
EARTHQUAKE RESILIENCE PROGRAMME- UPDATE AND POLICY DIRECTION

1. Purpose of report

This report updates the Committee on the heritage and city resilience workstream and progress on the financial incentives for heritage buildings in the context of the EQP building issues.

It raises the implications of the Government policy proposals which potentially may give strengthening earthquake prone buildings precedence over other legal, regulatory and planning Resource Management Act (RMA) requirements. These are covered in the Council's submission to the Ministry of Business Innovation and Employment (MBIE). It seeks the Council's direction on approaches to managing the Heritage List in the District Plan and financial incentives for earthquake strengthening heritage buildings.

It also updates the Committee on the wider earthquake resilience programme including the residential assessments programme, community briefings and the building owner survey.

2. Executive summary

Councillors have previously agreed to explore possible District Plan changes to more explicitly address building integrity and public safety within the heritage provisions, as well as specifically addressing high risk features. Work on these changes is currently underway. Councillors have also agreed that officers will undertake a review of the Heritage List to inform decisions about the nature and extent of our heritage listings.

Proposals in the MBIE consultation document "Building Seismic Performance" raise the prospect of the Government changing the management of earthquake prone buildings, including superceding other regulatory requirements such as those designed to manage buildings of heritage or local character. If these proposals are introduced, they will alter the way in which heritage is managed through the District Plan.

Notwithstanding the outcome of the MBIE consultation, officers consider that the review of the Heritage List provides an opportunity for the Council to reflect on the nature and extent of the protection exercised over its own heritage resources.

The first phase of a review of priority earthquake prone or potentially earthquake prone heritage buildings and objects has found that the majority of places meet the 2007 Heritage Listings Criteria¹.

Ranking the Heritage List has been explored to try and place these heritage values in the context of a resilient city. This paper presents the options for managing the Heritage List, including introducing a ranking system, although recommendations focus on the integrity of the Heritage List rather than the ranking. This is due to the uncertainty created by the Government's proposals affecting the Building Act/RMA interface which could affect the Council's management of the Heritage List and remove the need for a district plan change to rank the Heritage List. It also makes recommendations around the importance of non-regulatory roles including advocacy and facilitation to achieving strengthened heritage buildings.

The paper also recommends options for financial assistance and/or incentives to owners of listed earthquake prone heritage buildings and provides an update on the earthquake resilience programme in Appendix 1.

3. Recommendations

Officers recommend that the Strategy and Policy Committee:

- 1. Receive the information.*
- 2. Note the update on the Earthquake Resilience work programme in Appendix 1.*

Advocacy and Facilitation - Heritage

- 3. Agree that resources from the funding allocated under the Earthquake Risk Mitigation Fund for Heritage are directed towards developing a comprehensive advocacy and communications programme to deliver advice and assistance to heritage building owners.*

District Plan Heritage List

- 4. Note that heritage assessments have been completed on all currently identified Earth Quake Prone and potentially Earth Quake Prone individually listed and heritage area buildings on the District Plan Heritage List and that this improves the information held by the Council on listed heritage buildings and can be used in resource consent processes, advocacy and grants assessments, and will be made available to building owners and the community.*
- 5. Note that the government decisions following the outcome of the consultation on the Ministry of Business Innovation and Employment (MBIE) document "Building Seismic Resilience" may have consequences for how Council manages the District Plan Heritage List and its objectives, policies and rules.*
- 6. Agree that any decision to introduce a ranking system into the Heritage List will not be made until the central government decisions on how the*

¹ Refer Appendix 2

Resource Management Act requirements will impact on earthquake prone buildings have been made and after all heritage buildings and objects have been reviewed under the 2007 Heritage Listings Criteria.

- 7. Agree that the second phase of the Heritage List Review of buildings and objects on the Heritage List will continue so that the whole list is reviewed by late-2013 under the 2007 Listings Criteria.*
- 8. Agree that, in relation to draft District Plan changes being prepared in response to the earthquake prone building issue, Option 2 "Rationalise the Heritage List" is the approach to be taken to ranking the Heritage List until the Government has clarified its position on the Building Act/Resource Management Act (RMA) interface in relation to earthquake prone buildings.*

