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## **APPROVAL OF THE WATERFRONT DEVELOPMENT PLAN FOR WELLINGTON WATERFRONT LIMITED 2012-15**

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### **1. Purpose of Report**

This report recommends the adoption of the Waterfront Development Plan (WDP) for 1 July 2012 -30 June 2015. It includes:

- the three year work programme of public space and development enhancements including priority wharf pile repairs
- the process for a revised design brief for the future of North Kumutoto
- a revised financing and loan position to cover the consequential costs and reforecast timing of receipts from commercial developments.

### **2. Executive summary**

The WDP sets out what the Council wants to achieve each year towards delivery of the Waterfront Framework. The plan, once adopted by the Council, is implemented by Wellington Waterfront Limited (the Company).

The proposed WDP aims to build on the significant enhancements that have transformed the waterfront over the past decade. These have included access to the harbour edge, public space, the addition of cultural and civic spaces, and high quality commercial and residential developments that contribute to the funding of public space.

Key initiatives over the coming three years include:

The promenade	With a focus on the connection from the Meridian building through to Shed 21 towards the railway station and CentrePort and improvements to the pedestrian / cycling interface.
Wharf piles	Completion of the third stage of the waterfront-wide pile repair and refurbishment programme.
Waitangi precinct	Redevelopment of the Overseas Passenger Terminal and public space, and feasibility work on the proposed Transition building adjacent to Te Papa.
Diving platform	Construction of a Taranaki Street Wharf diving platform in the cut-out space by the Free Ambulance building.
Queens Wharf	Marketing of Shed 5 ahead of its lease expiry in October 2012. Establish a temporary convention centre facility within Shed 6 subject to Council's decision on venues in relation to Town Hall strengthening.

Kumutoto Precinct	Developments for site 9 and 10 inline with a revised design brief for north Kumutoto and associated public space upgrades Seismic upgrade of Shed 11 in 2012/13.
Management	Delivery of an ongoing asset maintenance programme. Management of markets, artworks and festivals, leases, licences, insurance, projects and contracts. Monitoring and reporting.

The draft WDP was included in the draft LTP and submissions were sought as part of that process. Three factors have changed since Council approved the draft WDP for consultation that now need to be considered as part of adopting the final plan:

- i. The future development of North Kumutoto in light of the Environment Court decision on Variation 11. The decision sets limits on the scale of development in the precinct and sees Site 8 as open space. The proposed next step for the Council is to prepare a revised design brief for the area. This will provide Council the opportunity to consider the nature of any developments and gives a market signal of the Council's intention and a higher level of certainty to plan public space improvements.
- ii. The consequential delay and decrease in scale of a development on Site 10.
- iii. The current year cash flow projections for the Company. These have been impacted by the sale of the long term lease on Shed 5 not going ahead as planned and the need to complete \$4.2 million of priority wharf pile repair work this year.

The timing of commercial developments for Sheds 1 and 6 have also been revised.

The flow on effects of all of these factors means the Company requires additional loan financing to bridge the timing difference between paying for major upgrade work on the wharf piles and other public space works and the receipt of funding from commercial developments.

The overall effect of these factors is:

- an extension of \$5.582 million to the current loan of \$15 million for the next two years
- commercial revenues of \$24.075 million now being achieved over the next three years (a decrease of \$7 million from the draft).

The impact to the Council's Long Term Plan is an increase in borrowings of \$5.582 million for two years. This will be paid back through commercial proceeds from the waterfront in 2013/14.

### **3. Recommendations**

Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2.
  - (a) *Note that for 2011/12 Wellington Waterfront Limited budgeted on \$4.8 million expenditure on public space projects and \$4 million of commercial proceeds, and to end the year with a loan balance of \$12.3 million. However, because of the current financial environment, the revenue will now not be realised which will result in the company overspending their budget and requiring funds in addition to the \$15 million loan to finish the year at \$16.3 million.*
  - (b) *Recommend to Council that it authorise an extension to the loan financing for Wellington Waterfront Limited in the current year to \$16.3 million*
3.
  - (a) *Note that the revised Waterfront Development Plan anticipates commercial revenues of \$24.075 million over the next three years. However, prior to receiving the income, the financing of public space development work will push the Company loan balance to \$20.582 million in 2012/13.*
  - (b) *Agree to extend the loan financing in the long term plan for Wellington Waterfront Limited to \$20.582 million through to 30 June 2014.*
4.
  - (a) *Note that in April 2012 the Environment Court's decision on District Plan Variation 11 was received, and that the decision has had an impact on the work programme outlined in the draft Waterfront Development Plan.*
  - (b) *Agree that the North Queens Wharf 2002 design brief be revised in line with the Environment Court's decision (as outlined in appendix one) to guide the future development of north Kumutoto.*
  - (c) *Agree that officers report back to the Strategy and Policy committee on a revised design brief for adoption and associated consultation plan as soon as practicable.*
5. *Agree to adopt the revised Waterfront Development Plan as (attached in appendix two).*
6. *Agree that officers will report to the Strategy and Policy committee on the long term sustainable funding for the Waterfront project and investigation of an integrated harbour plan following the September report on Council Controlled Organisations.*

