

**DRAFT WATERFRONT DEVELOPMENT PLAN
2009/10**

Table of Contents

- 1. Introduction and background**
- 2. Principles**
- 3. Plan overview**
- 4. Project process**
- 5. Engaging with the public**
- 6. The projects**
 - The Waterfront as a whole
 - Waitangi Park
 - Taranaki St Wharf and Lagoon
 - Frank Kitts Park
 - Queens Wharf
 - Kumutoto (North Queens Wharf)
 - Interim Uses
- 7. Project priorities**
- 8. The financial plan**

APPENDIX

Appendix 1 - Roles and responsibilities

Appendix 2 - Site Map

1. INTRODUCTION and BACKGROUND

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

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

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

An important aspect of the 2009/10 development plan is that it follows the decision made by the Council in December 2008 to extend the implementation of the waterfront project over a 10 year work period. However Council has reviewed its decision to transfer the project's development and management responsibilities to the Council in July 2010, and now believe that Wellington Waterfront Limited (WWL) should continue to manage waterfront projects.

The decision to extend the project was based on the longer than anticipated RMA time frames for individual projects; the unfavourable development market; and financial constraints as a result of deferred income from commercial developments within the waterfront. It was considered that the implementation should be spread to better align expenditure on public space developments with the income to be derived from commercial developments. Despite the longer timeframe for the project, there are a number of significant projects still in the planning stage that would benefit from continuity of management of this work, combined with a number of interim use projects and other projects in progress all providing a substantial work programme for WWL for the next few years. The Council believes this decision should be reviewed again in 2012.

2. PRINCIPLES

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

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

These matters have been influential in the formulation of the draft 2009/10 Waterfront Development Plan, particularly in respect to the

timing of commercial developments i.e. significantly deferred. Equally as important has been the recognition of the need to maintain a degree of momentum with the waterfront project ensuring that the public and commercial sector has confidence that the project is being progressed.

3. 2009/10 PLAN OVERVIEW

In its 2009/10 Business Plan, WWL identified its business deliverables for the year under four general categories – planning, construction, interim uses and transitioning. The economic climate has had a significant impact on the timing of the key commercial developments, with the deferral period creating an opportunity to explore interim uses. This is a new aspect of the waterfront project and the draft development plan sets out the new concepts that WWL has put forward for further consideration.

This is a shift from the work programme agreed by the Council in December 2008, which was largely based on a strategy of seeking necessary resource consents for proposed developments in anticipation of an improving market in which the various commercial developments would proceed.

4. PROJECT PROCESS

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

Each stage contains several elements:

Issues assessment

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

Brief preparation

The brief provides guidance on how a building site or an area of public space should be developed, giving direction to the designer through a series of performance criteria. It sets out the outcomes that have to be met as part of the particular development. Briefs will vary in detail and specificity depending on size and scale of the project.

Each brief will:

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

Design implementation

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

It is anticipated under the Waterfront Framework that design briefs, once completed and signed off, would be incorporated into the District Plan. The recently proposed amendment to the District Plan (Variation 11) is an example of this objective, and the commissioner decision is expected by the end of September.

Implementation

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

5. ENGAGING WITH THE PUBLIC

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

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

Committee meetings

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

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

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

Formal Public Consultation

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

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

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

Electronic and hard copy publications

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

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

Waterfront Project Information Centre

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

Feedback

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

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

Reference groups

To address specific issues, small reference groups with interested parties can be set up. For instance, a user group was formed to work with the designers of Waitangi Park.

Interactive workshops

One technique is to get designers and members of the public to work together to develop plans or design ideas for certain areas. Different techniques such as brainstorming and SWOT analysis could be used to formulate and evaluate ideas. This information can then be used to help prepare the performance briefs.

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

Open Day

An open day allows the public and interested groups to view information about a project and to talk to designers and other relevant people. WWL has a policy of using open days for every project.

Ideas competition

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

6. THE PROJECTS

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

Wellington's waterfront comprises five distinct precincts, linked by a waterfront promenade, that have been highlighted in the Framework. What follows is an update on business activity and WWL's proposed activities for the remainder of the year, which forms the basis of the 2009/10 draft Development Plan. The location of sites is shown in Appendix 2.

