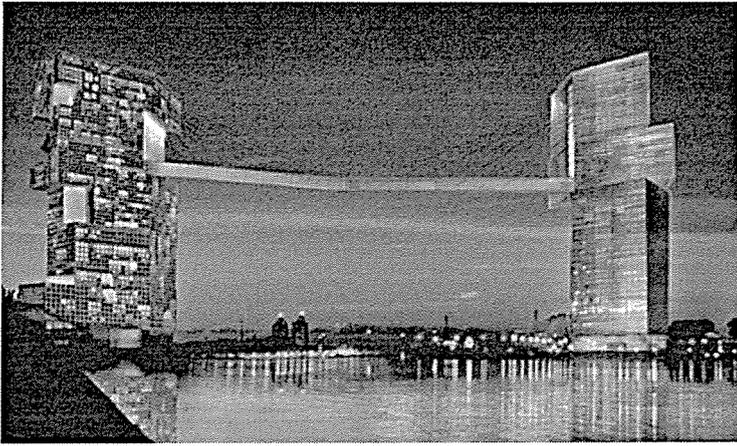
1. Te Papa has its own convention facilities and physically linking the new convention centre with Te Papa will create a convention precinct allowing Wellington to cater for even larger events (through the use of Te Papa as overflow) than the convention centre on its own.
2. Current connectivity between the Wellington CBD and iconic waterfront for pedestrians is poor, with multiple lanes of traffic having to be avoided by at grade traffic lights or uncovered bridges (some with only step access). An iconic fully weatherproof walkway across Cable Street would provide the best connectivity between the waterfront and CBD.

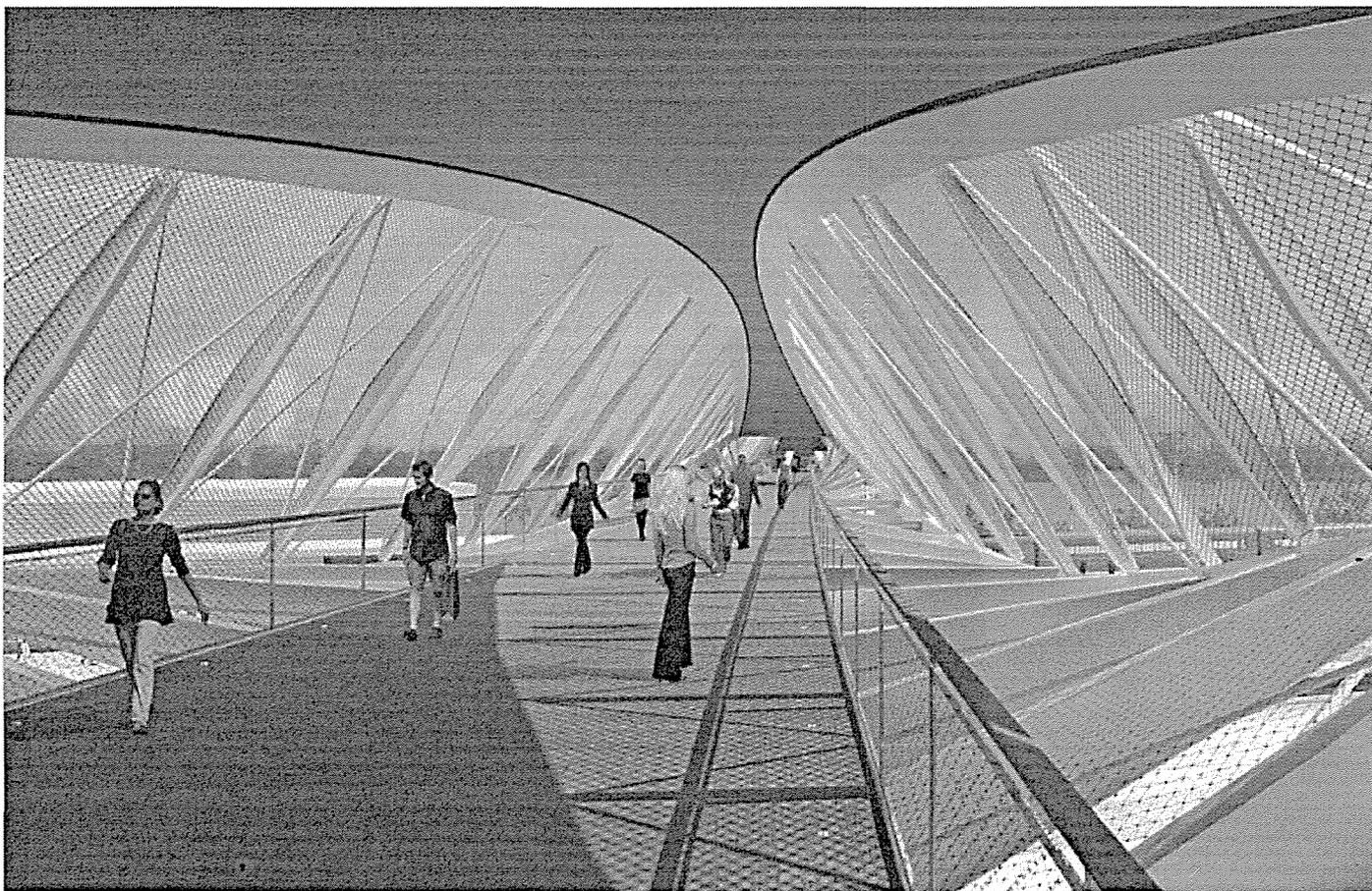
The convention centre would need to be designed in such a way as to allow general public access to the walkway while also giving the walkway an integrated feel to both Te Papa and the convention centre.

Also, consideration should also be given as to how to link the convention centre with Courtney Place possibly with the extension of the glass covered walkway across Wakefield Street possibly linking into the Reading Cinemas complex.

Below are some suggestions of how it could look.







Kind regards

Mike Vincent.

Convention Centre Proposal

1.

First Name:

Michael

Last Name:

Dudding

Street Address:

3 Ranelagh Street

Suburb:

Wellington

City:

Wellington

Phone:

4636294

Email:

mgdudding@vuw.ac.nz

I am giving this submission:

as an individual

Your comments on our proposal:

Disappointed by lack of rigorous analysis on the business case - using international convention growth figures, but not assessing the growth internationally of convention centres (instead looking to national figures at this point). Is there a coming glut of venues as more and more cities race for this market? Who knows, it isn't considered at all here.

Would like to see some commitment from WCC that the pedestrian linkages between the proposed development and Courtenay Place (Taranaki and Tory streets), are upgraded to a standard where we can be proud of having international visitors experience the city (noting that for many it will be their main actual, or at least initial, experience outside of taxis from the airport, and the convention centre itself.

In my ideal world, I'd also like to see a front door on Wakefield Street too, but can see the difficulty in realising that without further property acquisition/site amalgamation. I'm wondering whether the sliver of building indicated to the left of the back of house block actually is a pedestrian backdoor to Wakefield street – if it is, it is pretty mean, and not a great place to be exiting next to a service driveway.

I would have preferred the development to take up the CDE area (as indicated on the proposal plan), and the site facing Wakefield street immediately south of that. Leave parts A,B and the current proposed Back of House, as a pocket park – thoroughfare through the block – thus being of benefit as space for the convention centre/hotel, and the city. That might also give the owners of the carpark next to Reading some impetus to develop that site. One may dream!

It also seems more reasonable that the WCC input would be on public space development - much more of a core business expenditure than subsidising private businesses.

Finally, I am disturbed as to why the general ratepayer is being targeted for over half of the WCC cost? Their benefit from the proposal is very minimal, except for what me argued as the trickle-down effect. For most of the rate payers it can only be the inevitable trickle-up effect, as the private (and here international), corporate interests, as well as local business owners, who reap most of the profit. Only \$4 a year might not sound much, but that must be added to general rate rises too - so that figure, and the realistic level of the household budget, needs not to be looked at in isolation.

The Museum of New Zealand Te Papa Tongarewa welcomes the opportunity to make a submission in support of the hotel and convention facilities proposed for the Cable Street site.

Te Papa and Wellington City Council have signed a Partnership Agreement to achieve shared goals for showcasing Wellington to ratepayers, New Zealand, and the world and working cooperatively to maximise opportunities for Wellington as a city in the face of growing competition for events and for the tourism dollar. Alongside exhibitions, functions and events are one of the core ways in which Te Papa achieves these shared goals for bringing more visitors to Wellington city.

We believe it would be beneficial to all parties to have Te Papa actively involved in future planning and to collaboratively develop a unique offering that maximises the co-location and resources of both the national museum and the proposed venue. Te Papa always strives to maximise its functions business, and it now has a utilisation rate of 76 percent over seven days. Collaboration with Hilton Management would ensure the strengths of both venues could be utilised to create the best possible visitor experience and fully maximise Te Papa's function's business. Te Papa hosts almost 700 business events per annum, which brings visitors to the Wellington region and thus makes a valued economic contribution to the city.

Developing a unique visitor experience based on the shared expertise of Te Papa and Hilton Management would provide Wellington with a point of difference. The Council's proposal recognises the convention centre could "be able to work directly with Te Papa to jointly host larger conferences" (p.11). We agree and believe the location of the national museum alongside an international branded hotel and convention facility would offer opportunities to collaborate on a wide range of events and activities, including cultural experiences such as powhiri, back of house tours, tailored packages related to current exhibitions and novel team building challenges, to name but a few.

We recognise that the convention business is currently worth \$140m to the Wellington economy, and we therefore endorse the development of new facilities that would allow Wellington to be more competitive with Australia and other cities in New Zealand for large multi-day conventions. If Wellington does not develop a purpose-built space the market share in this sector would decline as new facilities open in other main and regional centres. New convention facilities in Wellington will provide capacity to secure international conferences, thereby driving a higher return from the Government's investment in marketing New Zealand as a compelling business destination.

The new hotel and convention centre development would attract additional visitors to the Capital who in turn would spend with local businesses, including Te Papa. The location would provide visitors with opportunities to explore and experience all that the city has to offer; with easy access to the waterfront, transportation, and the wider region. The new development would also bring additional employment opportunities, particularly within the hospitality industry and related service and supply industries.

This reinforces the value of collaboration between venues to provide complementary customer experiences. It is for this reason that we would also like to be kept closely informed of plans to convert the Town Hall and TSB Bank Arena into performing arts and concert chambers. If they were to continue to operate as convention businesses is not clear to Te Papa whether the market in a smaller city like Wellington can support further function and convention venues, or whether that would cause oversaturation in the market, affecting

other venues like Te Papa. However collaboration between organisations to provide multi-layered cultural experiences for visitors would again help to attract visitors and achieve the goals of the partnership agreement mentioned above.

With regard to the proposed hotel and convention development at Cable Street, and considering the points above, Te Papa welcomes the opportunity to work with Hilton Management and Wellington City Council on the exciting new venture. We look forward to hearing the Council's final decisions on the development later this year.

Phil Smith, Associate Director Te Papa Enterprises
Andrew Dorrington, Te Papa Hospitality Manager

Convention Centre Proposal

1.

First Name:

Mark

Last Name:

Kirk-Burnnand

Street Address:

52 Lohia Street

Suburb:

Khandallah

City:

Wellington

Phone:

049393396

Email:

mark@propertylogic.co.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I believe the proposal to be a perfect way for WCC to reduce it's capital expenditure whilst still providing a path for growth in local jobs, facilities and tourism benefits.

I believe the 'do nothing' comparison that has been utilised within the report could be taken further towards 'we have to do something but can't afford it' in light of the following points.

- 1.The convention center is necessary no matter how it is funded,
- 2.The savings in capital expenditure made by adopting the proposal allows many other existing WCC provided facilities to be improved or introduced which Wellington would not have otherwise had the ability to do,
- 3.The cost of project risk taken on by the developer could be significant and by my review is unaccounted for within the report (noting though that it is understandably difficult to measure), 4.WCC will eliminate ongoing maintenance and building upgrade costs which are always large and reluctant spends to be borne by any council organisation.

I suggest the adoption of more PPP type arrangements to assist with the much needed growth in Wellington city.

Regards,
Mark Kirk-Burnnand

Convention Centre Proposal

1.

First Name:

Mark

Last Name:

Kirk-Burnnand

Street Address:

111 Johnsonville Road

Suburb:

Johnsonville

City:

Wellington

Phone:

049394496

Email:

mark@autostop.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

Property Logic

Your comments on our proposal:

I believe the proposal to be a perfect way for WCC to reduce it's capital expenditure whilst still providing a path for growth in local jobs, facilities and tourism benefits.

I believe the 'do nothing' comparison that has been utilised within the report could be taken further towards 'we have to do something but can't afford it' in light of the following points.

- 1.The convention center is necessary no matter how it is funded,
- 2.The savings in capital expenditure made by adopting the proposal allows many other existing WCC provided facilities to be improved or introduced which Wellington would not have otherwise had the ability to do,
- 3.The cost of project risk taken on by the developer could be significant and by my review is unaccounted for within the report (noting though that it is understandably difficult to measure), 4.WCC will eliminate ongoing maintenance and building upgrade costs which are always large and reluctant spends to be borne by any council organisation.

I suggest the adoption of more PPP type arrangements to assist with the much needed growth in Wellington city.

Regards,
Property Logic



7 August 2014

Baz Kaufman
Manager, Strategy
Wellington City Council
PO Box 2199
Wellington 6140

Dear Sir/Madam

WELLINGTON RUGBY FOOTBALL UNION FEEDBACK ON THE PROPOSED WELLINGTON CONVENTION CENTRE

I write on behalf of Wellington Rugby Football Union ("WRFU") in order to express support for the Wellington Convention Centre project as it is currently proposed.

The WRFU is in favour of a robust and buoyant regional economy and the proposed Convention Centre is a commendable way of ensuring the region remains on the right economic path.

As a deliverer of major events in Wellington the WRFU is in favour of any enhancements to the City's infrastructure that improves the visitor experience. Other benefits including the economic impact of the construction itself, having the Hilton brand present in the City and the anticipated follow-on secondary investment are all positive for the City.

Should the proposal go ahead the WRFU very much looks forward to working with the Centre's managers to ensure visitors and hotel guests get an opportunity to enjoy the top-class rugby we so proudly deliver.

Yours truly,

Matthew Evans
Corporate Services Manager



WELLINGTON RUGBY FOOTBALL UNION INC.

113 Adelaide Road, Newtown, PO Box 7201, Wellington South, New Zealand. Tel: 04 389 0020 Fax: 04 389 0889 mail@wrfu.co.nz www.wrfu.co.nz

Convention Centre Proposal

1.

First Name:

Merran

Last Name:

Hamilton

Street Address:

66 Harbour View Road

Suburb:

Northland

City:

Wellington

Phone:

021541501

Email:

merranhamilton@yahoo.com

I am giving this submission:

as an individual

Your comments on our proposal:

I think that a convention centre is important for Wellington's future as a city to visit in New Zealand. Any venture that will create jobs & bring people to the city has my vote of approval.

Anne Jonathan

From: Rosalind Derby <r_derby23@xtra.co.nz>
Sent: Wednesday, 13 August 2014 11:27 a.m.
To: BUS: Convention Centre Proposal
Subject: Wellington is unique, people want to see Wellington, not the same conventiony centery conformity of any other city in the world

Hello:

I have to submit my views: as I am scared that politicians are ruffled by John Key's libellous statement that 'Wellington is dead'

What rubbish, he's as a frustrated schoolboy in the playground, who when everyone is content to do their own thing, has to shout out because he doesn't like the peace of silence.