## 4. Background

The waterfront is a significant asset for the city. It provides residents and visitors with a connection to the harbour, is a cultural and recreational destination, and sits on the edge of an important city street providing a gateway from the north and a link to the CBD.

The development of the area is guided by the Waterfront Framework. Each year the Council adopts a plan that sets out the initiatives and works it wants delivered. These include commercial developments that fund public space projects and improvements. The plan is implemented by Wellington Waterfront Limited, a Council Controlled Organisation.

The governance arrangements for the waterfront were reviewed in February 2011. The key findings were:

- to retain the Company as the implementation agency
- recognition of the extensive management and operational tasks the Company performs on a day to day basis and its effectiveness
- to initiate a three-yearly review process for the Company
- the need to focus on realising the commercial proceeds.

The review also noted that significant repair work had been identified on the wharf piles that were to be paid for as part of the Hilton Hotel development (the failure of this proposal left the Company with the cost of wharf restoration but without projected revenue).<sup>1</sup>

A draft WDP 2012-15 was adopted in March and included in the draft LTP for consultation. A total of 30 submissions were received covering a wide range of issues such as: the support of continued improvements to the waterfront environment and maintaining the public space; maximising revenue by having different events; bringing the company 'in house' to reduce costs; moving some projects back to the Council or deferring projects until there is sufficient funding; and water quality around the proposed dive platform on the Taranaki Street wharf.

The operating environment has changed since March. The decision on Variation 11 and market testing of some sites has resulted in a revised WDP being presented. The following table notes the changes between the draft and now.

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<sup>1</sup> In 2008, a survey of the wharf structures was undertaken by Holmes Consulting Group that found parts of some wharves to be in very poor condition and requiring urgent remedial work. In some cases, the projected life expectancy of the structures was less than 10 years. A \$4.238 million work programme has been completed to date. Costs associated with this work (and seismic strengthening) have been covered as part of the 'public space' programme paid for through the return of commercial proceeds from developments on the waterfront. The works were not anticipated or budgeted for as part of the Waterfront Project.

Initiative	Draft	Final	Comment
OPT	✓	✓	Unchanged
Dive platform	✓	✓	Unchanged
Wharf piles	✓	✓	Unchanged
Site 10	✓	✓	Reduction in size / commercial proceeds and deferred by a year
Site 9	-	✓	Regulatory certainty means it can now progress
Site 8	-	✓	Additional cost for public space upgrade
Shed 1 (masterplan)	✓	-	Postponed: estimated commercial receipts potential has been removed from the plan
Shed 6	✓	-	Development timing to align with venues decision
Shed 11 (seismic)	✓	✓	Unchanged
Frank Kitts	✓	-	Deferred by a year to 2016/17.

This report proposes the approach in response to Variation 11 (see section 5.3.1 below) and a revised WDP.

## 5. Proposed Waterfront Development Plan

The proposed WDP has been revised to reflect changes that have occurred since the draft was adopted. It is based on the following planning assumptions:

- that Shed 6 will be used as a temporary venue during the Town Hall's strengthening
- that the Council still wishes to have development on sites 9-10 ( and this will follow the process in response to Variation 11 outlined in section 5.3)
- that an extension to the bridging loan will be provided
- that commercial proceeds will be realised.

Decisions that affect these assumptions would result in the need to amend the proposed WDP.

### 5.1 The financials at a glance

The following table presents a summary of the revised WDP financials.

Waterfront Development Plan			
<i>Work programme</i>	<i>2012/13</i>	<i>2013/14</i>	<i>2014/15</i>
Commercial Proceeds (\$,000)	-	9,000	15,075
Public Space expenditure (\$,000) <sup>1</sup>	2,666	1,142	9,384
Operating Revenues (\$,000) <sup>2</sup>	5,494	4,354	4,190
Operating Costs (\$,000)	6,227	4,965	4,648
Loan Financing Balance (\$,000) <sup>3</sup>	20,582	14,482	9,717
<i>Impact on LTP</i>			
Borrowings position (\$,000)	5,570	-	-

1. Public space expenditure is funded from commercial proceeds. The Council's loan financing provides a bridge until the developments are complete and proceeds paid. The overall position of \$20.582 m of borrowings vs. \$24.075 m of proceeds is favourable.