Waterfront as a whole

The promenade

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

Parking

Parking was the subject of a detailed assessment in 2001/02 that looked at the number of casual and tenant-related parks required, revenue goals and design/open space goals. This assessment is referred to when making decisions about parking requirements for specific areas. However, given the amount of redevelopment which has occurred since this assessment

was undertaken, it would now be appropriate to review this assessment to ensure that it is still consistent with the Framework and Council's desired outcomes. This is discussed further in relation to proposed interim uses.

Berthage strategy

Boating and shipping movements are important to the waterfront, generally enlivening the experience and are considered as part of the development of specific areas.

Wharf Pile Maintenance

The second stage of a waterfront-wide pile repair and refurbishment programme has commenced with minor urgent repairs to the southern end of the Outer-T and under Taranaki Street wharf due to be completed by the end of 2009. The next tranche of repairs is now budgeted for 2011/12 which will include work under the Outer-T.

Waitangi Precinct

Waitangi Park

The portion of Area 2 not being used for one of the design competition winning buildings will be used for different activities including a weekend market, plus a temporary car parking space while design work continues. One of the possibilities is a temporary tensile fabric structure, which is discussed further under *interim uses*.

WWL will continue to explore and investigate the financial viability of the development of the UN Studio design for the transition site.

Overseas Passenger Terminal (OPT)

Resource consent was granted for the redevelopment of the Overseas Passenger Terminal in early 2008, and this has been confirmed by the Environment Court. The timing of all commercial developments remains uncertain at this stage, and the OPT redevelopment is currently scheduled to commence in 2012/13 i.e. beyond the time frame of this draft waterfront development plan.

Taranaki St Wharf and Lagoon

Planning on the Taranaki Street Wharf area will continue and construction of the wharewaka complex will commence subject to ensuring that any design amendments remain within the scope of the resource consent that has been granted. This is a change from the original proposal to have separate wharenuī and wharewaka buildings, with a revised proposal to combine the two functions within the wharewaka complex on Taranaki Street Wharf.

Work is expected to start on the construction of the wharewaka, to be sited immediately adjacent to Taranaki Street Wharf, early in 2010. This project is being funded primarily by the Wharewaka o Pōneke Charitable Trust. WWL has been appointed as Project Manager. It is expected that developed design and resource consent variations will be finalised in 2009 allowing construction to commence in early 2010. Construction is expected to take approximately twelve months.

WWL will be responsible for completing the landscaped areas around the wharewaka (excluding operational requirements in direct association with the wharewaka). This has historically included increased declamation of the existing lagoon, landscaping treatment in the area previously known

as the 'mound' and the construction of a bridge landing from the City to Sea Bridge in the Odlin plaza. WWL has budgeted for a scaled back landscape solution in this area. It may be that the original landscape design is implemented in its entirety over a staggered period. WWL has yet to complete its considerations and consequent recommendation for this work. The revised design will be presented back to SPC for approval.

There has been a slowing of the Taranaki Street Wharf development in an attempt to match capital expenditure with revenues. The budget allocated to the Taranaki Street Wharf, will require further consideration and decisions regarding the final form of the public space developments to be undertaken within this area.

Frank Kitts Park

Positive input has been received from Wellington's Chinese sister cities regarding the design for the Chinese Garden component of Frank Kitts Park. Refinements to the garden design are currently being developed and liaison with the Wellington Chinese Garden Society (WCGS), Xiamen and Beijing sister city delegations is extremely positive. WWL plans to be in a position to apply for resource consent for the redevelopment of Frank Kitts Park, in its entirety, in the first half of 2010. A successful application for resource consent will allow the WCGS to commence fund raising with the necessary degree of certainty such an important civic project requires. It is neither practicable nor desirable to construct the Chinese Garden separately from the remainder of Frank Kitts Park. The catalyst for commencement of the construction of this project will be WCGS achieving its approximate \$5 million fund raising. The equivalent WWL spend for the redevelopment of the remainder of the Park is currently budgeted for the 2015/16 year, with the expectation that this

timing can be reconsidered if there is a requirement to bring the project forward.