Living in Kapiti and travelling to Wellington at least once a week (by train usually) I arrive there and feel so grateful to the city: it feels and looks grown up: people are quietly self-contained, getting about their business with an air of quiet assurance.

Why does the city appear like this? Because we have energetically and courageously gone ahead with waterfront development over the last 20 years: so we have new infrastructure contributing to an already beautiful city. We have 'done the work'! We can relax and enjoy sharing our city with enthusiastic newcomers and visitors. Our city is famous: why? The geography and the results of hardworking Wellingtonians who just want to do things well.

So it feels so wrong and rushed promoting a new convention centre at this time: Why do we have to respond to Auckland's moves? Auckland is such an appalling city, with urban sprawl outcomes way beyond the ability of politicians to control: (I had a five day visit there last week, to check out the new architecture and urban design projects). The Wynyard Quarter is a disparate, isolated set of buildings, that do not comfortably speak of united, community waterfront space. We at Wellington have done this waterfront work and with our new maturity are enjoying what we have made with deep sense of achievement.

Visitors come to Wellington because it is unique and beautiful.

They will not enjoy stepping onto the foreshore to see yet another amorphous, convention Centre that they recognise as being present in any other city worldwide: a structure that universally represents money and commerce, for a transitional demographic. How can a huge international convention, where participants travel from airport to convention centre and back, as if they could be in any other city, benefit the life and future of Wellington with its famous reputation???

To be stating that we need a Convention Centre to compete and keep up with Auckland (and chch and Queenstown) is banal. The best and most self-respecting approach to threats from Auckland is to walk away and completely ignore their big, bold manoeuvres. It's insane to look to Auckland as if we have to keep up. The place is a dog these days in terms of urbanisation, thus Key's words has one assuming that he is so conscious of his city's shortcomings and needs to transform itself, that the '...is dead' comment is a reflection of himself and his own city.

We have done it, we seem quiet to him, because we are integrated in our culture here and are comfortably living it to the hilt. Auckland is a culture of emptiness.

So do not inquire of the potential of a Convention Centre in terms of our comparison to Auckland....that way loss of self-determination and derailing of culture lies.

Does anyone really believe that the casino and pokies in the centre of Auckland is a good thing? Really??? It is the most ugly form of public institution possible. The absolute best thing that ever happened to modern Wellington, is Phillida Bunkle's heroic determination to prevent the construction of a casino.

Look what we have now! a sensational waterfront precinct.

The only building that some question is the TSB arena: (This was designed by the same architect who gave Auckland the sky tower).

Those in ChCh dislike their casino: it's pushed out to the edge of the city centre, like a dormant whale (or perhaps shark!). And we are not a tourist town in the same ilk as Queenstown, which is so beautiful it can probably weather anything in terms of buildings, as the landscape overrides all.

It is quite daft to set up an agenda for a Convention Centre in terms of our relationship to Auckland. Ignore the place! Carry on being ourselves. The tourists and long term visitors will keep coming and coming and coming. We have both a divine geography and a mature, urban infrastructure.

This is what the visitors travel to experience. At this point we can still be described as a 'best kept secret'. Do not turn it into a Pandora's Box.

ROSALIND

RosalindDerby^{B.ARCH}
ARCHITECTURE

RESIDENTIAL COMMERCIAL INDUSTRIAL INTERIORS LANDSCAPE DESIGN URBAN DESIGN

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e: r_derby23@xtra.co.nz
www.rosalindderbyarchitecture.co.nz

13 August 2014

Wellington City Council
Attention: Baz Kaufman
P O Box 2199
Wellington 6140

Wellington Convention Centre Proposal

We are responding to the invitation to comment on the proposal to develop a purpose-built convention centre in Wellington.

Summary

Air New Zealand supports the development of a convention centre in Wellington in order that Wellington is able to grow the number and size of conferences held and deliver economic benefits to the region from the resulting increase in delegate days, visitor expenditure and employment.

Introduction

Air New Zealand delivers uniquely kiwi journeys to more than 13 million passengers who fly to, from and within New Zealand each year.

The airline operates more than 4000 flights each week, connecting customers to twenty-five destinations within New Zealand and twenty-seven international ports in Asia, Europe, North America, Australia and the Pacific Islands. As a member of the Star Alliance network, Air New Zealand provides access to almost any destination in the world.

Wellington is an important destination for Air New Zealand and Air New Zealand provides the majority of domestic and international services into the capital. Air New Zealand operates over 45,000 domestic seats into Wellington each week. Over 5,000 seats are operated into Wellington from Brisbane, Melbourne and Sydney each week by Air New Zealand and alliance partner Virgin Australia.

Air New Zealand invests in growing convention visitors to New Zealand through the following activity;

- Dedicated staff based in Sydney, Shanghai, Los Angeles and Auckland targeting convention and incentive business
- Principal sponsor of the Meetings trade show, New Zealand's largest trade show dedicated to growing conference and incentive business in New Zealand
- Hosting domestic and international convention Buyers on familiarisations to New Zealand, in partnership with the relevant convention bureaux
- Participation at Board level on the New Zealand Convention Association

- Air New Zealand's Conference Support programme which invites organisers of conferences targeting more than 150 international delegates to apply for support with site inspections and discounted travel for delegates.
- Air New Zealand works with Positively Wellington Venues to promote conferences in Wellington by hosting familiarisations of Professional Conference Organisers and corporates to view venues. For example, prior to the Meetings trade show in June, we hosted eight Buyers from Australia to Wellington in conjunction with Positively Wellington Venues.

Conclusion

Air New Zealand supports the development of a new purpose-built convention centre in Wellington for the following reasons:

- We understand that the 2593m² floor-space is considerably larger than existing facilities, enabling Wellington to host larger trade exhibitions and conferences than is currently possible.
- The proposed convention centre will allow Wellington to attract conference business at times when existing facilities are already in use.
- As New Zealand's centre of government and home to a high proportion of New Zealand's creative industries and events, we believe Wellington is in a strong position to leverage off these associations and attract more large conferences, provided the necessary infrastructure is available.
- Conference business is a valuable segment to help address seasonal fluctuations in demand and to stimulate travel to Wellington.
- International conference visitors spend more than other visitors on average and an increase in international conference delegates to Wellington would support regional economic growth and New Zealand's export earnings from tourism.

Jenny Simpson
Tourism Partnership Manager

Ian Collier
Regional Affairs Manager

Anne Jonathan

From: Martin Shelton <martin.shelton@pennant.co.nz>
Sent: Wednesday, 13 August 2014 5:06 p.m.
To: BUS: Convention Centre Proposal
Cc: Derek Fry; Mark Dunajtschik
Subject: Convention Centre
Attachments: PastedGraphic-1.pdf

Councillors

I would like to congratulate the developer for originating the ambitious and exciting Convention Centre Proposal, and the Council for its commercial analysis and support to date.

The international convention market is growing and is a powerful economic engine for many cities. Wellington has performed reasonably well in this international market to date but is severely threatened by the loss of the Town Hall and the committed plans for competing new facilities in Auckland, Christchurch and Queenstown. Without an appropriate convention facility, 'right-sized' for Wellington, the city will be at a severe disadvantage, unable to attract convention business and the substantial economic (and other intangible) benefits that accompany it.

It is clear that developing convention facilities is very expensive and that the direct commercial return is poor and unattractive to the private sector. In almost every case the initial capital investment must be supported by the public sector in some way (free land, additional pokies, operating grants) as a party that can rightly recognise and value the wider economic benefits brought by such investment.

Council has recently considered options for developing its own Convention facility in response to the loss of the Town Hall. However in the current capital constrained environment this has rightly been discarded as an impractical approach.

The option presented in this instance applies private development capital and expertise to deliver not only a convention centre but a much needed five star hotel. Clearly public financial support is required, but the proposal is structured to minimise Council risk. I rely on the independent detailed analysis of the commercial construct, but the proposed Council cost and risks seems fair for the broader return to the city.

On this basis I encourage the Council to be bold and to proceed to support this exciting and important project for Wellington.

Martin Shelton
Managing Director

Pennant Group Ltd
1 Upland Road, Kelburn
Wellington, 6012, New Zealand

Convention Centre Proposal

1.

First Name:

Jill

Last Name:

Wilson

Street Address:

806/ 257 Wakefield street

Suburb:

Te aro

City:

Wellington 6011

Phone:

0274448463

Email:

Jilljlw@gmail.com

I am giving this submission:

as an individual

Your comments on our proposal:

I am 100% in favour of the conference centre and Hilton proposal. I believe this is a much needed facility. It will add to our ability to attract visitors to the city, and to provide an effective venue to showcase our products and services nationally and internationally . I hope it gets the green light to go ahead as quickly as possible.

Jill wilson

Anne Jonathan

From: Geraldine Murphy <geraldine.murphy@xtra.co.nz>
Sent: Wednesday, 13 August 2014 10:27 p.m.
To: BUS: Convention Centre Proposal
Subject: ICA response to convention centre proposal
Attachments: ICA Convention centre survey data.pdf

Hello

ICA circulated a brief survey to the 334 individuals/businesses on our mailing list. Of the 47 responses (14% of the total on the list), 85% supported and 15% did not.

Concerns were raised about the impact on surrounding buildings (see Q4, comments 8, 11,13 in particular) and we would expect that while the development does not have to be notified, that there is consultation with the immediate neighbours to discuss these and any other concerns. We would like clarification about the plans for parking for guests and convention centre attendees.

There were concerns about the survey design and this is reflected in Q3 comments - some respondents who don't agree with WCC making a financial contribution, wanted to say 'No' to any rates split, and have made comments to reflect this.

Attached is a summary of the split on each question as part of our response fyi.

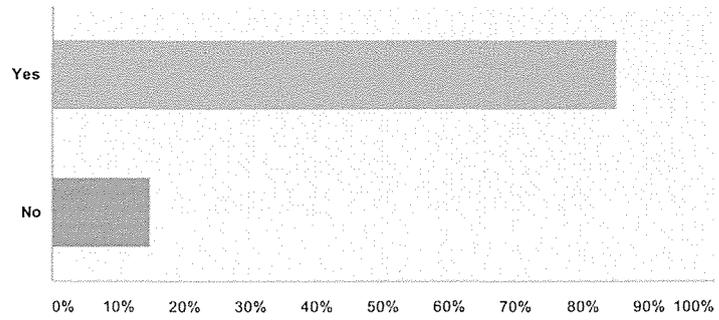
Regards,

Geraldine Murphy, Chair, Inner City Associatin
0274 507804

Wellington Convention Centre Proposal

Q1 Do you support having a 'city scale' convention centre in Wellington?

Answered: 47 Skipped: 0

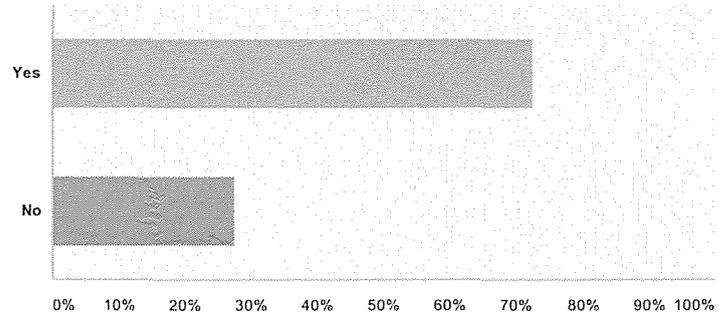


| Answer Choices | Responses | |
|----------------|-----------|-----------|
| Yes | 85.11% | 40 |
| No | 14.89% | 7 |
| Total | | 47 |

Wellington Convention Centre Proposal

Q2 Do you support Wellington City Council making a financial contribution to obtain economic benefits for Wellington?

Answered: 47 Skipped: 0

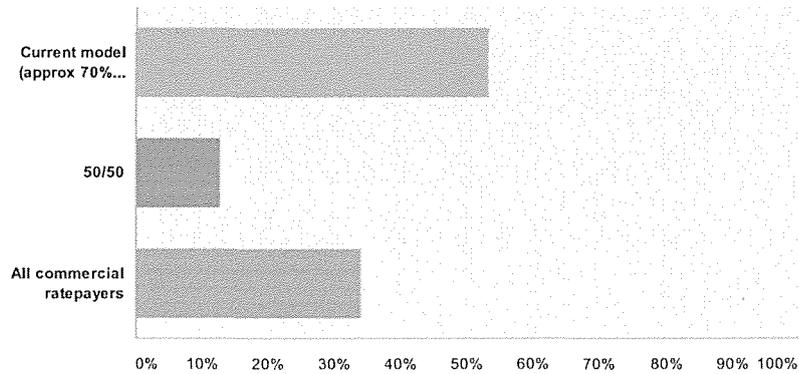


| Answer Choices | Responses | |
|----------------|-----------|----|
| Yes | 72.34% | 34 |
| No | 27.66% | 13 |
| Total | | 47 |

Wellington Convention Centre Proposal

Q3 What do you think the split between commercial and residential ratepayers should be?

Answered: 47 Skipped: 0



| Answer Choices | Responses |
|---|-----------|
| Current model (approx 70% commercial and 30% residential) | 53.19% 25 |
| 50/50 | 12.77% 6 |
| All commercial ratepayers | 34.04% 16 |
| Total | 47 |

| # | Other (please specify) | Date |
|---|--|-------------------|
| 1 | Rates should not be used to subsidize a private commercial enterprise | 8/11/2014 9:24 AM |
| 2 | silly question if Q2 is NO. So I'll select the last simply to get out of this survey | 8/5/2014 3:15 PM |
| 3 | I think conventions are a outmoded model and I don't think rate payers should be investing in Hilton Corp | 8/4/2014 6:03 PM |
| 4 | No contribution from ratepayers | 8/4/2014 10:07 AM |
| 5 | area around conevsion centres quiet and derelit ??? | 8/4/2014 9:35 AM |
| 6 | Either this convention centre is a business proposition or it is not. The survey does not allow for a no contribution option. is not. Ratepayers should not be subsidising it. | 8/3/2014 10:01 PM |
| 7 | The city council should not subsidise its favourite businesses | 8/3/2014 7:58 PM |

Wellington Convention Centre Proposal

Q4 If you have any other comments re the proposal please tell us.