2. The Company's operating revenue includes a Council operations grant of \$1.075 million.

3. Servicing the interest costs of the loan sits with the Company (not with Council).

## 5.2 The key initiatives

The following table summaries the proposed plan over the next three years. The costs relate to the public space works.

<i>The initiatives</i>	<i>2012/13 (\$000)</i>	<i>2013/14 (\$000)</i>	<i>2014/15 (\$000)</i>
	<i>Public Space costs</i>		
Wharf piles repairs to Queen's Wharf	\$1,482	-	\$2,035
Waitangi precinct: redevelopment of the Overseas Passenger Terminal and public space and feasibility work on the Transition building adjacent to Te Papa.	\$100	\$750	\$4,440
Diving platform construction	\$100	-	-
Queen's Wharf: refurbish Shed 6 to establish a temporary convention centre facility for the period of the seismic strengthening of the Town Hall – subject to Council's decision.	-	-	-
Kumutoto Precinct: prepare a revised design brief (see 'The future of north Kumutoto' below). Seismic upgrade of Shed 11 and renewed canopy in 2012/13.	\$600	-	\$2,000
Maintenance: manage an ongoing programme of repairs and maintenance.	\$384	\$392	\$909
Frank Kitts Park Precinct: The Company will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden society regarding their fundraising initiatives. It is neither practicable nor desirable to construct the Chinese Garden separately from the remainder of Frank Kitts Park. \$5 million for works on the park are budgeted for 2016/17.	-	-	-
Management: in addition to these initiatives the Company will manage the markets, artworks and festivals, leases, licences, insurances, projects and contracts essential for the operation of the waterfront. They will also monitor and report on their performance.			

The key changes in the revised work programme from that of the draft WDP are as follows:

- Site 10: commercial receipts and public space payments reduced and deferred from 2012/13 to 2013/14. This is subject to Council agreeing a revised design brief.
- Shed 6: commercial receipts deferred from 2014/15 to 2016/17 in order to accommodate the temporary venue during the strengthening of the Wellington Town Hall. This is subject to a final decision on the venue by Council.
- Shed 1: development planned for 2014/15 has been postponed. Commercial receipts and public space payments have been removed from the plan.

## 5.3 The future of north Kumutoto

The Variation 11 decision provides the opportunity to consider future development on north Kumutoto. One of the assumptions in the WDP is development on Sites 9 and 10. The options for guiding a quality outcome on this are:

- Adopt a design brief. This approach provides a clear market signal and allows for public space plans to be developed; or
- Undertake a Plan Change. The Court has set clear parameters for development. A Plan Change would be unlikely to vary from those and would simply take a longer time to complete than option (i), placing market interest and therefore the commercial proceeds in Site 10 at risk.

The Council could also decide not to progress any development on north Kumutoto – but this is a departure from the Waterfront Framework and has significant impact on urban form outcomes and commercial proceeds.

### **5.3.1 Key elements of the Environment Court’s decision**

The key findings of the Court in relation to the scale of building development in the north Kumutoto precinct are:

- Site 10: up to a height of 22m and the ‘form’ should be adjusted so it reads as more than one building with a setback greater than 9m on the seaward side for much of its length.
- Site 9: generally satisfactory but the height should be adjusted down relative to site 10 - making it 16m and 19m high (rather than 16m and 25m as proposed in Variation 11).
- Site 8: should be left as open space.
- Public accessibility: the 60% ground floor accessibility rule was held to be an effective method of opening-up the waterfront and enhancing its use as a recreational and social space and should apply in the area. The Court saw no justification for increasing it to 80% as requested by Waterfront Watch.

The following table illustrates that while the extent of the height limits and building footprints in Variation 11 were not appropriate, the Court has determined that a modified level of building scale on sites 9 and 10 is appropriate.

	Site 8	Site 9	Site 10
Operative District Plan	0m	0m	0m
Var 11 - Council decision	16m	25m & 16m (south end)	30m
Envt Court decision	Retain as open space	19m & 16m (south end)	22m (to 'read' as 2 buildings)

The Court also rejected the proposed non-notification clause (provided for in the rules in Variation 11) which would have been incorporated into modified District Plan provisions, had the Court not rejected the plan change. In practical terms, this finding is given effect to through the provisions of the operative District Plan which place emphasis on public participation in the statutory planning process.