Incentives for heritage property owners

- 9. Agree to implement the process outlined in section 6.3.2 for the Built Heritage Incentive Fund (BHIF) to better utilise and focus this funding towards earthquake strengthening as a priority.*
- 10. Agree to remove criteria 9 from the Built Heritage Incentive Fund (BHIF) application criteria for the 2013/14 and 2014/15 funding rounds.*
- 11. Agree that during the March grant round, utilisation of any unspent amounts from the heritage resource consent fee subsidy fund to grant funding for heritage earthquake strengthening projects (that meet the Built Heritage Incentive Fund (BHIF) criteria) will be considered.*
- 12. Note that a proactive management approach for the Built Heritage Incentive Fund (BHIF) would improve the strengthening outcomes from this fund, but would require an increase in resources of \$40,000 to be considered as part of the 2013/14 Annual Plan.*
- 13. Note that any funding support for heritage buildings (Built Heritage Incentive Fund) beyond 2014/15 will need to be considered through the appropriate Annual and Long Term Plan process.*
- 14. Agree that officers will not continue to work on options of rates relief, rates remission or Transferable Development Rights for heritage earthquake strengthening projects.*

Incentives for other property owners

- 15. Agree that officers continue to focus efforts on facilitation of solutions for property owners, including but not limited to development of a consortium approach for strengthening solutions in the private sector and the targeted rate scheme.*
- 16. Note that Council will continue to work with Central Government in the development of financial assistance to property owners.*
- 17. Instruct officers to report back on possible incentives for property owners once central Government's support is clear.*

4. Background

Previous Decisions

In September 2011 the Committee agreed to take a broad approach to addressing earthquake prone buildings and city resilience. This meant expanding its regulatory role as required in the Building Act to considering what other activities it would be involved in. An Earthquake Resilience business unit was established in the Council to manage this work and oversee the assessment and strengthening of Council's building portfolio.

A report was presented to the Committee in February 2012 that highlighted the cost implications of a Christchurch type scenario for Wellington. Some priority activities were agreed and \$1.45 million allocated in the Long Term Plan for these.

An update was presented to the Committee in September 2012. It was agreed that officers would report back with:

- An update on the results of the research, review and assessment of earthquake prone and potentially earthquake prone heritage buildings and objects;
- Recommendations for a process to update and review the District Plan heritage buildings and objects lists;
- Further information on incentives that could be provided to building owners by the Council or in conjunction with Central Government that would assist them in strengthening their buildings; and
- An update on the work relating to High Risk Features.

Work Programme

The Earthquake Resilience Programme has continued across a range of Council activities. An update on these activities is provided in Appendix 1.

One significant issue for the Council is the balancing of its various roles in relation to heritage management and achieving a resilient city. A lot of work has been done in past years by the Council to support building owners to strengthen heritage buildings. Many owners of heritage buildings over that time have made the commitment to strengthen and there are a number of examples of strengthening occurring beyond legislative requirements. This trend is continuing despite the Canterbury earthquakes and the economic downturn.

Since February 2011, 22 heritage or heritage area buildings have been granted building consent to strengthen, most of these to between 67 and 100%. The resource consents team has also seen an increase in the number of pre-application resource consent meeting involving strengthening proposals for both heritage and non-heritage buildings.

Ongoing efforts are focused on identifying the building owners that are struggling to strengthen their buildings and what assistance the Council can be provided to get them through the process.

5. Discussion

5.1 The Big Picture

The community places a high value on Wellington's historic heritage. In recognition of the public value of these buildings, the Council provides grants to owners of heritage places to facilitate conservation work, undertake repairs and maintenance, and/or commission specialist professional services, such as engineer's reports.

The experience of Canterbury has raised issues around whether the current level of heritage protection in Wellington is consistent with a city that is seeking to reduce risks to life and property in the event of an earthquake, and build economic and social resilience. A principal consequence of this has been to look to the District Plan Heritage List to determine the heritage values the Council is protecting, as well as what incentives the Council is making available for building owners to help build resilience.

The MBIE "Building Seismic Performance" consultation document indicates that the Government is clarifying the situation between the Building Act and the RMA. It considers whether life safety should be elevated over RMA considerations, including heritage provisions. There is a question as to how the Council should respond if there are changes to legislation that affect the Heritage List and the objectives, policies and rules in the District Plan. Until any legislative change transpires, officers recommend that the review of the Heritage List should continue. The review informs the earthquake resilience project, and also improves the integrity of the Heritage List which will be relevant for non-earthquake prone heritage building and objects in the long term.