Answered: 13 Skipped: 34

| # | Responses | Date |
|----|---|-------------------|
| 1 | No 'rates holiday' should be granted to this enterprise; | 8/11/2014 9:24 AM |
| 2 | This site is designated something like high density residential. With a need for residential units (Stuff, 24/06/2014) it is better to have as much as possible development in town than have all the transport / infrastructure issues associated with them being out of town. | 8/5/2014 3:15 PM |
| 3 | Civic funds / capital should go towards growing quality Wellington attractions and infrastructure, not private sector investments. | 8/4/2014 6:03 PM |
| 4 | Gains should pay for it without increase in rates to private ratepayers | 8/4/2014 3:24 PM |
| 5 | This convention centre will create a lot of jobs and spin-off business employing Wellington residents. | 8/4/2014 10:59 AM |
| 6 | Current model is appropriate is most of the 'spillovers' related to having more people in the city (spending money on bars, retail etc) benefit businesses | 8/4/2014 10:10 AM |
| 7 | I dont think a convention centre is core council business and the Council should stay out of it (and of all other non-core business). | 8/4/2014 10:07 AM |
| 8 | if gambling to be included in the proposal then would not support. rumours are that it is so intended | 8/4/2014 9:35 AM |
| 9 | Just a huge pity the Flyover did not go ahead so convention attendees can get in and out of the city without being forced to look at the litter strewn Mt Victoria heritage centre. | 8/3/2014 10:01 PM |
| 10 | Council rates are taken by force of law from businesses and home owners and the council has no moral right to redistribute these funds to other businesses. If the council is a competent investment advisor it should become should become a licenced financial advisor or stockbroker and make a business of choosing successful investments. Clearly the council does is woefully incompetent and simply should attempt to provide basic well. The council does not have the competence to negotiate a fair contract with commercial "partners" in any convention business on ratepayers behalf. | 8/3/2014 7:58 PM |
| 11 | location and effects on surrounding buildings and precinct need to be very carefully monitored and managed, with consequences on affected parties getting compensated by developers/builders/client (WCC) | 8/3/2014 6:47 PM |
| 12 | The intro is not factually correct | 8/3/2014 6:44 PM |
| 13 | Concern that the site is between two existing residential buildings. There might be noise and light problems for the existing neighbours. This potential issue should be adequately addressed in the design and planning. Also, it appears no provision has been made for parking. | 8/3/2014 5:13 PM |

Anne Jonathan

From: derek lillie <derek.lillie@gmail.com>
Sent: Thursday, 14 August 2014 8:49 a.m.
To: BUS: Convention Centre Proposal
Subject: Fwd: Submission from Portal Apartments Body Corporate 42 Cable Street Wellington 6011 on proposed Wellington Convention Centre development
Attachments: Portal Apartment submission re Hilton Convention Centre[2].docx

Dear Sir /Madame

The Portal Apartment Body Corporate Committee is delighted to have the opportunity to make a submission on behalf of its owners on this very strategic and critical project for our wonderful city.

We look forward to working with the WCC and its professional advisors to enable this project to commence in a timely manner and trust that the WCC Convention Centre project team will have a constructive and ongoing dialogue with us to ensure there is proper consideration of the issues and questions we have raised .We hope this will result in a win win for all parties envolved.

At the appropriate time we would like the opportunity to host the WCC project team to a visit of our building to get a first hand feel of the issues we have identified.

We look forward to making a verbal submission directly to the project team if required or attend a Q and A session at the Council chambers

Rgds Derek Lillie
Chairman Portal Apartments Body Corporate
Mob + 6421 457 485
Home + 64 48024007
Fax + 64 48024008

13 AUGUST 2014

Proposed Hilton Convention Centre Development.

Submission from the Body Corporate Committee of Portal Apartments 42 Cable Street Wellington.

Thank you for the opportunity to provide feedback on the Hilton Convention Centre Proposal to the Wellington City Council. This feedback is being submitted on behalf of the Portal Apartments Body Corporate Committee using feedback gained from its owners and residents.

In general, the Portal Apartment owners are supportive of the proposal as it stands, and accept the proposal will have benefits for the Wellington City community and for our neighbourhood. We understand the current plan is to produce a non-notifiable scheme so we are very pleased to contribute in a positive way with the Wellington City Council.

We do have a number of questions about the impact for our owners, and we would appreciate any opportunity to participate in ongoing conversations in relation to the proposal.

We note the current discussion and submission documents are silent about the impact on adjoining properties and neighbours, yet we are one of the most affected parties.

As an immediate neighbour of the proposed Hilton development we are clearly one of the most affected parties, and the committee seeks an ongoing constructive and positive working relationship with the Wellington City Council on this strategic project.

The majority of our questions and issues are about the design and detail, rather than the proposal itself.

Environmental impact issues

- We request that the development enhance the current urban design.
- We request the design be cognisant of the close proximity to residential buildings.
- There is likely to be increased rubbish along Cable Street – how will this be addressed?
- What are the planned hours of opening for the convention centre?
- Impact on resident parking?
- Will there be resident parking zones after construction is completed?
- What will be the on site liquor licensing hours?
- We note the potential impact of light pollution on residents and expect the design to minimize and mitigate against this.
- What security of the Hilton construction site will be provided?
- What vehicle and car parking access is planned during the construction phase to minimize disruption in the immediate area?
- What height is planned and how will this affect light/shading for Portal Apartments?
- How far will the proposed Convention Centre building be 'stepped back' from Cable Street?

Building integrity

The Portal Apartment structural design engineers will have allowed a seismic gap for movement in earthquakes and high winds etc. This needs to be maintained given the proximity of new proposed building position so that adequate seismic (or wind) movement is adequately allowed for.

During foundation construction piling can cause significant vibration – this can be both disturbing but more importantly cause movement / settlement for the Portal Apartments building causing cracks in gib type linings, exterior plaster etc.

- We are concerned that any seismic impact on our building will be adequately addressed in the design of the proposed new development. Once the final design has been approved we request that an independent seismic report be provided to the Portal Apartment owners to ensure that our insurable risk (Portal Building) has not been compromised.
- How will possible water egress or damage to Portal Apartment foundations be prevented during the construction phase?
- What project insurance is anticipated for the project to cover third party risk for potential damage to the Portal building, and down stream impacts such as temporary accommodation costs and loss of rents?
- We seek reassurance that the construction and design will not compromise weatherproofing of the Portal Apartments Eastern wall, which will be on the boundary to the proposed development and possible adjoined.
- We seek reassurance that any potential adverse effects on our building will be mitigated, or the cost of damage or repair to our Portal Apartment building be covered at the replacement value including demolition/ground works as determined by an independent valuer appointed by mutually agreement by all parties.
- As the proposed construction will create significant dust and dirt onto neighbouring properties, what ongoing cleaning of the Portal Apartment building exterior will be provided to mitigate its adverse effect?

Noise pollution

One of our concerns is the level of noise pollution/nuisance both during construction and the normal operating hours of the new Convention Centre. The following questions relate to this issue.

- What reassurance is there for Portal Apartment owners that the noise level will not exceed the approved decibels during events and normal day-to-day operations?
- We want assurance that the proposed construction hours will be programmed to minimize negative impacts on immediate local residents.
- We want assurance that rubbish collection during construction and during normal operations will be conducted in normal working hours to minimize impact on local residents, especially at night.

Adjoining walls

We understand the current design may adjoin or be very close to the Portal Apartments East sheer wall – the following issues relate to this and we would be keen to work with the developers in addressing these:

- The base of our centrally positioned light wells in Portal Apartments, (between apartments in the centre of the building), has an access point through our existing car park so building maintenance can be done. There is no provision for this at the base of the external wall light recess on the East side. Some form of access would need to be provided to address the current exterior wall access for clearing rubbish/building maintenance as this is currently done via the existing exterior wall. This may not be achievable if the proposed development adjoins our building without careful consideration and resolution of the above access issues.
- We are concerned about the possible reduction in light to the Portal Apartments on the East side and request the best possible design option be utilised to maximize the light in this area. For example the use of some form of light reflecting paint/surface, or allowing enough building step back so it does not impede light into the Portal Apartments.
- The Portal Apartments have been constructed to maintain privacy between buildings by the use of frosted glass etc. We would want this principle to be maintained for the Portal Apartments on the Eastern side so as to maintain the excellent existing level of privacy enjoyed by the Portal Apartment residents.

Immediate neighbourhood

- We want to ensure that the Wellington City Council recognises that a large number of 'public' casual car parking will disappear once the Cable Street site is built on. This may create massive traffic congestion with Te Papa parking being limited and especially on Sunday mornings due to congestion caused by the Farmers Market as people search for a park. We expect the Wellington City Council will plan parking in the precinct to compensate for increased parking and the loss of the current parking in Cable Street due to the proposed new Hilton development.
- Cable Street is a major arterial route to the airport and Wellington hospital. Obstacles to traffic flow have already been created by poor historic planning which we wish to avoid, specifically New World supermarket (traffic is held up as cars go in and out). Movement in and out of the proposed Conference Centre is also likely to escalate an already difficult traffic problem.
- We are keen that the exterior design of the new Convention Centre be of superior design/quality and aesthetic to the current environment such that it will enhance the waterfront area and be sympathetic to existing structures such as Te Papa.

New Zealand Retailers Association Incorporated
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 Facsimilie: 04 805 0831
 Email: helpline@retail.org.nz
 Website: www.retail.org.nz

14 August 2014

Wellington City Council

PO Box 2199

WELLINGTON 6140

Attention: Mr Baz Kaufman

Email: conventioncentreproposals@wcc.govt.nz

Re: Wellington Convention Centre Proposal

Introduction

The New Zealand Retailers Association wishes to present the following summary submission in respect of the Wellington Convention Centre Proposal.

Background

The Association is the largest trade association involved in the retail industry in New Zealand. Our membership represents the major supermarket and general merchandise chains, specialized chains, traditional department stores and thousands of independent owner operators spread throughout New Zealand.

We also represent a number of trade groups including plumbing materials suppliers, jewelers, pet shops, equestrian dealers and bicycle dealers.

Viewed statistically the Association represents an industry that has annual sales of over \$70b and which employs some 325,000 people (around 20% of the workforce) in some 49,000 shops spread throughout New Zealand.

Across all store types and areas we have some 5,700 members and they in turn operate some 14,000 store fronts.

Our membership accounts for some 65-70% of total retail expenditure (excluding the motor vehicle sector)

Comments



We are supportive in principle of the proposal for a new Convention Centre which we consider will foster the overall economic development of Wellington city as well as the greater Wellington region. We have noted the data contained in the discussion document of the economic benefits that conventions bring to Wellington and are well aware of the current shortcomings arising from the lack of a special built convention centre in the city. We have also noted plans to build special built convention centres in other regions of new Zealand and the likely economic impact to Wellington should it not develop its own convention facility.

Retail sales contributed around 10.5% of total retail sales in New Zealand in 2013 and would we consider be enhanced further as a result of more people coming to Wellington for specific conventions after the new facility was constructed. The close proximity to the CBD would, for instance, allow convention delegates to easily walk to our city shops, particularly to those shops located on the Golden Mile.

As a statement of principle the proposed model for the construction and operation of the Convention Centre amongst three major partners (the Developer, Council and Hilton Group) seems to have merit. However we do have some concerns about the rate structure outlined in the discussion document particularly if the current downtown levy which currently funds retail promotions, including free weekend parking was to be reassessed and some of the current activities terminated with current funds being simply diverted to the proposed convention facility. We think further consideration needs to be given to this issue.

We would also confirm our view expressed at a recent stakeholders meeting that any decision on the new convention Centre needs to be considered in tandem with any Council plans to possibly upgrade other facilities which have been or are currently used for Convention purposes. We are aware that there are strong community feelings about the future of the old Town Hall and Council's intentions for this facility need in our view to be announced in tandem with the establishment of the proposed Convention Centre.

Yours sincerely



Barry Hellberg
GOVERNMENT RELATIONS MANAGER

Convention Centre Proposal

1.

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Fred

Last Name:

Coughlan

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Suburb:

Wadestown

City:

Wellington

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Email:

fred.coughlan@wcc.govt.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I am making this submission in support of the proposed convention centre development.

A convention centre such as the proposed will provide a myriad of net benefit effects to Wellington City and the Wellington Region both on its own and even more so in conjunction with the continual realisation of the other big eight proposals.

The key benefits of this proposal lie within the positive economic effects of which a convention centre can offer. These include not only the visitor nights but also other facets of the development such as construction, the 'open for business' image that Wellington City is able to portray to those that may wish to develop here in the future and the increased international exposure of Wellington as it pushes to become a more globally accessible city.

The success of this proposal is key to Wellington moving forward as a city of growth and development and shedding the more currently recognised theme of Wellington, the city where its just too hard to get things done.

Anne Jonathan

From: J Pang <j.pang.nz@gmail.com>
Sent: Thursday, 14 August 2014 12:09 p.m.
To: BUS: Convention Centre Proposal
Subject: Hilton Convention Centre

Dear Madam/Sir

Please we have the following suggestion/questions:

1. Traffic-light controlled pedestrian crossing (on crossing Wakefield St):

1.1 At present at the Wakefield St/Tory Street crossing, there a traffic-light controlled pedestrian crossing at the more southern end from the Museum Hotel at 257 Wakefield St to the Courtenay Place precinct.

1.2 There is NO traffic-light controlled pedestrian crossing at the more northern end from the Monument Apartments at 245 Wakefield St.

1.3 On page 12 of your proposal, it states easy access to Courtenay Place precinct. So, it is expected a large number of delegates (up to 2400 at some conventions) may want to make that crossing on foot.

1.4 It appears that an additional traffic-light controlled pedestrian crossing at the northern end (from 245 Wakefield St area) will be necessary to avoid pedestrian accident (rather high in Wellington CBD); otherwise human nature being what it is, a significant proportion of pedestrians will just jay-walk across Wakefield St.

2. Will there be on site parking available for the hotel and convention centre?

3. On page 11, there is an indicative layout of the buildings, please do you have a more detail plan of the proposed buildings available to the public at this stage?

Thank you.

James, and Elizabeth Pang



HOSPITALITY NEW ZEALAND

To: Wellington City Council

Convention Centre Submission

Hospitality New Zealand is a membership based trade association that represents over 2,400 businesses nationwide. This submission is on behalf of the Wellington Branch of Hospitality New Zealand which represents 158 businesses within Wellington City Councils boundaries. These include cafes, bars, taverns, restaurants, nightclubs, accommodation hotels, backpackers and off-licences. Hospitality is a significant industry and major employer in Wellington City.

The Wellington Branch of Hospitality New Zealand supports the proposal for a new convention centre and hotel complex to be constructed in the location at Cable St. One major element we believe is important for the proposal is for the size to remain at the proposed 2,500m². Anything less would be removing any strategic advantage Wellington aims to achieve with constructing a competitively sized conference facility in New Zealand. This would also amount to a rates funded facility similar to what many privately owned hotels have, thus creating direct competition in this area, not a complementary one as proposed.

Although we support this facility, it has been noted by our members that it would not cater for hosting medium to large scale musical events, which we believe is a missed opportunity. If this proposal is to be accepted by council, it is our view that there needs to be consideration given to what Wellington is going to do in the medium to long term to develop its facilities in the musical entertainment area.

This submission by The Wellington branch of Hospitality New Zealand agrees that this facility should be built, however there have been some concerns raised about the funding model that is proposed which is highlighted below.

"The indicative impact on rates has been modelled using our current convention centre funding policy of 60% general rates and 40% downtown levy. Under the current funding policy ratepayers will experience a modest one-off increase in rates on commencement of the lease in 2017/18 reducing back to almost original levels as the full profits from the convention centre feed through."

It is generally accepted that there will be a positive flow on effect for CBD businesses for this project. However the use of the downtown levy as well as the business rates to fund the centre indicates that there could be a rise in both the levy and rates. This would seem to be a double hit for businesses that already fund existing venues thorough this levy and rates. The construction of a new facility would somewhat negate the need for other venues and

the money that is assigned to them. This then poses the question, is a double increased rate for businesses necessary when funds could be freed up from elsewhere?

While studies show that New Zealand has strong appeal for international conventions, the lack of facilities means that in 2009, we achieved only a 1.7% share of all conferences in the Asia Pacific. Without improving capacity to host medium to large scale international conventions and exhibitions, New Zealand will continue to under-perform in this highly competitive area.