### **5.3.2 The process**

The proposed approach in response is:

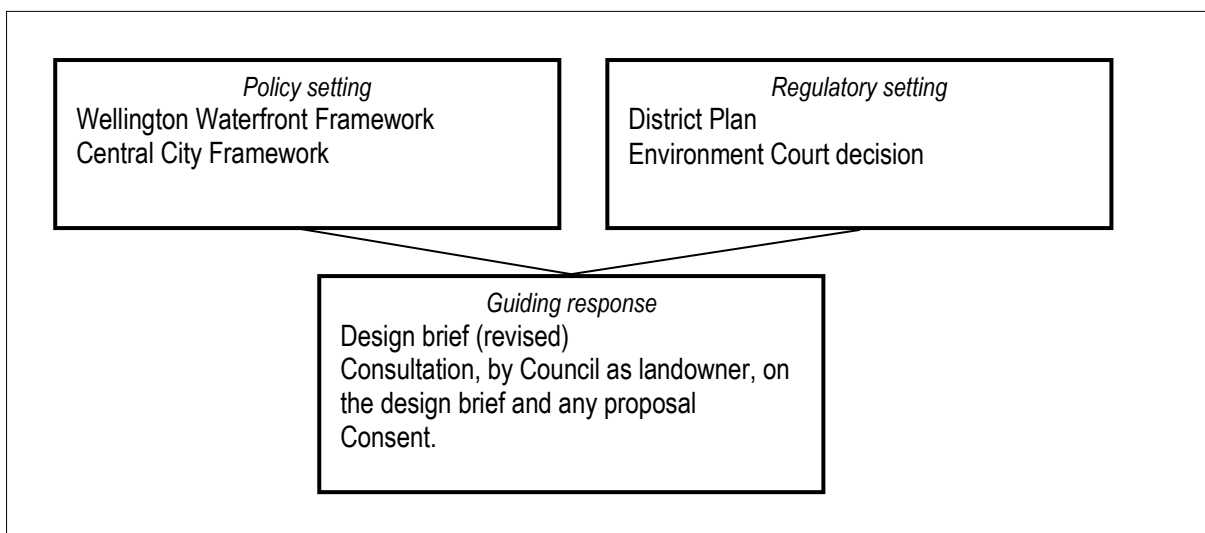
- to confirm a draft design brief for the area (see below)
- consult on the design brief
- amend/adopt the design brief
- call for proposals
- consult on a preferred proposal
- amend/instruct the Company to agree the lease arrangements/commercial proceeds and commence the consenting phase
- complete the consenting process
- construct and receive proceeds to pay for public space enhancements.

It is proposed that the first phase of work (design brief) be undertaken in the first quarter of 2012/13. This will allow sufficient time to undertake consultation and will provide certainty to the market of the approach and allow the Company to plan accordingly.

A report covering the consultation approach and revised draft design brief for approval will be presented to the Strategy and Policy Committee in as soon as practical.

### ***5.3.3 The principles for a revised design brief***

The confirmation of a design brief provides the Council with the opportunity to stipulate the outcomes it seeks in the North Kumutoto precinct. The policy and regulatory context for this work is as follows:



It is proposed that the North Queens Wharf Brief from 2002 be the basis for a revised design brief. That brief is consistent with the Waterfront Framework and provides a clear set of principles on which to guide the future of the precinct.

An assessment of that brief by the Technical Advisory Group and officers concludes that changes it can be brought up to date to recognise changes to emerging from the Variations 11 decision (and developments that have already been completed).

The guiding elements of a revised brief would cover:

- General principles inline with the framework and matters such as: links to the city; heritage and cotemporary culture; pedestrian access; parking and vehicle access; orientation; the promenade.
- A set of principles that cover the need for new buildings to:
  - provide sympathetic relationship to heritage buildings
  - façades that provide a level of ‘active edge’
  - be in context with their surrounds
  - be responsive to change of uses over time



- offer character
- provide visual interest.
- Principle that guide the relationships to open space that cover: size and shape to neighbouring buildings; enclosure and shelter; be landmarks; define space and offer surveillance; ground floors should be predominantly and clearly accessible to the public; active edges; and service facilities integrated or along secondary frontages.
- Heights and footprints inline with the court's decision.
- Commentary on the Site 8 as open space.

A summary of the key elements in the 2002 brief and recommended changes is contained in appendix one.