Queens Wharf

Long term master planning for the Queens Wharf precinct will be accelerated following the outcome of the Outer-T ideas competition. It is hoped that the competition will provide a clear direction for this outermost area of Queens Wharf. WWL will then formulate a master plan for the entire precinct to enable implementation over the medium to long term. As part of this overall exercise, consideration will be given to the revitalisation of shed 6, the TSB Bank Arena, pedestrian and cyclist interface along the promenade, the Outer-T and the Queens Wharf plaza. The master plan will be incorporated into the District Plan by way of a variation. WWL plans on working with Wellington City and Regional Council planners to this effect throughout 2010.

Commercial negotiations for building redevelopments eg Shed 1 and 6, will be progressed by WWL following completion of the master plan for the area.

Interim uses such as an ice skating rink have been suggested for the Queens Wharf area. This is discussed further below under *Interim Uses*. The Hunter Street traffic control project, which will significantly reduce vehicular movements around shed 6 and improve the safety of ingress and egress to the TSB Bank Arena, is due to be completed in October 2009. Additional benefits flowing from this work will be increased safety for children using the Frank Kitts Park playground and extra facilities associated with the TSB Bank arena including a locked storage unit and improved truck access.

Kumutoto

WWL has progressed design and resource consent planning for sites 8 & 9 within the Kumutoto precinct. However, in light of prevailing economic conditions resulting in much reduced tenant demand, together with the Council's initiatives regarding Variation 11 to the District Plan, WWL has elected to suspend any further planning/design for these two sites. It no longer intends to apply for resource consents for sites 8 & 9 in 2009/10.

While it is expected that construction on sites 8-10 is unlikely to commence within a 3-5 year timeframe, WWL will, over the next 2-3 years, be refining designs for the buildings and be responsible for marketing these sites and negotiating commercial outcomes as part of the usual development management process.

WWL is progressing the development of site 10 and is in positive dialogue with the Hilton and its New Zealand -based developer. It does not expect to apply for resource consent for Site 10 in 2009/10.

The planning work will also be influenced by the outcome of the proposed District Plan amendment. This amendment (Variation 11) seeks reflects the approved design brief into the District Plan and provide greater certainty to the public and developers as to the appropriate form and scale of future development within the area.

In response to an opportunity presented by NZ Police and the National Maritime Dive Squad, WWL is investigating the construction of a small building to accommodate the physical requirements of these tenants in conjunction with, and adjacent to, the ex Eastbourne Ferry Terminal, potentially on the service jetty itself. This building would be funded by

NZ Police. WWL intends managing a restricted design competition to ensure an optimal outcome.

The potential for a campervan park within the Site 10 area is further explored under *interim uses* below.

In conjunction with the Wellington Sculpture Trust, WWL will assist with the construction of 'Kina' – a significant public artwork designed by internationally renowned artist Michel Tuffery. This is proposed to be located within the coastal marine area adjacent to Kumutoto.

Finally, in response to ongoing public feedback, a toilet facility, originally designed as part of the Kumutoto public space area, will be constructed in a dedicated area between Shed 11, the Loaded Hog and the Fronde harbourside building. This building will go some way to address a significant issue continually raised in WWL's independent public satisfaction research.

Interim uses

In light of the stalled property development environment, which deteriorated markedly even between the time of the 2008 Council review of WWL and the Company's preparation of its Statement of Intent and Business Plan in May 2009, WWL proposes to investigate interim uses for a number of development sites on the waterfront. This activity is in response to the following:

- Car parking, pending development of various sites on the waterfront, has been an acceptable activity historically. It provides a useful facility to commuters and visitors alike and, importantly, provides an excellent return with very little capital expenditure requirement;

- Changed economic circumstances, locally and globally, have resulted in the likelihood of waterfront sites not being developed in the short or even medium term. Current predictions are that we may not see development occurring on most of the larger waterfront sites for up to 5 years.
- Uses other than car parking may be more appropriate for these prime high profile sites, subject to financial returns;
- Consideration has been given to 'gaps' in Wellington's total recreational and tourism offering, as identified by Positively Wellington Tourism and Wellington City Council, and how the Waterfront Company can assist in addressing these shortfalls. Consideration has also been given to the demands faced by the city for the hosting of events during the Rugby World Cup in 2011.

Three initiatives have been identified, with preliminary work, including a business case assessment, undertaken on one already.