The data from Statistics New Zealand¹ indicates that for the year ended to June 2013 the total number of international visitors arriving for conferences and conventions had increased by 14.5 percent compared with June 2012. However, of the total number of visitor arrivals only 4.7 per cent travelled for a conference or convention. This small number represents a lost opportunity for Wellington and New Zealand because international visitors spend up to 10 times that of other international visitors.²

The following points are why the Wellington Branch of Hospitality New Zealand supports this proposal:

1. The conference market is continually growing and with proposed conference centres being constructed in Auckland, Christchurch and Queenstown, the opportunity to develop this centre within this timeline would **allow Wellington to be the first to open a new conference centre**. Therefore creating a stronger draw card for new business. This would also increase the likelihood of repeated business from delegates.
2. The prospect of increasing the amount of visitors to the Wellington region also means there will be an **increased occupancy for the hotel sector**. By creating a facility with the potential to cater for 2,500 people and only building a 163 bed hotel alongside it, the potential spill over is taken up by existing inner city hotels.
3. Increasing visitor numbers, specifically business visitors, will increase the need for more hospitality and retail based staff. This will further increase the current trend of demand for hospitality workers and management. Any **increase in job opportunities** is good for regional growth. The trickle-down effect from this also relates to **increased training in this sector**.
4. By creating a facility of this size there is expectation of increased visitor numbers. This not only will benefit the conference centre but also complementary businesses in the hospitality industry. **Business travellers will spend a higher average amount during their stay**. A quick calculation based on a conservative estimate of attendees and conferences shows that if there are only 10 conferences at 2 days long of 1600 people. Each spending only \$500 for accommodation and hospitality. This would add \$8M to the industry annually..

¹ *Statistics New Zealand (2013) International Visitor Arrivals to New Zealand: June 2013*

² *Major Conferences in New Zealand, Ernst Young 2002*

5. With the council deciding to invest in development, particularly through a mixed funding model, it creates an environment where businesses may be more confident to operate and will potentially stimulate secondary growth in many sectors. **Secondary business growth** is more likely develop when seeing their market will soon grow from increased visitors to the city.
6. The construction of a facility in Wellington will compete directly for the growing conference market and ensures that there is increased revenue for Wellington hospitality businesses. **If we did nothing there would be a decline in the existing business traveller market** through the pull of other centres. These being Queenstown, Auckland and Christchurch which will soon have better facilities than currently exist in Wellington.
7. Wellington city has for a long time had one of New Zealand's strongest tourism brands marketing itself as an events capital. **By developing a facility that would allow for more events and to grow existing ones.** The greater ability to host more events can only further the brand that is Wellington.
8. The market that this facility would cater for is largely based around conferences. Due to this, the origin of the arrivals for these events would be increasingly likely to be Australia and Asia. With this increased demand, **Wellington would have a stronger case to develop a runway extension.**

Lastly, the Wellington Branch of hospitality New Zealand would only support this proposal if the conference centre remains at a minimum size of 2,500m².

Given the opportunity we would wish to speak to this submission.



Dylan Firth
Wellington Regional Manager
Hospitality New Zealand
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OFFICE OF THE CHIEF OPERATING OFFICER

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14 August 2014

Freepost WCC
Baz Kaufman, Manager, Strategy
Wellington City Council
PO Box 2199
WELLINGTON 6140

Dear Baz,

Thank you for the invitation to attend the recent briefing on the convention centre proposal. It was useful to learn more about the proposal and the benefits it is likely to bring to the Wellington region.

As you may be aware, Victoria University is also planning a significant redevelopment project in the central city, with the addition of a six-floor annex to Rutherford House at our Pipitea Campus. The project will provide modern, fit for purposes teaching and social spaces, and act as a focal point for engaging with business and government communities.

Projects such as this and the proposed convention centre could make a significant contribution towards enhancing the vibrancy of Wellington's central business district.

The projected economic benefits to Wellington in constructing the centre are appealing and the addition of a significant number of new fulltime equivalent jobs would no doubt also flow on to benefit tertiary students, through an increase in the availability of part-time employment in the city.

A centre that could facilitate conferences and events on a larger scale than currently possible may also enable Victoria to host more high-profile, global academic conferences. This would increase the connections and exposure of our staff and students to the world's leading minds and increase opportunities for Wellingtonians to engage with new ideas, while also contributing to the economic wellbeing of the region.

Overall, it appears the centre could help improve the vibrancy of Wellington's inner city, its economic wellbeing and international connectedness. These are all factors the University strongly support.

Yours sincerely,

Andrew Simpson
Chief Operating Officer

Assignment

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14 August 2014

Dear Sir,

Please find attached our submission on the WCC proposal for a Conference Centre.

We are a Wellington communications business employing some of the most creatively talented Wellingtonians. We attract international talent to work for us and are strong advocates for and contributors to a vibrant and thriving Wellington.

As a business with strong local and global connections with employees and clients, who have a vested interest in global trends and best practices, we recognise the value a Conference Centre would bring to Wellington and wish to express our support of the proposal.

We would also like to declare that we are currently engaged by Positively Wellington Tourism on a range of communications projects.

Please contact me if you have any questions relation to this submission.

Yours sincerely,



Livia Esterhazy
Managing Partner

Submission on the Proposal for the private partnership Convention Centre in Wellington

We are fully supportive of the proposal for the construction of a Convention Centre in Wellington to add to the economic well-being and vitality of the city.

In addition to the benefits outlined in the Convention Centre Proposal document we would like the following to be recognised in support of the proposal:

The power of perception.

A modern state of the art Convention Centre will signal that Wellington is as much a player in the leading New Zealand city stakes as any other (Auckland, Christchurch, Queenstown). It is critical that Wellington is thought of as a vital and contemporary city with the assets and infrastructure to equal other major cities not only within New Zealand but Australasia and beyond.

Without a Convention Centre Wellington is vulnerable to damaging negative perceptions: will people say "Wellington is left behind, not up with the play, yesterday's city"? Quite possibly they will.

The flow-on effect to the domestic and Australian visitor campaign.

Conference attendees get a taste of Wellington. We whet their appetite for more. Off the back of the many Conferences at this Centre will be the opportunity to invite delegates to return. But this time with their partner for the short break.

We know there is demand for the couples Short Break. PWT, in conjunction with Grow Wellington and Destination Wellington, is currently in development for a domestic and Australian visitor campaign due to launch in late September 2014. It is positioned to target the couple needing a breather from the business of life. 58% say they like to

holiday because they are reminded why they love each other so much. 55% claim they are more likely to make time for each other on holiday. With Wellington so easily accessible, physically and spiritually, we have a pretty strong case to be the answer to their desires.

We believe the leverage from the Convention Centre will be significant. The flow-on effect of repeat visitation to Wellington, with all the associated benefits, stems directly from this opportunity to experience Wellington. Without the Convention Centre we may not see these people at all.

Opportunity lost.

If we don't play in the Convention space we lose the tourism flow on effect and the related benefits. We lose the vitality and stimulation of the events a Convention Centre bring to a city.

We hand the potential visitor over to other cities with Convention Centre's. We hand over the economic benefits the Proposal document outlines and squander the central government investment over the next four years to attract more Conferences to New Zealand generally.

Once the opportunity is lost the job of attraction is so much more challenging.

Anne Jonathan

From: Eye of the Fish <contact@eyeofthefish.org>
Sent: Thursday, 14 August 2014 2:07 p.m.
To: BUS: Convention Centre Proposal
Subject: Convention Centre

As noted on the local Wellington blog The Eye of the Fish (www.eyeofthefish.org), there has been some discussion of the proposal for a Convention Centre to be funded by developer Mark Dunajtschik, and to be effectively paid for by the WCC (and thus the people of Wellington) over the next couple of decades.

The following discussion relates mostly to the Urban Design of the proposal, rather than strictly the business case for the Convention Centre itself. It is my believe that the Urban Design outcome is just as important for the City as is the Financial outcome, and it is a major project that should not be kept away from public notification. Further discussion on the matter from August 7, 2014, can be found on <http://eyeofthefish.org/convention-centre/>

Submission is as follows:

The proposal to build a combined Convention Centre and Hilton Hotel is a good proposal for Wellington, and it should be encouraged to go ahead, with some strong urban design amendments. The good points about the proposals are that it is well-situated in the middle of the city, it has potential for good linkages to Te Papa and to the waterfront, it will be near an area of high activity and hospitality / entertainment, and that the influx of people from a large convention will have the potential to prove a economic boon to the Te Aro area, as well as the people of Wellington. It has a hotel for use of high-paying guests, and is near to other hotels and high end apartments. Overall it is a good use for the site and certainly better use than the car yards that have occupied the site for years.



However, there are amendments that urgently need to be made to the scheme. In terms of urban design, we have been given next to no information to go on. Judging by my quick mash-up though, this scheme is a potential killer of street life and needs to be adapted to improve its fit into the city. Convention Centres and large hotels can be, and often are, bland and deadly dull interventions into the cityscape, and as currently proposed this has the potential to be the same. Architecturally the convention centre at ground floor is bland

and monotonous along the street edge to the front, and we know nothing about the extent towards the rear. What we do know however is that the site exists in an area that can link together many parts of the downtown Te Aro area. It links directly across to Te Papa. It has linkages across Wakefield St to the proposed Countdown and to the existing Courtenay Central food court / entertainment centre. It has links to the massive carpark at Courtenay Central, which presumably will be fixed one day and take its place again as part of the urban infrastructure of Wellington. It is near to the main public transport route down Courtenay Place, and the linkages through to the entertainment precinct need to be strengthened and made more explicit. The two existing roadside pavements at Tory St and Taranaki St are inadequate routes to take the flow of people from the proposed Convention Centre, yet it is too close to get a taxi. We want the people going there to walk within the city, not to drive.

The Council needs to ensure that the ground floor has continuous retail frontage to both the Wakefield St and Cable St facades of the building, rather than blank walls and fire exits. The people of Wellington are being asked to approve or otherwise consent a large building with a lasting effect on the city for the next hundred years, without having seen anything other than a glitzy corporate promotional rendering, and no coherent plans or elevations. The scheme is being promoted by property developer Mark Dunajtschik, and the Council's urban designers need to be able to stand up for Wellington and ensure that the best result is gained, not just in monetary terms, but also in the look, feel, and practical usage of the scheme for the city.

Council's much-vaunted desire to build a system of small scale Laneways through the city, as evidenced by the work put into the Opera House Lane, could be adapted and enhanced by this project, adding to the vibrancy and permeability of the city. Or it could ignore its own advice, and build a bland, blank, monument to corporate functions with little or no interaction with the city. We, the people of Wellington, need to ensure that it is the former, and not the later.

regards,

Maximus

The Eye of the Fish

contact@eyeofthefish.org

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Convention Centre Proposal

1.

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Last Name:

Jenkins

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I am giving this submission:

as an individual

Your comments on our proposal:

13 Good Reasons why the proposed Hotel/Convention project will be a 'White Elephant' and why Wellington ratepayers should not contribute.

1.

True 5 Star International hotel brands DO NOT mix with large-scale convention centres. They are like 'chalk and cheese'.

The guests who stay in a true five star international hotel expect the very best of guest experiences. They demand absolute peace and quiet. Typically a 'free independent traveller' or couple arrive to the 'Port Cochere' by taxi and have unobstructed access to the booking in staff, and peace and quiet in the lobby.

This is in stark contrast with the tourist hotel with tourist bus coach bays outside and hundreds of guests entering into the hotel lobby at the same time. The same would apply for the proposed large-scale convention centre (4491m²) where masses would descend on the hotel, at one time. Can you imagine a True 5 Star International Hotel lobby with 100 conference guests (plus their luggage 150 items) making a total of 250 guests/ items in the lobby!

And for this reason alone, there are no examples where a true 5 Star International hotel /5 Star Deluxe International hotel is combined with a large-scale convention centre, in Australasia.

2.

Cable Street is a danger of a location

The 5 star international hotel market typically consists of visitors to Parliament, European, some corporates and other high net worth individuals. Historically, these visitors have chosen to stay close to Parliament – with the Intercontinental Hotel (formerly the Park Royal Hotel) in Grey Street being the most popular followed by the (Hotel Grand Chancellor) formerly the James Cook Centre on the Terrace. The Aurora (Plaza International) was considered too far away from Parliament and out of the main centre.

Furthermore, the central city location is perceived as a safer location for such guests, rather than the Courtenay Place end. Safety is a prime concern for the 5 Star level of guest.

3.

An Exceptional Location is needed!

True 5 star international hotels demand an exceptional location (eg; with water views) to support a very high 'rack rate'. There is nothing special about the site chosen in Cable Street at all. One just needs to look around Australasia at where True 5 star international hotels are located. The Cable Street location is likely to 'trash' the brand.

4.

Food & Beverage needs to work to be financially viable.

True 5 star international hotels rely heavily on significant income from 'food and beverage' to produce a sufficient return on the hotel investment. Typically over 35% of their income will come from this component. Now, with all the cheap eats and other restaurants nearby in Courtenay Place, it is highly unlikely that the hotel will be financially viable.

5.

True 5 star international hotel operator can readily walk away

Under the management contract the hotel operator can walk away at any time (they will not be bound to stay)! If the project falters in anyway, there are not the customers and/ or returns anticipated, or perceived or actual damage to the True 5 star international hotel brand.

This is an unacceptable level of risk to the Council investment.

6.

The opportunity to develop a True 5 star international hotel has passed

For many years there has been the opportunity to develop a True 5 star international hotel (ie; close to Parliament and central business district) as the first hotel of its type. Just like what occurred in Hobart, Tasmania!

However, ACCOR® the largest hotel group in the world are near completion of their True 5 star International Soffitel® Hotel on Bolton Street, Wellington. The Soffitel Hotel is scheduled for opening in early 2015.

The proposed opening date for the hotel in Cable Street is given as 2017. The Soffitel® will be well established by the opening date of the proposed hotel.

It could be 10 years before there is the demand in Wellington for another hotel of this type, taking into account the very small number of guests for this type of hotel. It is therefore expected that any hotel opening at the 5 star level, in the wake of the Soffitel opening will struggle to have much of an occupancy rate.

Furthermore, the Intercontinental® Hotel is currently doing a refurbishment to bring the hotel facilities up to a five star standard.

7.

Hotels are long term investments

Hotels typically take 6-8 years to pay back the original investment (if at all). They are typically only worth 80% of their construction value at completion. Reference is made to potential profit between year 3 and year 5 for the convention centre. With a \$2M - \$3.5M annual payment, rates and insurance contribution the return on investment is not attractive.

8.

A large-scale conference centre will have a negative impact on existing facilities

'Rose tinted' figures appear. No financial assessment of the likely losses due to the demise of existing conference, convention, meeting facilities (eg; Te Papa) due to the emergence of the proposed warehouse convention centres

9.

Demand for conference facilities in Wellington is on the decline

There is a 16% decline in the demand for larger multi-day events (this was stated on page 10 of the report provided by Council). This is for many reasons, and not just facilities being shut temporarily.

Why would any-one build a very large conference centre in the light of the decline? To extrapolate data from other parts of New Zealand (eg; Auckland with its booming international activity largely due to the international airports) is misleading. Where is the hard evidence that Wellington needs (and can support financially) a 4,491 m² conference centre!

10.