#### **5.4 Enabling the plan - loan balance considerations**

The company's cash flow projections show that they will exceed their \$15 million financing by the end of June 2012, finishing the year with a balance of \$16.3 million.<sup>2</sup>

There are limited options available to manage this issue. The Council could look to defer some or all of the planned public space upgrades. This approach is limited by a key factor of the plan that is the majority of the expenditure on public space development is either renewals or tied directly to commercial revenues. There is little 'discretionary' development - projects that do not generate a commercial return. The seismic strengthening and new canopy on Shed 11 (\$600k) and Taranaki Street dive platform (\$100k) would be considered discretionary.

Deferring work on the wharf piles is not considered an option as they have been clearly identified as a potential health and safety issue.

The recommended option is to extend the current loan to bridge the revised receipt of commercial returns. The following table shows the Company's expected debt profile over the next six years.

#### **Debt Profile 2012/13 to 2014/15**

	(\$000)		
	2012/13	2013/14	2014/15
Public Space Loan	14,862	8,762	1,762
Wharf re-piling costs	5,720	5,720	7,755
Total Loan financing	20,582	14,482	9,717
Payments (for public space works)	2,666	1,142	9,384
Commercial Proceeds	-	9,000	15,075

<sup>2</sup> This has come about as a result of the sale of the long term lease on Shed 5 not going ahead, and the wharf pile repairs taking up the majority of the capex spend for 2011/12.

The table illustrates the importance and impact of revenue from commercial developments in the next three years. If these revenues were delayed then additional interest expense would need to be funded. While the \$24.075 million in proceeds over the next three years is positive, the on-going maintenance and renewals work mean that the loan balance continues to increase with no anticipated offset from commercial proceeds forecast in the out years. This long term situation was identified in the 2011 review of the waterfront. Officers will report back on the long term sustainable funding for the Waterfront project following the September report on Council Controlled Organisations.

#### **5.4.2 Achieving the commercial proceeds – risk assessment**

An assessment of the risk of realising the commercial proceeds has been undertaken by officers based on the financial forecasts presented by the Company. Given the current property market and the fact that the OPT development project is well under way, there is good reason to believe that the amounts can be realised.

The following table outlines the projects with tagged commercial proceeds and the risks associated with delivery.

<i>Project risk</i>	<i>Risk level</i>	<i>Comment</i>
<p><i>OPT</i></p> <p>Commercial proceeds not realised</p> <p>Project completion delayed</p> <p>Public space costs escalate</p>	<p>Low</p> <p>Low</p> <p>Low</p>	<p>The project has gone unconditional with little chance of renegotiating the contract</p> <p>The project is underway with most regulatory targets achieved. Any delay would be extraordinary.</p> <p>Project designs and costs are in place</p>
<p><i>Site 10</i></p> <p>Commercial proceed expectations not met</p> <p>Construction is delayed</p> <p>Public space costs escalate</p> <p>(Assumes a new design brief being agreed.)</p>	<p>Med</p> <p>Med</p> <p>Med - High</p>	<p>The market for the revised building envelope has not been tested, but indications are that there is strong developer interest in the site.</p> <p>Regulatory certainty: opportunities to appeal a new development in keeping with the court's ruling are limited</p> <p>With a smaller building foot print and the additional need to provide public space on Site 8 the total receipts and will be lower and costs higher than previously forecast. The future development of site 9 may offset these (as this has not been budgeted to date).</p>
<p><i>Site 9</i></p> <p>Commercial proceed expectations not met</p> <p>Construction is delayed</p> <p>Public space costs escalate</p>	<p>Med</p> <p>Med</p> <p>Med - High</p>	<p>The court's decision provides a greater level certainty over the development of the site. This assumes a revised design brief is agreed.</p>
<p><i>TSB Arena naming rights</i></p> <p>Commercial proceeds not realised</p>	<p>Low</p>	<p>This is a prime Wellington location and interest is expected to be strong in securing naming rights for the building. Uncertainty around the future of the building could alter the commercial terms.</p>

<i>Chaffers Marina Berths</i>	Med	The OPT development and general market environment will impact on the commercial success of this project.
<i>UN Studio</i> Commercial proceeds not factored		Work over the coming years is on feasibility and stakeholder liaison. No commercial proceeds have been forecasted at this time.

## 6. Conclusion

A revised WDP is presented for adoption. This includes:

- a process that provides certainty around future developments in north Kumutoto
- the delivery of public space improvements including wharf strengthening over the next three years
- direction to achieve commercial proceeds from development sites to pay for public space enhancements and pay back a \$5.582m extension to the loan (required due primarily to changes to project timing).