WWL seeks approval, within this development plan, to continue investigating these uses:

Wellington Campervan Park

There is abundant anecdotal and empirical evidence supporting the establishment of a campervan park in central Wellington. A centrally located campervan park would deliver considerable social and financial benefits to the city.

WWL has identified site 10, Kumutoto, opposite the NZ Post headquarters on Waterloo Quay, as an ideal site for a campervan park. We have progressed concept planning in conjunction with Positively

Wellington Tourism and the Holiday Parks Association of New Zealand. A preliminary feasibility analysis has been prepared. The financial viability of a campervan park appears dependent on achieving an optimum mix of campervan and casual car parking, with that mix moving with the seasons.

Site 10 appears to provide an ideal opportunity to deliver a much needed facility in central Wellington, achieve a financial outcome that approximates the existing use, and without compromise to our medium - to - long term development plans for the site.

WWL seeks approval, via the development plan process, to complete planning, design work and to confirm financial viability and to enable this concept to be brought on stream for the 2009/10 summer ie by December 2009.

It is likely that this work will result in an infrastructural cost, currently not in Wellington Waterfront's budget, of up to \$500,000. This budget would be required for the delivery of necessary infrastructure including amenities and ablution facilities.

Temporary tensile fabric structure

WWL has undertaken preliminary investigations into the construction of a semi-permanent structure for the 'transition' site adjacent to Waitangi Park. WWL has determined that a development of this type could be financially viable and would add a significant venue space for a variety of uses. It would provide an architectural solution anticipated in the original design for Waitangi Park inasmuch as it would transition between the height of Te Papa and the Park itself.

WWL will complete the planning and design work for the Temporary tensile fabric structure and prepare a business case that demonstrates its financial viability before reporting back to Council to seek approval to proceed.

Ice skating rink

WWL has undertaken preliminary investigations into the construction of an open air temporary ice skating rink on Queens Wharf. This facility would be in place for 3-4 months each year throughout the winter season.

WWL will consider the implications of the outcome of the Outer-T Ideas Competition before proceeding with the planning and design work for the Ice skating rink. The Company will then prepare a business case that demonstrates the financial viability of the proposed Ice skating rink and present this to Council for approval to proceed.

7. PROJECT PRIORITIES

The following table sets out the projects on the waterfront in priority order as adopted by WWL

| | 2009 | | | | 2010 | | | | | | | | | | | | 2011 | | | | | | | | | | | | 2012 | | | | | |
|---------------------------------|-------------------------|-----|-----|-----|-------------------|-----|-----|-----|--------------|-----|-----|-----|--------------|-----|-----|-----|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wharewaka | Design | | | | Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taranaki St Wharf Public Space | | | | | Design | | | | | | | | Construction | | | | | | | | | | | | | | | | | | | | | |
| Hunter St Entrance | Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wharf Maintenance | Construction | | | | | | | | | | | | | | | | Construction | | | | | | | | | | | | | | | | | |
| Site 10 Campervan Park | Planning | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Site 10 Hotel | Commercial Negotiations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Service Jetty Police Building | Planning | | | | | | | | Construction | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sites 8 and 9 | Commercial Negotiations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kumutoto Public Toilet | | | | | Planning & Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Queens Wharf Revitalisation | Planning | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ice Skating Rink | Planning & Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Barnett St Fabric Structure | | | | | Planning & Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overseas Passenger Terminal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Frank Kitts Park Chinese Garden | Planning | | | | Resource Consent | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Artworks | | | | | | | | | | | | | Construction | | | | | | | | | | | | | | | | | | | | | |

8. FINANCIAL PLAN

The waterfront framework incorporated a seven year financial plan which came to an end in June 08.

In December 2008 Wellington City Council approved a new 10 year financial plan which included a \$15 million short term advance to manage timing difference with commercial proceeds and public space expenditure. This plan also reflected the transfer of the implementation of the waterfront project from WWL to Council from 1 July 2010. This financial plan was incorporated into WCC's 2009-2019 LTCCP.

However in September, Council, upon reviewing WWL's proposed work plan, reversed their earlier decision and agreed that WWL should continue to implement and manage the waterfront project.

Whilst this decision has no impact on the 2009/10 financial year, the out years (10/11 and beyond) will need to be adjusted through the 2010/11 annual plan. There may be a need to increase the \$15m short term advance. The amount is not yet known but if this eventuates, the increase in advance, along with any changes to the out years, will be consulted on as part of the 2010/11 annual plan process.