Council 'Donkey deep' in debt and liabilities

Unfortunately the Council is 'Donkey deep in debt and liabilities', which cannot be quantified at this time. Eg;

- Leaky building claims

- Earthquake re-strengthening of Council buildings (incl. Town Hall)

- Failed Infrastructure (eg; water, wastewater pipe networks below the City etc)

No doubt, residential ratepayers will need to contribute to the above including a new Town Hall (estimated \$60M for the structure alone) as a top priority. In light of this a convention centre would have to be at the bottom of the priority list for Council.

11.

Commercial return

If the hotel /convention centre is such a good investment, why are the developers not fronting up with all of the funds?

The Government invests in tourism so why do they not see this as a goer?

12.

Resource Consent required

With over 70 movements per hour, with the servicing of a hotel a traffic study would need to be undertaken (eg; egress/ingress Cable Street) along with an assessment as to all the other impacts that such a development would have on the neighbouring areas.

13.

Design shown looks ugly

This does not in any way look like a True 5 Star International Hotel design.

Strong opposition to the Council being involved with the proposed project

The proposed hotel/convention centre will therefore not provide a good return to the City for the level of investment and it will be a 'White Elephant'.

As the hotel/conference centre will not function properly it will do nothing to allow the City to maintain and grow its share of the Convention centre market.

Having regard to the Council's current financial position, with significant non quantified liabilities it would be unwise to invest in such a project especially when there are many other greater priorities that require scarce Council funding.

Convention Centre Proposal

1.

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Chris

Last Name:

Greenwood

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City:

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Phone:

Email:

C.greenwood@paradise.net.nz

I am giving this submission:

as an individual

Your comments on our proposal:

I do not support ratepayers contributing to a convention centre in a public/private partnership for the following reasons : financing a convention centre is not core council business and there are other venues around the city suitable to hold large conventions; Committing ratepayer funding is too risky as there is no guarantee that large numbers of conventions will be attracted to Wellington; That ratepayers will end up paying for the convention centre over time. I am quite happy for a convention centre to be built by a developer but not with ratepayer input.

14 August 2014

Convention Centre Proposal
Wellington City Council
Email: conventioncentreproposal@wcc.govt.nz

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Submission on Convention Centre Proposal

Contact: Sue Watt, 91 Majoribanks St, Mt Victoria, Wellington 6011
Phone: (04) 384 8208
Email: whathouse@xtra.co.nz

I am submitting as an individual and do not wish to present my views in person to Councillors.

Thank you for the opportunity to comment on your Proposal to partner with the private sector to build a purpose-built convention centre on Cable Street to act as a catalyst for economic growth in the city.

I have studied both the biased glossy coloured marketing document and the abridged business case and come to the conclusion that this Proposal is a waste of ratepayers money and I do not support it. The analysis in the business case is biased, myopic and flawed. Councillors deserve a better balanced presentation of alternatives than these documents provide.

The documentation tells us that Council support is critical to the Proposal. However, the big winner appears to be the Hilton Hotel as it will have both a guaranteed net income of up to \$3.5 million per year from the Council plus a profit share from the convention facilities, and not have to compete with Council-owned venues. The majority of Wellingtonians, on the other hand, appear to gain little, but will have to pay the costs of under-utilised Council-owned venues. In addition, most of the new jobs created will be in the hospitality industry which is characterised by casual, low-paid jobs which are unlikely to contribute to Wellington's aim of attracting talent and innovation.

An arrangement such as the proposal should be the subject of competitive tender, if it were to proceed.

The proposal is myopically focussed on a purpose-built convention centre to cater for large multi-day conferences attracting many overseas delegates. I am not convinced that the expected growth from this kind of conference will necessarily materialise as business case data shows:

- the majority of overseas delegates attend events in Auckland, Rotorua and Queenstown and any growth is more likely to occur in these cities
- Auckland, Christchurch and Queenstown are all planning new conference facilities to be available by 2018, the same timing as Wellington's Proposal. Auckland and Christchurch (through the rebuild) have Central Government support, and Queenstown has requested funding support. This means most of the Government's \$34 million to increase New Zealand's share of the business events sector is likely to go to these cities rather than to Wellington.
- New Zealand's small size and distance from major sources of international conference delegates will continue to be a barrier to growth – New Zealand ranked 51st in the international conference (ICCA) rankings, and Wellington did not rank at all
- only about one-third of Wellington's delegate days were from out of town, including only 4% from overseas
- 80% of New Zealand's 48,000 convention events in 2013 were single-day events, likely to be

mainly for local and domestic delegates, such events are the bread-and-butter of convention centres, and this market is expected to grow.

The only options discussed are also for a purpose-built convention centre which sounds eerily comparable to the 'options' the New Zealand Transport Agency proposed for the Basin Reserve (a flyover or a flyover). The do-nothing option is clearly unrealistic.

The proposal assumes the convention centre will attract an average of 74 new events per year, meaning an almost 10% increase of 68,000 extra delegate days per year. However, only 20,000 of the extra delegate days are expected from large conferences; the majority would be from medium conferences, large and small banquets, and sundry events/meetings. There is no information about how realistic these assumptions are. It appears most of the new events could be catered for in existing Wellington facilities where, for example, the Michael Fowler seats only 300 fewer than the Proposal would.

The business case states 80% of New Zealand's 48,000 convention events in 2013 were single-day events, likely to be mainly for local and domestic delegates, such events are the bread-and-butter of convention centres, and this market is expected to grow. In my view, it would be advisable for Wellington to concentrate on such events which are being accommodated in existing facilities, and do not require a new facility.

The business case states Council funding is critical because convention centres are not typically funded through private investment as they do not create a direct return. This appears to be incorrect. We are told Positively Wellington Venues (PWV) hosts about 40% of the conference market, implying that 60% of the market is funded and provided privately. Private operators are unlikely to be in the market unless they were making a profit from it. In addition, the business case clearly expects the convention centre to make a profit as the expected average Council cost over 20 years is \$2 million per annum after a profit share, or up to \$3.5 million per year without any profit share.

The main cause of Wellington's decline in market share of delegate days since 2010 is the closure of the Town Hall and the Amora Hotel ballroom because of earthquake risks, not its suggested lack of modern, purpose-built conference facilities. I am distressed to learn from the business case that the Council does not envisage the Town Hall or the Michael Fowler Centre as future conference venues and will not promote them in competition with the Proposal without any adequate explanation as to why. Shame on the Council for burying such a major decision in a business case that most people will not read.

I suggest that a wiser and far less risky strategic direction is for the Council to build on Wellington's competitive advantage by improving and promoting existing venues, not turning them into white elephants. This view appears to be shared by Glenys Coughlan in her *Dominion Post* article (8 August) which makes no mention of the Proposal. The suggested alternatives for the Town Hall and Michael Fowler Centre, a music centre and greater community use, are unrealistic as there are several music centres in Wellington already, and most community use does not require such large venues. Shed 6 has recently been upgraded as a convention venue. The up to \$3.5 million a year for 20 years could be better invested in earthquake strengthening the Town Hall so it can again function as part of Wellington's convention venue offering. PWV venues have the advantage of being multi-purpose, and memorable, historic spaces, unlike the Proposal's single purpose (conventions) and bland, could be anywhere in the world 'modernity'.

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Anne Jonathan

From: Mike Vincent <Mike.Vincent@wellingtonairport.co.nz>
Sent: Thursday, 14 August 2014 3:25 p.m.
To: BUS: Convention Centre Proposal
Subject: Conference Centre Submission - Wellington Airport
Attachments: Wellington Airport Submission - Convention Centre Proposal.pdf

Hi,

Please find attached Wellington Airport's submission on the Conference Centre proposal.

Kind regards

Mike Vincent | Airline Development Manager
Wellington International Airport Limited
T +64 4 801 0133 M +64 21 522 050
E mike.vincent@wellingtonairport.co.nz W <http://www.wellingtonairport.co.nz>



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Thank You.



Wellington Airport Submission: Wellington Convention Centre Proposal

Wellington Airport Supports the Proposal

Wellington International Airport (WIAL) welcomes the opportunity to submit on the Wellington City Council's convention centre proposal.

In general, Wellington Airport is supportive of the convention centre proposal and believes the infrastructure will:

- Be an essential development if Wellington is to maintain its position as New Zealand's second largest conference destination
- Provide a significantly enhanced conference offering which will be more flexible and fit-for-purpose than Wellington's current facilities, and available year-round
- Make good use of a premium space close to the waterfront and Courtney Place which is currently underutilised and extending the waterfront precinct which is a key visitor attraction
- Increase Wellington's prominence as an international destination through repeat (leisure) visitation and the launch of the Hilton brand in the city
- Provide strong benefits for existing Wellington accommodation providers
- Support the case for future developments at the airport

Wellington's Conference and Event Market Position

Wellington is currently New Zealand's second largest conference destination generating significant economic benefits and employment for the city. Its location at the centre of New Zealand makes it a logical choice for domestic conferences relying on delegates attending from around the country. Wellington also appeals to the Australian conference market as being a relatively short flight away (3-4 hours), having a highly accessible airport, and a compact city allowing delegates to have better use of time when in the city. Being the capital of New Zealand, Wellington is the natural conference location for delegates and topics relating to the public sector or where politicians/government are to play a strong role at the event (eg. keynote speakers).

These are some of Wellington's natural advantages in the conference market but they cannot be taken for granted nor relied upon to serve up conference delegates in the future. The extensive and significant future developments in Auckland, Christchurch and Queenstown will make formidable competitors in the market and Wellington needs to deliver a quality competitive product if it wishes to retain market share and build upon other regional activities to drive Wellington's economy. If our city falls behind in its ability to offer suitable, modern and appropriately scaled facilities to accommodate the needs of the conference market business will likely move away to other New Zealand destinations which have invested in their product. It is our market position to lose and a purpose built conference centre is the only way to avoid doing so.

Alignment with Airport Development

The conference/hotel development is strongly aligned to possible future developments at Wellington Airport and the existing conference and event market forms a significant proportion of the existing business activity at the airport. The vast majority of domestic/international delegates to Wellington use the airport as their entry point to the city contributing 82,000 passengers per annum and sustaining the equivalent of 590 A320 services each and every year.

A future runway extension and resulting direct flights to and from Asia will provide an opportunity for Wellington to attract a greater proportion of international conferences as the city becomes better connected with overseas markets. The airport continues to work with airlines to develop improved connectivity and increases in capacity to Australia, and having a strong conference market helps support enhanced air services, particularly during the winter when demand for holiday/leisure travel to Wellington is softer.

The proposed design for the convention centre makes best use of the site and provides flexibility of exhibition space. Careful thought should be given as to how the conference centre/hotel complex connects with both the waterfront/Te Papa to the north and Courtenay Place to the south. There is an opportunity to create an events precinct by directly linking the convention centre with Te Papa across the road allowing Wellington to cater for even larger events through the combination of both facilities. Consideration should also be given to connectivity to Courtenay Place at the rear of the convention centre and the creation of truly attractive, unique and memorable public space.

Currently Wellington's waterfront is poorly connected with its CBD, with no underground or weatherproof over-ground routes. Underground or an iconic over-ground connection linking Te Papa, through the convention centre and to Courtenay place should be investigated as part of the detailed design process.

PROPOSED CONVENTION CENTRE FOR WELLINGTON

To: Wellington City Council
From: Property Council New Zealand (Property Council)

Property Council (at the address for service given below) makes the following submission on Wellington City Council's Convention Centre Proposal.

Background

Property Council is a not-for-profit organisation representing the country's commercial, industrial, retail, property funds and multi-unit residential property owners, managers and investors – including thousands of New Zealanders with retirement savings in listed property trusts, unlisted funds and KiwiSaver.

Our 600 member companies, with billions of dollars invested in residential and commercial property, range from leading institutional investors, property trusts and financial organisations to private investors and developers.

As building owners, developers, consumers, taxpayers and ratepayers, Property Council's members want to live and work in a built environment which is economically viable, sustainable, vibrant, and a desirable place to be.

The Proposal

Property Council strongly supports initiatives which foster economic growth and development in Wellington. The capital's reputation, in having a dynamic cultural and arts scene, world class café and restaurant culture, and supporting an active outdoor lifestyle, should be fostered and promoted.

In this respect, we support the development of the convention centre. We consider it has the potential to bring sound economic benefits to Wellington, including increased tourism, business, connections and jobs creation – in short, significantly adding to the vibrancy of the city.

Competitiveness

We note the development of convention centres in Auckland, Christchurch and Queenstown, and the impact these may have on attracting visitors and business to our region. As such, it will be vital that the Council works to ensure that it actively markets and differentiates Wellington, in order to remain competitive and attract delegations – thereby ensuring the

profitability of the Wellington convention centre. We support appropriate alignment with the Council's growth agenda and 8 big ideas, in this respect.

Costs

The Council has set out that it will fund its costs from the downtown levy and the general rate. 40% of funding will come from the downtown levy (paid by CBD businesses) and 60% from the general rate (comprising of 45% business sector, 55% residential sector).

It is expected that the increase on a suburban commercial property valued at \$1,000,000, with a 2014/15 annual rates bill of \$8,347, is \$65 (0.8%) in year 1 and growing to \$75 (0.7%) by year 10 - if only the lease cost is funded by rates (worst case scenario). If profit shares are received from year 3, as forecast in the Howarth base case, the increase in suburban commercial rates will be \$5 (0.0%) per annum from year 5.

The increase on a downtown commercial property valued at \$1,000,000, with a 2014/15 annual rates bill of \$10,250, is \$276 (2.7%) in year 1 and growing to \$327 (2.6%) by year 10 if only the lease cost is funded by rates (worst case scenario). If profit shares are received from year 3, as forecast in the Howarth base case, the increase in downtown commercial rates is \$86 (0.7%) per annum from year 5.

Property Council supports innovate and cost effective solutions in developing the convention centre; and recognises the need to apportion costs as equitably and practically as possible. In this respect, we request transparency and efficiency by the Council on its cost management to ensure the commercial sector does not bear an undue burden and that there is no inappropriate cross subsidisation into funding other areas.

Conclusion

Property Council appreciates the opportunity to submit on this proposal. We would also be happy to make verbal submissions on this issue.

Dated: 14 August 2014



Andrew Hay, Wellington Branch President
On behalf of Property Council New Zealand

Address for service: PO Box 1033
Shortland Street
Auckland 1140

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14 August 2014

Freeport WCC
Attention: Baz Kaufman, Manager, Strategy
Wellington City Council
PO Box 2199
Wellington 6140
conventioncentreproposal@wcc.govt.nz



the architectural centre inc.
PO Box 24178 Wellington

Re: Convention Centre Proposal

This submission is from the Architectural Centre, an incorporated society dating from 1946, which represents both professionals and non-professionals interested in the promotion of good design. Members of companies involved in this project (and hence having a potential or actual Conflict of Interest), have not been involved in any aspect of this submission.

We have the following comments to make:

Introduction

1. We are not economists, nor accountants, and so we are largely relying on the conclusions of the council-commissioned business case, but do raise some questions in areas which may be useful to consider. We do however note the need for caution given some public/private council projects elsewhere that have been economically unfortunate, such as the Dunedin stadium, which has been a disaster at every level.