## Proposed changes to the Queens Wharf Design Brief (2002)

<i>Existing brief 2002</i>	<i>Recommended changes</i>
<p><i>Minor updates (throughout)</i></p>	<p>A number of minor editorial updates would also be included. These simply aim to bring the brief up to date. For example a number of proposed steps have since been completed and process reference ie to the Waterfront subcommittee can be made to reflect the current delegations.</p>
<p><i>General principles (section 1)</i>            These draw directly from the Waterfront Framework</p> <p>“Unlike the predominantly open space areas of Chaffers and Taranaki St Wharf, this area has a strong connection the City’s Central business District. This will be reflected with a stronger sense of the adjacent city form being developed through a higher proportion of buildings than on the rest of the waterfront.”</p> <p>“The character of NQW will be of squares and lanes. Any new buildings will be in scale with the heritage buildings, such as Shed 21 at the northern end and the Queens Wharf Apartments and Sheds 11 and 13 at the southern end.”</p>	<p>These remain valid as a design intent but require amendment to make it clear that building development on Site 8 is precluded (inline with the Court’s decision).</p>
<p><i>Site specific issues (section 2)</i>            These cover broad approaches to issues such as:</p> <ul style="list-style-type: none"> <li>• links to the city</li> <li>• heritage and cotemporary culture</li> <li>• pedestrian access</li> <li>• parking and vehicle access</li> <li>• orientation</li> <li>• the promenade.</li> </ul>	<p>This section outlines appropriate directions and remains relevant. Minor updates to text can be made to reflect recent upgrades.</p> <p>A note on consideration of links to the north and relationship to Centreport development should be added to this section.</p>
<p><i>Open space principles (section 3)</i>            A set of principles guide the design of open spaces. They can be summarised as, spaces will:</p> <ul style="list-style-type: none"> <li>• be interlinked and coherent</li> <li>• support uses that contribute to the vitality, safety, recreational potential, shelter comfort and social inclusiveness of the waterfront.</li> <li>• offer a diversity of use</li> <li>• offer distinctive character and spatial definition</li> <li>• minimise the potential for entrapment and concealment through lighting a key routes</li> <li>• be based on robust design that allows for multiple and changing activities.</li> <li>• be responsive to ensure continued activity and vitality.</li> </ul>	<p>The seven open space principles are derived from the Framework and remain valid. The general nature of these can be refined for each specific site as they move through the design phases.</p> <p>An update to the table of ‘proposed’ open spaces is required to reflect their progress / completion. Site 8 now needs to be added. Content for this space should include:</p> <ul style="list-style-type: none"> <li>• Location: Water edge, north of Kumutoto</li> <li>• Description: Activity space</li> <li>• Issues: generation of and support for activity and public occupation, connections to the water, spatial definition, integration with spaces and routes around, and positive relation to Kumutoto open space.</li> </ul>

# APPENDIX 1

<i>Existing brief 2002</i>	Recommended changes
<p><i>New buildings (section 4)</i> A set of principles that cover the need for new buildings to:</p> <ul style="list-style-type: none"> <li>• provide sympathetic relationship to heritage buildings</li> <li>• façades that provide a level of ‘active edge’</li> <li>• be in context with their surrounds</li> <li>• be responsive to change of uses over time</li> <li>• offer character</li> <li>• provide visual interest.</li> </ul> <p>The principle that guide the relationships to open space cover:</p> <ul style="list-style-type: none"> <li>• size and shape to neighbouring buildings; enclosure and shelter; be landmarks; define space and offer surveillance; ground floors should be predominantly and clearly accessible to the public; active edges; and service facilities integrated or along secondary frontages.</li> </ul>	<p>The six principles for ‘new buildings’ and those for ‘building relationship to open space’ remain valid.</p> <p>The table of indicative heights need to be adjusted inline with the court’s decision being:</p> <ul style="list-style-type: none"> <li>• Site 10: height 22m and the ‘form’ should be adjusted so it reads as more than one building with a setback greater than 9m on the seaward side for much of its length<sup>3</sup>.</li> <li>• Site 9: the height should be adjusted down relative to site 10 - making it 16m and 19m high.</li> </ul> <p>It also requires updating to reflect the current labelling of sites; that two of the five sites have been built on; and that site 8 is precluded.</p>
<p><i>Add guidance for Site 8 as open space</i></p>	<p>Site 8 is an important site in the Kumutoto area. While it is possible that a satisfactory open space result could be achieved without a building on Site 8, this is unlikely to be successful without space defining elements (that can be read across greater distances), shelter, and activity generators. Any space defining and sheltering elements, and activity supporting insertions will tend to reduce openness at ground level. However, without the possibility of these sorts of elements, design options are limited, and the space risks being barren and underutilised. It is recommend that consideration of these is include in the revised brief.</p>

<sup>3</sup> The court noted that there may be different design solutions to achieving this outcome. The Technical Advisory Group has noted that the necessarily generous width and appropriate use of ground level space here might be achieved by a whole of building setback but there will be other means of achieving this. A sheltered colonnade could also provide for sheltered pedestrian access, vehicle use might be restricted, or a combination of methods might be used. A note to this effect could be included in the revised brief.