WWL, which manages the Wellington Waterfront Project (WWP), prepares and presents a business plan every year, with a 12-month work plan that commits to work in that period with the next two years being more indicative. This Waterfront Development Plan will form the basis of WWL's Business Plan for Waterfront Development from 2009/10.

The impact of the economic downturn has been reflected in the 2009/10 financial plan. These impacts are reduced commercial proceeds, changes to timing of projects and the inclusion of interim use projects.

Assumptions

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

- Council funding of \$15.0 million, within the constraints imposed by the Framework and the LTCCP has been made available to the project.
- Current Council policy, which states that funds held plus future funds earned on the waterfront are available for reinvestment on the waterfront, will continue.
- Council approves the use of funds in the Project's commercial development fund for appropriate expenditure on capital (public space etc) projects.
- No significant change in property market conditions, or in conditions relating to construction activities, though there are several indicators (including labour shortages and visitor number reduction) that the economy is slowing down.
- Commercial property generates proceeds of "highest and best use" (allowing for predominantly public access to ground floors).
- Income from rented properties, car parking and use of event facilities is maintained as planned.

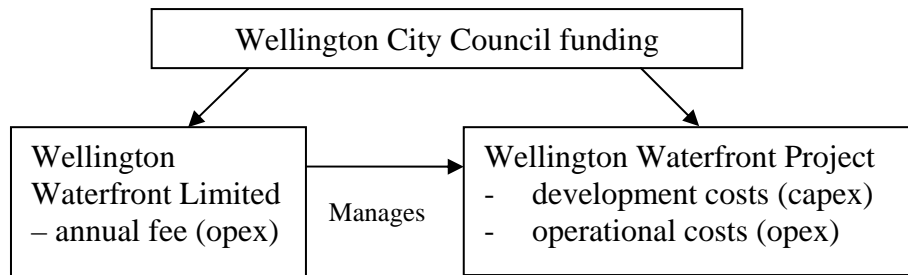
The current financial model allows for public space investment of \$24 million over the development period, which is now expected to continue to 2017/18 completion date. The expenditure on each area and project is based on the best information available. The above assumptions are consistent with those made in respect of the financial model contained in the Wellington Waterfront Framework and the 2009-19 LTCCP.

Financial impact of development plan

The financial plan indicates that, given the above assumptions, the financial impact upon Council of this development plan will be similar to that contained in the Framework, with the acknowledgement of the need for \$15 million short term advance to manage timing differences between commercial proceeds and public space expenditure.

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

Figure 1 – *funding model*



The contribution from the Council required to carry out development for 09/10 is \$4.3 million as a short term advance as part of the overall \$15 million advance. This shown below in figure 2.

Figure 2 – *funding schedule for the WWP*

| | |
|---|----------------|
| Receipts | \$m |
| Operating | 4.077 |
| Proceeds from commercial developments | 0 |
| Total receipts | <u>4.077</u> |
| | |
| Payments | |
| Waterfront operating costs and planning | 5.840 |
| Public space developments | 3.322 |
| Total payments | <u>9.162</u> |
| | |
| Net cash surplus / (deficit) | <u>- 5.085</u> |
| | |
| Funded by: | |
| Realisation of / (investment in) term deposits | 0.426 |
| Wellington City Council - Temporary Additional Funding | 4.659 |
| Total funding | <u>5.085</u> |
| | |
| Funding from Wellington City Council | |
| Contributions for waterfront operational costs and planning | 1.337 |
| Contributions for public space developments | 3.322 |
| Total Wellington City Council Funding | <u>4.659</u> |

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

APPENDIX 1

ROLES AND RESPONSIBILITIES

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

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

Strategy and Policy Committee

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

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

The Committee is responsible for ensuring that:

- Council has regular and informative reports on progress with the waterfront development.

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

Technical Advisory Group (TAG)

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

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

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

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

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

Wellington Waterfront Limited

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

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

- act as the contact point for anybody interested in a private development project on the waterfront
- negotiate and manage contracts for the design and construction of public space
- negotiate and manage contracts and leases for all building development sites and the refurbishment and re-use of existing buildings.

WWL is responsible for ensuring that:

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

Definitions

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

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

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

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