2. We note the apparent contradiction in the documentation which states that:

(a) the economic benefit of convention centres is usually experienced across the community and that such developments are not directly profitable for private developers (hence the need for local government funding) (e.g. Indicative business case pp. 3-4, 17)

(b) the council will receive operating profits from the conference centre (e.g. Indicative business case p. 23)

These statements appear to be in contradiction, and any operating surplus to the WCC seems to be even less likely given that "WCC will not received any profit share until the developer has recovered all pre-opening and early operating losses" (Indicative business case p. 24).

3. Apart from the above contradiction, we found the business case compelling and can believe that there is a need for such facilities to be built in Wellington, and so the Architectural Centre broadly supports this proposal, conditional on the comments made below. We understand, for example, that there was significant difficulty experienced by the EPA in locating a suitable venue in Wellington to hold the recent Basin Bridge Board of Inquiry hearing. We do however wonder how the economics of this project relate to the conventional wisdom that such projects need casinos to be economically sustainable.

4. Our comments are primarily focussed on issues of architecture, the city and urban design.

Urban design, transport and city issues

5. The documentation locates the economic benefit of this proposal within the wider context of the city, including how this project will reap benefits for other businesses (e.g. cafés, hotels) and city quarters (e.g. Courtenay Place), because it will attract a greater numbers of visitors to the city.

6. The business case is compelling and prompts us to ask whether - if such projects are to be undertaken - the business case might support investment in high quality public mass-transport from the airport to the CBD. Would projects such as this one collectively make the case for investment in LRT plausible?

7. We speculate that those attending events at the convention centre would conventionally patronise taxis, rather than buses, but, given experience overseas, they would likely travel in LRT if it was provided. This development would appear to be usefully considered in relation to the location of transport hubs, and the upgrading of public transport.

8. The identification of Courtenay Place as a likely attractor for Convention Centre delegates (Indicative business case p. 4) raises the urban design issues of the current alcoholic culture, and whether there are strategies which both retain the atmosphere of Courtenay, but perhaps lessen the number of intoxicated bar patrons and amount of vomit on the footpath.

Public architecture

9. As a public/private partnership, we consider this project to have public architecture obligations. Specifically this would include a higher than normal quality of design, including quality spaces (inside and outside), a commitment to sustainability, and a requirement to make a positive contribution to urban design and broader issues of the public good. Economic issues are only one aspect of this. In this regard we strongly endorse the sentiment that the Council "will look at how we can improve urban design around the area and improve connections to Courtenay Place and the waterfront from the site" (Convention Centre Proposal p. 10), and look forward to the opportunity to comment on detailed proposals for this.

10. The value of the Hilton brand is mentioned a number of times (e.g. Indicative business case pp. 4, 34-35). We caution against the monotony typical of international hotel brand architecture, which denies an architecture which engages with specific place. The business case study appears conscious of the need to identify the distinct advances of Wellington as a location (e.g. Indicative business case p. 13), and we encourage the council to support architectural design which is also site-specific, and reflects the values of our city.

11. Currently the site includes a public access way between Cable and Wakefield Streets. We consider it necessary for the development to retain this pedestrian link. We note the success of the pedestrian access through the CQ Comfort and Quality Hotel on Cuba Street through to Dunlop Terrace. On a related note, we do not understand the need to segregate convention delegates and hotel guests (Indicative business case p. 20).

Sustainable architecture

12. There is no mentioned commitment to sustainability as a philosophy or an economic strategy (i.e. re: minimising operating costs). As public architecture, and given the council's stated position on issues pertaining to climate change - and the obligation of the council to lead in areas of sustainability - we expect this development to demonstrate a commitment to:

- (a) sustainable construction practices (including waste management)
- (b) ethically responsible material selection
- (c) water collection and recycling
- (d) a publicly accessible green roof
- (e) zero-net energy building
- (f) solar/wind generation

The Vancouver Convention Centre is a model that the Council could follow in this regard (<http://www.vancouverconventioncentre.com/thefacilities/environment/>).

Earthquake strengthening and heritage buildings

13. The business case makes reference to the earthquake strengthening of the Town Hall, suggesting less strengthening will be needed a new convention centre removes the need for the Town Hall to fulfil this function (Indicative business case pp. 5, 48). It is not clear what the specific reason for this is, and more specific information would have been helpful to understand this (e.g. is this related to Importance Level, or the degree of alteration needed to accommodate a conference centre in the Town Hall building etc.?).

14. The economic argument is that:

"The case for building convention centres is based on the expectation that they will generate economic activity, through the expenditure of attending delegates, in the community. Because these community benefits are not able to be captured by private investors they would not normally be interested in building and operating a convention centre without subsidies. Therefore typically convention centres are typically built by the public sector and funded through taxes" (Indicative business case p. 17).

15. This argument is the same as that made for the need for local and central government financial support for earthquake strengthening heritage buildings, and we encourage the council, following the research done by Place Economics in America (<http://www.placeeconomics.com/>), to also commission an economic analysis of potential public/private strategies for earthquake strengthening, particularly of heritage buildings, in Wellington. The work done by Place Economics has indicated that, in addition to the city and regional economic benefits due to construction work, there are similar benefits resulting from architectural heritage tourism because these tourists spend more money in the local economy and stay longer in their destinations than other tourists.

16. Colliers International Property Management and Heritage Property Management Ltd. have noted in 2010 that case studies demonstrate that if funded by local and central government the payback for earthquake strengthening of heritage buildings is less than two years, and recalled the 2007 Spargo Report on Heritage Management in Wellington City estimated that heritage buildings are have \$39 million benefit in Wellington due to tourism.

17. A related letter by Peter Dowell, Heritage Property Management Ltd is at: <http://historicplacesaotearoa.org.nz/accelerate-heritage-building-retention/>
No doubt there are also benefits related to speed of recovery and commercial resilience with such investment.

Conclusion

18. The Architectural Centre considers that Council's role as a stakeholder in this project increases its responsibility to foster quality public architecture. We are consequently concerned that a stated limitation is "Less control over look and design of the building" (Convention Centre Proposal p. 8).

19. We also consider given this is to be publicly-funded architecture that there is a need for public consultation on the design. A related issue is how the Council will manage the inherent conflict of interest that will arise at the Resource Consent stage, given the proposed Council financial interest in this project.

Thank you for this opportunity to comment on this Convention Centre proposal.

If you have any questions please do not hesitate to contact me.

Yours faithfully

Christine McCarthy
President, The Architectural Centre
arch@architecture.org.nz

Convention Centre Proposal

1.

First Name:

Ian

Last Name:

Cassels

Street Address:

50 Manners Street

Suburb:

City

City:

Wellington

Phone:

021390871

Email:

ian@twc.co.nz

I am giving this submission:

on behalf of an organisation

Organisation name:

The Wellington Company

Your comments on our proposal:

Our group of companies owns significant city property and accordingly is a large ratepayer.

We support the proposal and applaud the council for this initiative at a critical time for Wellingtons future.

We wish to appear at the public hearing phase.



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Mt Victoria Residents Association

P.O Box 19056, Courtenay Place, Wellington.

14 August 2014

Contact: Elaine Hampton, President
52 Porritt Ave, Mt Victoria, Wellington 6011
Phone: (04) 802 4492
Email: Elaine.hnz@xtra.co.nz

Convention Centre Proposal
Wellington City Council
Email: conventioncentreproposal@wcc.govt.nz

Submission on Wellington City Council's Convention Centre Proposal

The Mt Victoria Residents' Association Inc welcomes the opportunity to comment on the Council's proposal to partner with the private sector to build a purpose-built convention centre on Cable Street to act as a catalyst for economic growth in the city.

We wish to present our views in person to Councillors.

In general, we acknowledge that conventions are important to Wellington as they bring major economic benefits to the city. The Association is not convinced by the business case that the Council's Proposal is either sensible or necessary as the business case is built on flawed analyses, and does not present a balanced picture of the situation because the documents reflect a lot of 'spin' and scaremongering.

Documentation

Wellingtonians deserve something better when being asked for their views than an expensive, glossy marketing brochure biased in favour of the Proposal, full of irrelevant pictures and with little information. Fortunately, the indicative business case document contains more information without the fancy packaging, although it also fails to present a balanced case.

Where do the benefits from the Proposal really lie?

The business case states Council support is critical to the Proposal, but it does not say anything about the alternative of the property owner and Hilton building a hotel facility only on the site, without Council support. What seems to be critical to the Proposal is that Hilton will not only have a guaranteed net income stream from the conference facilities of up to \$3.5 million per year from the Council, but that it will not have to compete with Council-owned venues. It will also gain from any profit share. In addition, as the Council appears to be effectively purchasing services, ie. conference facilities, in our view it is imperative that the purchase is competitively tendered, particularly given the amount involved.

The discussion which follows suggests It is not so clear how the majority of Wellingtonians will benefit from the Proposal.



Mt Victoria Residents Association

Inconsistency regarding funding of and profits from the convention market

The business case states that Council support is critical and without it the project will not proceed because convention centres are not typically funded through private investment as they do not create a direct return. We do not believe this is correct because:

- We are told that currently Council venues (through Positively Wellington Venues - PWV) host most of Wellington's events with more than 500 delegates, but only 40% of the conference market. This implies that 60% of the market is funded and provided privately. Private operators are unlikely to be in the market unless they were making a profit from it.
- We are told the net average cost over 20 years is expected to be \$2 million per annum, but this includes an assumption of a profit share from the convention venue. Without the profit share, the net average annual cost could be \$3.5 million. This implies the convention centre is expected to be profitable. Unfortunately, there is nothing in the business case to show the gross costs and revenues for WCC, so this is difficult to confirm.

Expected growth from conferences may not materialise

We are told without an international standard purpose-built facility, Wellington will not reap the benefits from growth in international conferences. The business case also states the size of the economic benefits is very sensitive to the origin of the delegates ("...only those attending from out of town ... deliver new economic benefits ...") and the event mix (larger multi-day events deliver more benefits than smaller single-day events). However, recent data (2012) shows only about one-third of Wellington's delegate days were from out of town, including only 4% from overseas. The majority of overseas delegates attend events in Auckland, Rotorua and Queenstown. In addition, the reality is (as the business case states) that 80% of New Zealand's 48,000 convention events in 2013 were single-day events, likely to be mainly for local and domestic delegates, such events are the bread-and-butter of convention centres, and this market is expected to grow.

The business case assumes the convention centre will gain benefits for Wellington by attracting an average of 74 new events per year to the city, generating 68,000 extra delegate days per year., a nearly 10% increase. Only 20,000 of the extra delegate days are expected from large conferences; the majority would be from medium conferences, large and small banquets, and sundry events/meetings which we believe could be catered for without the Proposal. There is no information about how realistic these assumptions are. It is also assumed existing Wellington venues will not compete for conferences and meetings for 500 or more delegates. In our view, this is unrealistic.

The documentation states there are capacity constraints in Wellington which the Proposal's capacity of 1,200 delegates, 1,450 seated diners, and theatre-style seating for 2,500 people will address, along with being available for the six-week period when the World of Wearable Art (WOW) event is occupying other large venues. However, there is no information about how many of the expected extra 74 events will require such large delegate, dining or seating capacity or occur at the same time as WOW. We note the Michael Fowler Centre seats only 300 fewer people than the Proposal, and WOW attendees are likely to take up most of the available hotel accommodation so two events could not occur simultaneously. The latter means the WOW 'constraint' will not be addressed by the Proposal and this may impact on the expected number of large events for the Proposal.



Mt Victoria Residents Association

Our reading of the information provided is the new events may not materialise because:

- New Zealand's growth in international conferences since 2001 has been lumpy, averaging 1.9%, it ranked 51st in the international conference (ICCA) rankings, and Wellington did not even rank at all
- New Zealand's small size and distance from major sources of international conferences will continue to be a barrier
- Most growth is likely to go to Auckland, Rotorua and Queenstown which already attract the majority of overseas conference delegates
- Auckland, Christchurch and Queenstown are all planning new conference facilities to be available by 2018, the same timing as Wellington's Proposal
- Central Government is already supporting conference developments in Auckland and Christchurch via the rebuild, and Queenstown has approached it for funding support. This means the Government's \$34 million investment to increase New Zealand's share of the business events sector is likely to be directed to these cities rather than Wellington.

Impact of Proposal on current Council-owned venues

The Council currently owns and operates six venues for performance and/or convention events – the Town Hall, Michael Fowler Centre, TSB Bank Arena, Shed 6, St James Theatre, and Opera House. As noted elsewhere in this submission, the business case dismisses these as not being up to the standard required, and a new Council-funded venue is therefore required. In our view, this is a very unwise strategic move, because:

- It is locking up Council funding of up to \$3.5 million a year for 20 years in a single facility which does not offer the same operating flexibility as Council-owned facilities.
- The reality is (as the business case states) that 80% of New Zealand's 48,000 convention events in 2013 were single-day events, likely to be mainly for local and domestic delegates, such events are the bread-and-butter of convention centres, and this market is expected to grow. Such events in Wellington are being accommodated in existing facilities, including Council-owned venues, and do not require a new facility.
- The main cause of Wellington's decline in market share of delegate days since 2010 is the closure of the Town Hall and the Amora Hotel ballroom because of earthquake risks, not its stated lack of modern, purpose-built conference facilities.
- Currently, Council-owned facilities as a whole are under-utilised, and the Proposal will divert business from them and increase this problem. The business case does not include the cost of loss of business by Council facilities.
- It appears to mean the Council has already decided that the Town Hall and Michael Fowler Centre will no longer be offered as conference venues so they will not compete with the Proposal. In our view, this makes no sense, particularly as the Council's suggested alternative uses for them are unlikely to generate the same revenue.
- The business case emphasis on 'modern' and purpose-built essentially means another bland, boring facility that could be anywhere in the world. This does not fit with the aim of promoting Wellington as a creative and innovative capital.
- It misses a strategic opportunity that could be realised by marketing Council-owned facilities as memorable because they are mostly historic, and architecturally stunning.



Mt Victoria Residents Association

The documentation does not present a balanced picture of potential options

Little consideration is given in the business case to other options for the Council (one page out of 53). The only other options considered are for the Council to do nothing or to build convention facilities itself. The do-nothing option is considered as the counterfactual to the Proposal and shows Wellington may lose from 4% to 13% (ie. 28,200 to 91,600) delegate days by 2018. This is a ridiculous option because it assumes the Council will do nothing to improve and promote its own venues, or promote Wellington in general. The self-build option would require an estimated \$53-55 million capital, and \$5.1-5.7 million operating costs per annum. As with the Proposal, this option is flawed because of its singular focus on a perceived but unproven need for a new purpose-built facility for large conventions in Wellington. As with the Basin Reserve flyover, we are being offered two options of the same thing (a new convention centre), neither of which is desirable.

Existing facilities are dismissed as "...not up to the standard required..." as they are aging, limited in size and functionality, and not always available. Also, their multi-purpose characteristic is seen as an obstacle rather than an advantage. In addition, the business case is silent on whether or not Shed 6 will continue to be offered as a conference venue. Only a year ago Wellingtonians were assured by similar claims of lost business in the conference market unless the Council invested in renovating Shed 6. No consideration has been given to how the up to \$3.5 million might be better used instead on improving and promoting existing venues.

We are dismayed to find out via the business case that the Council does not envisage the Town Hall or the Michael Fowler Centre as future conference venues and will not promote them in competition with the Proposal. Surely, such a major decision should be the subject of proper public consultation before any decisions are made.