### Waterfront Development Plan 2012/13-2014/15

#### **What's included here**

Our aim is to develop Wellington's inner city waterfront in accordance with the fundamental principles set down in the Wellington Waterfront Framework (2001). The waterfront is not only a working wharf but is also a public recreation destination for locals and visitors to the city. Our role, therefore, is to deliver a work programme that will ensure the waterfront experience continues to be a special combination of activities, history, views and architecture to delight, challenge, entertain and educate everyone. The Waterfront Development Plan outlines the work programme to implement the objectives of the Framework over the next three years.

#### **Why it's important**

Wellington's waterfront is one of the most easily recognised and frequently photographed parts of our city, and is much changed from the bustling port of old. The waterfront is a special place that welcomes all people to live, work and play in the beautiful and inspiring spaces and architecture that connect our city to the sea and protect our heritage for future generations.

Over recent decades, Wellington City Council, together with many interested Wellingtonians, has developed a vision for the waterfront and its future. In 2001 this vision was laid out in the publication of the Wellington Waterfront Framework. This document sets down the fundamental principles for establishing development work programmes on the waterfront. The phasing of the 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.

The 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. As such, public submissions are sought when detailed or concept designs are proposed by WWL or developers working on waterfront projects.

#### **Contribution to community outcomes**

We contribute to the following goals of Towards 2040 Smart Capital:

***People-Centred City:*** The waterfront is one of Wellington's premiere destinations for work, recreation and events.

## APPENDIX 2

**Connected City:** Wellington's waterfront is acknowledged widely as a gathering point for friends, colleagues and family, and now, with free wi-fi access across the entire space, as a place to connect globally.

**Eco-city:** we are helping develop Wellington as an eco-city by ensuring that all development activity on the waterfront is sustainable and strives for the highest possible environmental ratings.

**Dynamic Central City:** The waterfront contributes to Wellington's downtown area in numerous ways. It provides cultural, recreational, heritage and maritime activity. Opportunities for commercial and residential development add to the changing face of Wellington's central business district. By hosting events such as World of Wearable Arts, Round the Bays and other sports events, and festivals like Home Grown and Diwali, the waterfront is promoting Wellington as a vibrant, creative and multi-cultural place.

### **What we'll provide – our levels of service**

Seven objectives have been set for the waterfront:

- The waterfront is locally and internationally recognised for its design.
- The waterfront is readily accessible to all people.
- The waterfront is and is perceived to be, safe at all times.
- The waterfront is seen as an attractive place that draws Wellingtonians and visitors alike.
- The waterfront successfully caters for a wide range of events and activities.
- Significant heritage buildings are protected on the waterfront.
- Activities on the waterfront are integrated with those on the harbour.

There are 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.

Under the Wellington Waterfront Framework, Wellington's waterfront is divided into five precincts linked by the waterfront promenade, each with its own distinctive style and personality:

- Waitangi
- Taranaki Street Wharf
- Frank Kitts Park
- Queens Wharf
- Kumutoto



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The following **key projects** are planned for the next three years

**The Promenade:** Development of the promenade as the spine that connects the waterfront is on-going. A particular focus over the next 3 years will be on the North Kumutoto connection from the Meridian building through to Shed 21 and the railway station. We will continue to address the pedestrian/cycling interface through enhanced signage and other improvements undertaken in consultation with various stakeholder groups.

**Wharf pile Maintenance:** The third stage of the waterfront-wide pile repair and refurbishment programme will take place in 2013/14 with the fourth and final infrastructural upgrade scheduled to be completed in 2017/18.

Projected public space development contribution (\$000):	2012/13 \$1,482	2013/14 \$0	2014/15 \$2,035
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**Waitangi Precinct:** The redevelopment of the Overseas Passenger Terminal and public space will be the central activity in this area over the next three years. Construction began in 2012 and is expected to be completed in 2014. Work will continue on the feasibility of the proposed transition building adjacent to Te Papa. Work on the Overseas Passenger Terminal for 2014/15 includes \$2.5 million of new work on wharf and seawall upgrades.