No explanation is given as to why the Michael Fowler Centre is not up-to-standard. The business case claims the Town Hall would require significant investment and a more expensive type of strengthening to bring it up to 'modern' standard. No financial information is provided to support this claim and its implication that convention delegates somehow merit a 'safer' venue than other users. The suggested alternatives for the Town Hall and Michael Fowler Centre, a music centre and greater community use, are unrealistic as there are several music centres in Wellington already, and most community use does not require such large venues.

We share the views of Glenys Coughlan, CEO of PWV, in her article in the *Dominion Post* (8 August) where she states "*Positively Wellington Venues has six amazing venues, each within a five minute walk of each other ...*" – no mention of the Proposal. In our view there is a strategic opportunity to build on Wellington's competitive advantage by improving and promoting existing venues and international events:

- One key point of difference for Wellington is, rather than the kind of bland, boring, could-be-anywhere-in-the-world venue in the Proposal, it offers mostly historic, memorable venues of architectural significance which are flexible and multi-purpose, and closely linked on the edge of our wonderful harbour.
- Part of the up to 3.5 million per annum should be invested immediately in strengthening the Town Hall so it can be re-opened as soon as possible.



Mt Victoria Residents Association

- As the six Council-owned venues are managed by one organisation, PWV, it is possible to coordinate use across some or all six venues for larger events.
- The Council should not abandon catering for single-day conferences which are 80% of its conference business (if Council venues conform to the New Zealand average) and other events. Rather, it should be promoting its points of difference in the conference and other event markets, and not putting all its efforts into chasing after a risky potential opportunity to expand further into the international conference market.
- One event that puts Wellington on the international stage is the World of Wearable Arts (WOW). The business case sees WOW (and NZSO performances) as constraints on the availability of Council's conference facilities rather than an opportunity to coat-tail on WOW's international reach. This event is expected to grow internationally, supported by Government's investment of \$900,000 over three years for three touring exhibitions, an international education programme, and opportunities for hosting international business representatives.

Employment effects

The business case states one of the priority areas for Wellington is marketing itself as attractive for talent, businesses and investment leading to *inter alia* job creation, knowledge growth and innovation. The Proposal claims the expected 68,000 growth in delegate days will generate from 125 to 247 new jobs directly and indirectly. In our view, most of the new jobs are likely to be in the hospitality industry which is characterised by casual, low-paid jobs which are unlikely to contribute to attracting talent and innovation.

Economic effects

As noted at the top of this submission, the Hilton is likely to gain significant benefit from the Proposal. So too are private business operators if visitor numbers increase. The benefits to most Wellington citizens are not so obvious, and may well be outweighed by the costs arising from aspects of the proposal:

- we all benefit from having a lively downtown which attracts many visitors from out of town and keeps local businesses thriving
- although the documentation does not give the final funding mechanism, it does suggest the residential sector will have to pay about 33% of the up to \$3.5 million cost over 20 years
- we will end up covering the cost of the lost revenues from Council-owned venues not competing with the Proposal and events shifting to the Proposal
- the glossy document states that the Council would receive a share of the operating profits from the convention centre. However, the business case clarifies that expected profits offset only part of the costs to the Council, those costs being up to \$3.5 million should no profit share eventuate.
- the financial analysis in the business case is based on a principle that the Council bears no loss risk from the operations of the convention centre, but in effect it does, as operating deficits would be deducted from future operating surpluses.

The stated positive expenditure, GDP and employment effects are questionable as:

- they are inflated by about 1/3 'gain' that results from the assumption the convention centre will hold on to what would otherwise be lost under a do-nothing scenario. As noted above, do-



Mt Victoria Residents Association

nothing is not realistic option, so the 'gain' is exaggerated

- the stated gains do not include the offsetting cost of loss of business to PWV venues from the Proposal.

In the Association's view, the documentation understates the operating risks. Investing significant public funding for a significant period of time is highly risky in comparison with the alternative we propose. There is also a high risk that the property owner and Hilton will not be in it for the long-term 20 years – we note the turnover in ownership of Wellington's commercial properties, and in venue operators as venue names frequently change.

Elaine Hampton
President
Mt Victoria Residents' Association Inc

Anne Jonathan

From: Warren Young [<mailto:warren67young@gmail.com>]
Sent: Thursday, 14 August 2014 5:00 p.m.
To: BUS: Convention Centre Proposal
Subject:

Hi

If we(WCC) are going to contribute / lease a convention centre then it should be a good as can be.

A key objective from the city's point of view is to provide a quality visitor experience that extends well beyond the period of the event that the visitor is attending.

A key part of this is to utilize our celebrated entertainment precinct of Courtenay Place, and Cuba Street.

To my mind, ideally this is to create a positive pedestrian connection across the site to Wakefield Street and utilize the Wakefield Street entry to Reading Cinemas. Likewise the future development of the rear of Reading/Wakefield Street should also support this connection.

The two blocks bounded by Cable and Wakefield, and Tory and Taranaki must be two of our longest blocks, so if a convention attendee is limited to entry and exit along Cable Street then the route towards Courtenay Place is a long way around. Also it is exposed to the weather and has little life and activity.

Agreeably as indicated on fig 11, of the indicative business case a hotel and convention centre requires BOH and servicing to be functional and this limits the opportunity for a pedestrian connection. Likewise the car park planning.

Thus my suggestion is that we must do this properly and be not necessarily constrained from what we see. The opportunities in my mind increases if the site includes the adjoining Wakefield Street sites - the towbar building and/or former Caltex site. (My assumption is that possibly only the towbar maybe needed, however I'll say both in the first instance)

This allows the carparking to be rotated 90 degrees. Thus then allows:

- the pedestrian connection to happen
- allow for the car parking to exit at Wakefield St
- Activating both Wakefield and Cable Streets

Further to this, as a 165 room 5star hotel does necessary work so well with the convention market, e.g. it will be too expensive.

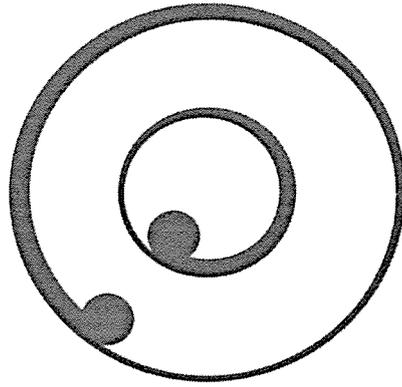
By extending the site, this provides an opportunity for the development of a lower price point accommodation from Hilton Group's other products.

In terms of the conferences I've attended it is far superior if the conference is in the same facility as the accommodation

Happy to add more to this if you wish

Please contact me

Regards
Warren young
Architect
021 2734250



tourism
INDUSTRY
ASSOCIATION NEW ZEALAND

**Submission to the
Wellington City Council
on the
Convention Centre Proposal**

14 August 2014

EXECUTIVE SUMMARY

1. As set out in Tourism 2025, the growth framework for the tourism industry (www.tourism.2025.org.nz), the Tourism Industry Association (TIA) supports a regional network of convention centres around New Zealand, including those in Auckland, Christchurch, Queenstown and Wellington.
2. Business events have been identified in Tourism 2025 as a high value segment and growing opportunity for New Zealand's tourism industry. It is also a segment that is not as strongly driven by seasonality and so helps drive capacity and productivity in the shoulder and off peak periods e.g. March to November. To capitalise on this opportunity, convention centres capable of hosting large scale conventions and incentive meetings are needed.
3. A convention centre in Wellington that is appropriately funded and located will not only complement the International Convention Centre to be built in Auckland, but position other parts of New Zealand to also host international scale conventions and incentive meetings.

RECOMMENDATIONS

4. TIA recommends the Convention Centre in Wellington go ahead as proposed on the basis that such a centre will provide lasting economic benefits to the country, by improving New Zealand's capability to host medium to large-scale international conferences and exhibitions. It would be useful to undertake further work to quantify the wider economic benefits, which TIA believes will be substantial.
5. With regard to the naming of the facility, TIA would recommend a name such as "Wellington Convention Centre". TIA believes it is important that any name clearly indicates the city in which the Convention Centre is located. TIA does not support the Hilton having naming rights for the Convention Centre.
6. The proposed funding solution currently has all businesses operating within the downtown levy catchment area contributing twice under the funding model -through the downtown levy and general rates. TIA proposes that all funding should come from general rates based on current levels. Another alternative would be to limit the period in which the downtown levy funding is used, for example, the first three years. Additionally a review of the downtown levy catchment area could be considered given the shift of commercial business into residential areas e.g. Miramar.
7. TIA seeks further information on plans to manage the increased traffic congestion that will likely occur once the Convention Centre and Hotel are open and operational.

INTRODUCTION

8. The Tourism Industry Association (TIA) is the lead association that represents the interests of about 1,500 tourism businesses in New Zealand. TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and activities, attractions and retail as well as related tourism services.
9. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business services. The TIA team is based in Wellington and led by Chief Executive, Chris Roberts.
10. TIA also represents the interests of 22 hotels in Wellington who collectively enjoyed almost 70,000 guest nights from conventions, meeting and event delegates in 2013. (source: TIA Hotels Annual Operating Survey 2013).
11. The visitor industry generates income, creates jobs and brings vibrancy to communities. The infrastructure that is available for medium to large scale conventions, conferences and events plays a huge role in determining New Zealand's ability to attract and host world class international business events in the future.
12. This submission from TIA has been prepared in consultation with members and the wider tourism industry. Any enquiries relating to this paper should in the first instance be referred to Simon Wallace, TIA Policy and Research Manager at simon.wallace@tianza.org.nz or by phone on 04 494 1842 or to Sally Attfield, TIA Hotels Manager at sally.attfield@tianza.org.nz or by phone on 04 495 0814. We would welcome the opportunity of appearing at oral hearings in support of this submission.

COMMENT

Insight

13. Over 23,000 association meetings are held globally every year and that figure has been growing at 10% a year since 1963.
14. From a New Zealand perspective, the economic contribution of convention and incentive visitors in 2012 was estimated at \$207 million and importantly more than 78% of conference visitors came between March and November, a shoulder and off peak period for the tourism industry.
15. New Zealand with 45 significant association meetings in the 2012 calendar year was 51st in world rankings (numbers of meetings per country) while Australia, with 253 meetings ranked 13th. New Zealand's share of meetings held in the Asia Pacific and Middle East regions dropped from an estimated 2.5% in 2000 to 1.7% in 2009.
16. Visitors who come to New Zealand for business events are by nature high value, spending an average of \$318 per night against an average international visitor's spending of \$208 per night.
17. Beneficiaries of a convention centre are also much wider than tourism businesses themselves. For example, they include retailers, hospitality providers, taxi drivers, supermarkets and petrol stations. So, there are clear and tangible benefits to sectors beyond what might be regarded as core tourism businesses.

Funding

18. Wellington City Council is proposing to fund the cost of the lease of the Convention Centre through the downtown levy (40%) and general rates (60%). The general rates portion would be split between the business and residential sector. TIA's hotel members in particular are uncomfortable with being asked to fund the Convention Centre through the downtown levy and general rates. An acceptable solution to Wellington hotels would be to fund the Convention Centre based on existing rating levels through general rates only. It is understood that no Council funding will be required until the Convention Centre commences commercial operations. Consideration could be given to alternative funding proposals such as limiting the downtown levy contribution to the first three years, extending the catchment area of the downtown levy, or applying a levy on new entrants.

Economic return

19. Wellington City Council has estimated best and worst case economic returns to the city of the Convention Centre which indicate positive returns. There will however, be much wider benefits flowing to other sectors of the economy. While some forecasting has been done on these secondary benefits, it would be useful to quantify these returns, especially in terms of jobs generated for the Wellington region.

20. Wellington hotel convention and incentive business has remained static over the last six years. A Convention Centre of this size will appeal to the extensive Australia/New Zealand market of conferences in the 600-800 delegate capacity. There are a large number of Association conferences where the compact nature of Wellington city will appeal with the ease of getting about the city and its attractions.

Case study: Hotels

21. Hotels, especially those in Wellington, have much to gain from the development of the Convention Centre. TIA represents the interests of 22 hotels in the Wellington region. This equates to 3000 rooms or over one million room nights per year. In the year to 31 December 2013, Wellington hotels operated at around 74% occupancy or approximately 0.8 million room nights sold. Of this, over 70,000 room nights were sold to convention and incentive delegates, representing \$10 million in accommodation revenue. In addition, Wellington hotels earned another \$15 million in on-site residential conference revenue such as room hire and for the provision of food and beverages.

Seasonality

22. As noted in the introduction, the business events sector represents one of the best opportunities to tackle seasonality, which has long been the perennial challenge for New Zealand's tourism sector that has impacted on industry productivity. Convention, conference and event business is less constrained by seasonality and is a valuable sector to help smooth out seasonality issues. This provides a flow on impact for tourism infrastructure in the shoulder and off-peak seasons to ensure they are better utilised. The ability to smooth out seasonality and command greater yield is an opportunity that a Convention Centre would provide in Wellington while encouraging reinvestment in the sector.

Central government investment

23. In the 2013 Budget, Tourism New Zealand (TNZ) received an increase to its base funding of \$128 million over the next four years. Within this funding, \$34 million has been allocated over four years to attract conferences, conventions and exhibitions. While existing convention and event infrastructure stands to benefit from this increased resource, the investment will garner a better return on investment (ROI) if New Zealand can promote business tourism to global event planners with the knowledge that New Zealand as a whole has a network of regional convention centres. Wellington, like many other centres in New Zealand has missed out on this lucrative business, due to the absence of a world class convention centre facility.

Competition

24. New Zealand's overall lack of world class convention facilities has seen us rank poorly compared to our competition. A 2012 report by the International Congress and Convention Association (ICCA) has New Zealand ranked 51st in the world rankings in terms of the number of meetings per country. Every year's delay in building convention

centres that can host larger meetings costs the country and the regions, like Wellington, in lost earnings. Every year, other countries enlarge, renovate and develop new exhibition and conference centres.

25. New Zealand is competing not only with Australia for conventions and events, but also globally. This is no different to the current challenges New Zealand faces in remaining front of mind as a visitor destination. For New Zealand to remain competitive we must have key tourism infrastructure in place to allow us to compete with confidence and credibility.

Network of regional convention centres

26. The current lack of medium scale convention infrastructure throughout the country is also of concern to TIA. Since the Christchurch earthquake the South Island has been without a purpose built medium scale (1000 delegates) convention centre. However, a consortium and operator have now been selected for a Christchurch convention centre able to cater for up to 2000 delegates, with construction to start in 2015 and the centre aiming to open in 2017. Additionally Queenstown is currently considering the development of a 750 person convention centre. Wellington's convention centre offering is compromised while the Wellington Town Hall is closed for earthquake strengthening. While an alternative venue has been developed (Shed 6) this does not completely fill the void left by the closure of the Town Hall. Without investment in the Convention Centre, Wellington runs a significant risk of falling off the convention and events radar.

BACKGROUND

27. Tourism for New Zealand is big business as the country's second largest export sector. It is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
28. The tourism industry delivers the following value to New Zealand's economy:
29. Tourism in New Zealand is a \$66 million per day and \$24 billion a year industry
30. The tourism industry directly and indirectly supports more than 185,000 full-time jobs, or about one in ten people in the workforce
31. Domestic tourism contributes \$38 million in economic activity every day or \$14 billion per annum
32. International tourism contributes \$28 million in economic activity every day or \$10 billion per annum
33. International tourism represents 8.9% of GDP as New Zealand's second largest export industry

Anne Jonathan

From: Mr Malcolm Carmichael <malcolm.carmichael@paradise.net.nz>
Sent: Friday, 15 August 2014 11:30 a.m.
To: BUS: Convention Centre Proposal
Subject: Proposed Convention Centre Proposal

We are totally opposed to the Council providing an Event Centre as part of the Hilton Hotel proposal.

It is not the responsibility of the ordinary ratepayer to finance such a venture.

This is a financial arrangement that would benefit the Hilton Hotel its developers and financiers at the expense of ratepayers.

If the project was to proceed, it would cost the Council and its ratepayers \$1,000,000 or more per year indefinitely to finance, which would be an unnecessary commitment, especially if it was to become a "white elephant".

It is the responsibility of the business organisations to provide such a facility, if it is really needed, certainly not the responsibility of the average ratepayer.

Business companies are already able to deduct the rates paid from tax returns.

Rates are already too expensive and the Council should not risk any venture that would further increase the present rates.

Malcolm Keith Carmichael
Mary Anne Carmichael

**BUSINESS CENTRAL INCORPORATING
WELLINGTON EMPLOYERS' CHAMBER OF COMMERCE**

**SUBMISSION TO WELLINGTON CITY COUNCIL ON
CONVENTION CENTRE PROPOSAL**

AUGUST 2014

Introduction

Business Central, incorporating the Wellington Employers' Chamber of Commerce, welcomes the opportunity from the Wellington City Council ("WCC") to make this submission on the convention centre proposal document.

Business Central is the voice of employers and business in the central region of New Zealand, representing approximately 3,500 employers in Wairarapa, Manawatu, Hawkes Bay, Gisborne, Taranaki and Nelson, as well as Chambers of Commerce in Wellington and Whanganui. The Wellington Employers' Chamber of Commerce has been the voice of business in the Wellington region since 1856 and advocates policies that reflect the interests of Wellington's business community, and the development of the Wellington economy as a whole. Our organisation is also accredited through the New Zealand Chamber of Commerce network and is one of the four regional organisations of BusinessNZ.

Local Government and its operations are of considerable importance to the business community as the Wellington City business community contributes nearly half of total WCC rate-take. As such, the business community has a significant interest in the operation, structure and performance of Wellington's local government, given their contribution and the impact Councils' actions have on the business environment and the city's economic growth.

Business Central and the Chamber are in principle supportive of the convention centre proposal released by WCC and support the co-ordinated approach between the developer, WCC and Hilton. However, Business Central and the Chamber do not support the proposed distribution of rates to fund this arrangement, as a significant portion of the funding falls on business, particularly business who are located within the central Wellington area who contribute to the downtown levy.

Businesses are a major stakeholder, given their contribution towards the overall cost is 67%. We believe that this is a significant contribution and the proposal and subsequent material must clearly demonstrate the benefit to business of at least the equivalent value of funding that the business community contributes. Further work should be done to justify this significant impost on business

ratepayers. If sufficient economic benefits for the business community cannot be demonstrated, then the funding burden must be more evenly distributed across the rating base.

In addition to our other observations in this submission we believe to support the success of the convention centre that an external body is established, made up of the business community and various stakeholders to measure the performance of the convention centre, to ensure every effort is made to achieve a profit making scenario.

Overview of proposal

The proposal document is for WCC to enter into a 20 year lease with the developer, a private consortium through Mark Dunajtschik, for an approximate 4,500 sqm convention centre. The developer will take on all construction, borrowing and operating risks. The WCC will sub-let the convention centre to the Hilton to manage. The convention centre will be capable of hosting multi-day conferences up to 1,200 people, large banquets of 1,450 people and seating 2,500 people in a theatre style arrangement. The Hilton will also manage the 165 room hotel under a separate agreement which WCC is not party to. The proposal refers to a range of incentives and profits for all parties in order to incentivise a successful proposal for all who are involved. The proposal is pivotal on the support from WCC.

The proposal is for the developer to build and own the hotel and convention centre. The convention centre would be leased to WCC for a term of 20 years with a right of renewal in year 15. WCC would sub-lease the convention centre to be managed by the Hilton. This contract between WCC and the Hilton would match the 20 year lease. In return for offsetting the lease costs, WCC would receive all of the operating profits from the convention centre, after deducting Hilton management fees and agreed profit share for the Hilton and Developer.

Wellington's current venue situation

The status quo of the city's conference and convention centre offering is at best only just satisfactory and not fit for purpose for larger delegate numbers. There is an opportunity for the city to have a purpose-built convention centre which can meet the demands of both domestic and international markets. As the Wellington Town Hall is currently closed for earthquake strengthening we see this proposal as addressing a current gap in the market, without significant capital costs, and allowing time for further decisions to be made on the future of the Town Hall building.

We believe the future of the Town Hall is a significant issue for businesses, rate payers and the region. We strongly encourage a separate consultation process of the future of the Town Hall given the escalating costs to earthquake strengthen and it's prime inner city location.

Economic case for Wellington

The WCC indicative business case for the convention centre estimates that if Wellington does not respond with larger improved facilities it is likely to lose 8% of its current delegate days and 17% in lost business. A decrease of 17% for businesses equates to between \$12m and \$25m in total lost spending in the city. The economic case is clear that Wellington would benefit from a purpose built convention centre. The proposal identifies that in absence of a new development, the number of delegate days in Wellington will fall by 4% to 13% over the next six years. The economic analysis shows that if no change was made it is likely there will be an 8% reduction in delegate days in Wellington over the next six years. The proposal further indicates that based on an 8% reduction in delegate days total spending in the city is expected to fall by \$12.2m and GDP by \$6.4m.

Business Central and the Chamber believes that a doing nothing would leave Wellington worse off and therefore there is a strong case to build the proposed convention centre. It is imperative that Wellington remains competitive in the domestic and international markets. Business Central and the Chamber acknowledge that the proposal suggests the additional activity generated by the convention centre will be equivalent to approximately 1.5% of Wellington GDP relative industries such as retail, accommodation and food services.

The convention centre proposal considers the economic impact for Wellington based on the estimated additional delegate days that the new convention centre would bring. The proposal considers the direct, indirect and induced economic impact of the convention centre. The annual average over the first 12 years for the total expenditure is projected to increase between \$24.3m to \$35.1m, whilst the total GDP is projected to increase between \$12.8m and \$18.4m. The data also indicates that approximately 74 new events will come to Wellington which will generate an additional 68,000 delegate days for Wellington. This is an increase of nearly 10% from 2012. In raw numbers, this would see Wellington delegate days increase from 704,000 in 2012 to 772,000 after the first year of operation.

Rates distribution

Business Central and the Chamber are concerned about the proposed rates distribution to fund this proposal. The proposal sees businesses paying between 67% of the total cost of the convention centre. This is well above the current 45% portion that business currently pays and would see large increases in rates for businesses who reside in the down town area. It will depend on how successful the convention centre is as to how much the business community will end up contributing. If we were to take the worst case scenario, as indicated in the proposal, Wellington businesses are likely to contribute \$2.3m per year for the first 10 years. This is a significant contribution and the business case must clearly demonstrate the benefit to business of at least the equivalent value of funding that the business community contributes. Further work should be done to justify this amount. If sufficient

benefits cannot be demonstrated, then the funding impost must be more evenly distributed across the rating base.

We are particularly concerned that a significant proportion of this cost falls on businesses located in the down town area. The downtown levy is a rate levied on all commercial, industrial and business properties in a specified area and is calculated on a set rate per dollar of capital value. Business Central and the Chamber has around 44% of its members located within the down town area. A map of the down town area with a list of streets can be seen in Appendix 1.

Business Central and the Chamber are not alone with their concerns about the additional pressure onto downtown levy funding. We note the Tourism Industry Association ("TIA") has commented to the media that they are opposed to the downtown levy businesses paying twice for the convention centre. We note the TIA proposes that residential ratepayers should pay a greater contribution towards the cost or alternatively the downtown levy contribution is limited to the first three years with general rates being the main contributor from year four onwards. Business Central and the Chamber are supportive of pursuing this idea or other solutions to more fairly distribute the costs across rate payers.

Commercial terms

Business Central and the Chamber support in principle the commercial deal, namely, that WCC will pay a fixed lease rate (regardless of any changing construction fees) and will not be subject to cost greater than the lease amount plus the convention centre's share of rates and insurance. This provides some consistency and certainty for rate payers without the capital risk. Business Central and the Chamber support the proposal of the consortium of developers and investors to finance the development and the Hilton to finance the ongoing management and infrastructure for the hotel and convention centre.

There are some aspects of concern. We are apprehensive that the proposal sets out an additional rating amount which will look to be reduced if the profit share arrangement delivers a profit. In the event a profit is returned (which we very much hope is the case) it is imperative the business community receives this benefit by way of their rating levels returning to base line levels. It is not acceptable for the profit to be diverted to other areas of council activities.

Secondly, we are concerned that the proposal does not show how the financial performance of the convention centre will be monitored and managed to ensure a profit is met. The business community is concerned that costs could be poorly managed which will reduce the chance of a profit being achieved.

We propose that the convention centre be overseen by an external body made up of representatives of the business community and various stakeholders. This would act in the same way a shareholder board does to ensure the performance of the convention centre is monitored and that every effort is made to achieve a profit. We see merit in the commercial expertise of the business community partnering with WCC to oversee the commercial success of this venture. Furthermore given the significant rate impost on the business community of this project it can be argued they have a legitimate role to play in its oversight.

Naming rights

Notwithstanding the international recognition and prestige that the Hilton brand brings we submit that the name should be the "Wellington Convention Centre" recognising that funding for this facility comes from the city. Inevitably the Hilton brand will be associated with the convention centre so it is superfluous to include it in the name.

A Competitive approach

The proposal outlines the strategic case for the convention centre being to protect Wellington's share of the business meetings, incentives, conferences and events market. Business Central and the Chamber believe that more competitive aims such as competing and supplying an international world-class convention centre in Wellington should be the ultimate goal. A more competitive approach would have the positive flow on effects such as making a profit more quickly and in turn reducing the rates required on the business community to fund the proposal and providing further economic growth benefits. It is imperative that Wellington remains competitive in the domestic market as Auckland and Christchurch convention centre proposals have completion date targets of 2017 and Queenstown has a completion date target of 2016.

Currently both the hotel and convention centre are expected to be completed by late 2017, subject to early agreement by the parties. Business Central and the Chamber urge that, taking into consideration the reasonableness of the proposal, that this target is met on time or earlier to cement a competitive edge to target both the international and domestic markets prior to the other convention centres opening.

We are also concerned that Auckland, Christchurch and Queenstown convention centre proposals have an international advantage with well-connected flights from various overseas locations. WCC has identified the Wellington runway extension as one of the 8 Big Ideas for growing the Wellington region's economy and attracting international business delegates, students and tourists direct to Wellington. Business Central and the Chamber support that subject to a robust business case that there needs to be a greater focus on international air connectivity, this complementing international convention market attraction activities.

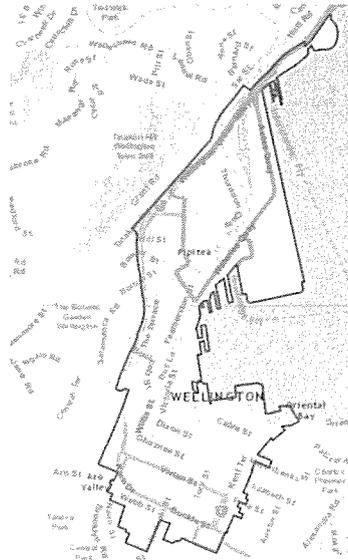
Conclusion

Business Central and the Chamber are in principle supportive of the convention centre proposal released by WCC. Throughout this submission we have reiterated our concerns around the proposed rate distribution in funding the convention centre. It is critical to note that 67% of the WCC funding will come from the Wellington business community and as such the Wellington business community should be thoroughly consulted and views considered in the submission process. Further work must be done to justify this significant contribution. If sufficient benefits for the business community cannot be demonstrated, then the funding impost must be more evenly distributed across the rating base.

Business Central and the Chamber propose that the convention centre be overseen by an external body made up of representatives of the business community and various stakeholders. This would act in the same way a shareholder board does to ensure the performance of the convention centre is monitored and that every effort is made to achieve a profit. We see merit in the commercial expertise of the business community partnering with WCC to oversee the commercial success of this venture. Furthermore given the significant rate impost on the business community of this project it can be argued they have a legitimate role to play in its oversight.

Appendix 1

Below is a map of the down town area in which businesses that reside within the red line contribute to the downtown levy:



Below is a list of streets which the downtown levy covers:

| | | | | |
|-------------------|---------------------|---------------------|--------------------|-------------------|
| Abel Smith St | Chaffers St | Guthrie St | Lorne St | Plimmer Steps |
| Aitken St | Davis St | Haining St | Lynne Rd | Portland Crescent |
| Allenby Terrace | Dixon St | Hania St | Macdonald Crescent | Sages Lane |
| Allen St | Dunlop Terrace | Harris St | Maginnity St | Selwyn Terrace |
| Arlington St | Ebor St | Halswell St | Majoribanks St | Stout St |
| Arthur St | Eccleston Hill | Halleys Lane | Manning Lane | St Hill St |
| Alpsa St | Edge Hill | Hawkestone Crescent | Manners St | Swan Lane |
| Aotea Quay | Edward St | Herd St | Marion St | Taranaki St |
| Athol Crescent | Egmont St | Hill St | Martin Square | Tasman St |
| Aurora Terrace | Elizabeth St | Hinemoa St | May St | Tennyson St |
| Balance St | Ellers Ave | Holland St | Merger St | Terrace Gardens |
| Ballantrae Place | Fallowfield Ave | Home St | Molesworth St | The Promenade |
| Barker St | Farmers Lane | Hood St | Moore St | Thorndon Quay |
| Bolton St | Featherston St | Hooper St | Marion St | Tonks Ave |
| Bond St | Feltex Lane | Hobson Crescent | Martin Square | Tonks Grove |
| Boulcoult St | Fifeshire Ave | Hobson ST | May St | Torrens Terrace |
| Bowen St | Fitzherbert Terrace | Inverlochy Place | Merger St | Tory St |
| Brandon St | Fallowfield Ave | Inglewood Place | Molesworth St | Turnbull St |
| Buckle St | Farmers Lane | Jervois Quay | Moore St | Victoria St |
| Buller St | Featherston St | Jessie St | Mulgrave St | Vivian St |
| Bunny St | Francis Place | Johnston St | Museum St | Wakefield St |
| Bute st | Frederick St | Karo Drive | Moturoa St | Waring Taylor St |
| Cable St | Footsgray Ave | Katherine Ave | Murphy st | Walter St |
| Cambridge Terrace | Forresters Lane | Kelvin Grove | O'Reilly Ave | Watson St |
| Chews Lane | Furness Lane | Kensington St | Oriental Parade | Webb St |
| Church St | Garett St | Kent Terrace | Palmer Ave | Whitmore St |
| Christeson Lane | Ghuznee St | Knigges Ave | Panama St | Wigan St |
| College St | Glimer Terrace | Kumutoto Lane | Percival St | Willis St |
| Collina Terrace | Grey St | Lambton Quay | Pipitea St | Willeston St |
| Customhouse Quay | Guildford Terrace | Little Pipitea St | Pirie St | Woodward st |
| Cuba St | | Lombard St | | York St |