Projected public space development contribution (\$000):	2012/13 \$100	2013/14 \$750	2014/15 \$440
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**Taranaki Street Wharf Precinct:** Although this area is essentially complete, we are developing a new initiative to install a diving platform in the cut-out space by the Free Ambulance building. Target date for completion is 2012/13.

Projected public space development contribution (\$000):	2012/13 \$100	2013/14 \$0	2014/15 \$0
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**Frank Kitts Park Precinct:** WWL will continue to oversee the design development of the whole of Frank Kitts Park and work with the Wellington Chinese Garden society regarding their fundraising initiatives. It is neither practicable nor desirable to construct the Chinese Garden separately from the remainder of Frank Kitts Park. The redevelopment of the park currently has \$5 million budgeted for 2014/15, but this is proposed to be moved to 2016/17.

**Queens Wharf Precinct:** Master planning for this area was completed and presented to the Council in 2011. Shed 5 is being marketed ahead of its lease expiry in October 2012. Wellington Waterfront is keen to see a design concept that gives the building a new 'lease on life' and position the building for the medium term. Wellington Waterfront will work

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collaboratively with Wellington Venues Limited to establish a temporary convention centre facility within shed 6 for the period of the seismic strengthening of the Town Hall.

Projected public space development contribution (\$000):	2012/13 \$0	2013/14 \$0	2014/15 \$0
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***Kumutoto Precinct:*** Following the Environment Court decision on District Plan variation 11, the company has much greater certainty around what it may allow to be developed within the Kumutoto precinct. The company will work collaboratively with the Council in its revision of the design brief for this area and will then progress design and resource consent planning for buildings to be developed on sites 9 & 10. Preparatory work will be undertaken in the 2012/13 year resulting in designs for up to three buildings able to be presented to Council for ultimate approval. A sum of \$2 million for upgrading the public space in the Kumutoto precinct has been budgeted for the 2014/15 year to coincide with the end of the building construction programme. Seismic upgrade is required on Shed 11 with the work scheduled for 2012/13.

Projected public space development contribution (\$000):	2012/13 \$600	2013/14 \$0	2014/15 \$2,000
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***Other Capital Renewals: An ongoing programme of repairs and maintenance, capital expenditure and renewals has been identified in the company's Asset Management Plan. By way of example, during the 2012/13 year the company expects to replace the roof on Shed 5 and put in measures to stem the corrosion on the Lagoon Bridge.***

Projected public space development contribution (\$000):	2012/13 \$384	2013/14 \$392	2014/15 \$909
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### **How we'll measure our performance**

We will be measured by our delivery of the principles and objectives clearly outlined in the Framework.

Design activity on the Waterfront is monitored by WCC's Technical Advisory Group (TAG), an independent provider of design advice for the Council. Drawing on the architecture, landscape architecture and urban design expertise of its members, TAG ensures that the Framework principles have been applied consistently in all Waterfront design.

The overall performance of WWL is monitored by the Council Controlled Organisations Performance Subcommittee that reports to the Strategy and Policy Committee.

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Outcomes We Seek	Measuring Progress Towards our Outcomes					
STRONGER SENSE OF PLACE	<ul style="list-style-type: none"> <li>• A diversity of activities including maritime, commercial, entertainment, open space, recreation and culture and heritage.</li> <li>• Improved access along the waterfront and between the city and the harbour.</li> <li>• An evolving waterfront experience that is mindful of its historic past and its future.</li> <li>• Urban design worthy of the waterfront setting.</li> <li>• A consultative process that encourages stakeholder participation.</li> </ul>					
Council Activity Levels of Service	Measuring our Performance	Baseline 2012	2012/13	2013/14	2014/15	2016/17-2022/23
We oversee development of the waterfront and fund the waterfront enhancement projects	Residents (%) who have experience Wellington's waterfront in the last year	90%	95%	95%	95%	95%
	Residents (%) who rate their Waterfront experience as good or very good	90%	90%	90%	90%	90%

### How we manage our assets that support this activity

Wellington's waterfront is managed in accordance with the Wellington Waterfront Framework (2011) and the WWL Asset Management Plan (2011). We comply with all legislation and regulatory requirements, including resource consents. Waterfront assets are maintained in a condition that allows the buildings and public space to meet visitor and stakeholder expectations. WWL actively engages with other commercial operators on waterfront sites to ensure that the issues are resolved quickly and effectively, and that the waterfront remains a safe and welcoming place for everyone.