Another relevant development since officers last reported is that the application for resource consent to demolish the "Harcourts" building on the corner of Lambton Quay and Grey Street was heard by Commissioners in December 2012. The decision on the application to demolish this heritage listed building is due at the end of February. This decision will inform the Council about how the District Plan provisions are working where there are clear issues of public safety, economic constraints and heritage values that need to be balanced.

Advice provided to Councillors in previous reports described public safety and reasonable and economic use of heritage buildings as being matters already contained within the resource consent assessment criteria in the District Plan. Officers recommended changes to make this more explicit should a plan change in response to earthquake resilience eventuate.

In the meantime, to achieve resilience results faster under the current framework for Wellington's earthquake prone heritage buildings, it is considered greater effort should be directed into advocacy and facilitation alongside the current regulatory reviews.

5.2 Advocacy and Facilitation

Council officers play a key advocacy role with heritage building owners and encouraging and supporting owners' earthquake strengthening projects.

Commercial and residential building owners are engaging in the advocacy and assistance mechanisms the Council has in place and, although many still have issues that need to be resolved, there is a more optimistic picture developing.

One important gap that has been identified is that there is a need for increased advocacy and promotion of council services to support heritage building owners with strengthening projects. The survey of commercial building owners (Appendix 1) shows that there is a perception that a building's heritage status is an obstacle to strengthening. It is recommended that an advocacy and communications plan is developed, in conjunction with proactively managing the BHIF, to address these perceived barriers and to promote a pragmatic approach to solutions for owners.

5.3 Review of the Heritage List

Items have been added to the Heritage List cumulatively over a long time and not all of the heritage items have been assessed against a recognised standard set of listings criteria. In order to address this issue, officers have used the *Heritage Listings Criteria* that were adopted by Council in December 2007² to review buildings and objects on the List, as these criteria remain relevant and are robust.

Since mid-2012, 226 research reports have been prepared using the 2007 criteria to review heritage listed buildings. These buildings and objects have been prioritised for review based on the following, they are:

- Individually listed buildings which are earthquake prone, or are likely to be earthquake prone
- Earthquake prone heritage buildings in the central area and suburban centres
- Earthquake prone heritage buildings located on strategic traffic and/pedestrian routes.

The review criteria identify the intrinsic heritage values of buildings and objects, as distinct from any economic value/benefits and public safety considerations which impinge on the management of an item.

All places researched have been assigned a theme using the Council's Thematic Heritage Review³ report. This provides a structure and context for understanding the District Plan Heritage List and shows how an item represents Wellington's heritage by telling 'the Story of Wellington'.

The review also considers whether there are buildings and objects that do not meet the listings criteria and therefore may need to be recommended for removal from the Heritage List.

The review balances what is significant from a heritage standpoint, the Council's statutory responsibilities and what information is important to retain for the

² Refer Appendix 2

³ A Thematic Review of the heritage of Wellington was undertaken in 2010. The thematic review provides a framework for analysis of the city's heritage buildings and places and identifies where the gaps are in representative examples of the city's recognised heritage places.

future. The Council's *Heritage Policy 2010* states the importance of ensuring that recognition and research of heritage is a continuing process:

“Ensure that places continue to be fully researched, documented and recorded for regulatory and non-regulatory purposes.”

The Public Awareness objective of the Policy notes that Council will:

“Make information about the city's heritage resources available to owners, stakeholders, the community and visitors.”

The review of the District Plan Heritage Lists will ensure that well researched and accurate information is available for the public to access, as well as significantly enhancing the assessment of resource consent applications.

5.4 Initial research findings and recommendations

The initial research findings (for this subset of 226 heritage listed buildings) are:

- The quality of the information about buildings on our Heritage List has been greatly enhanced, remedying significant gaps in information held on each building;
- Officers know more about the earthquake prone status of each building, where they fit in the Thematic Framework and whether they have received grants from the Council in the past;
- Most of the buildings researched so far meet the 2007 listings criteria; however a small number of buildings (less than 10) have been assessed as not meeting the criteria or being 'contributing' buildings within a heritage area;
- There are some inconsistencies in how some buildings are listed, where some buildings only have listed facades, although the complete buildings are still intact and vice versa; and
- There are some minor errors in the Heritage List that need to be remedied when there is an opportunity to do so.

Ultimately it is important the Council uses this process to work towards one robust, well-researched inventory of heritage buildings that can support their listing in the District Plan.

5.5 Completing the review of the District Plan buildings and objects lists

Phase Two will review the remainder of the District Plan Heritage List. The Council will then have confidence that all items will have:

- Been researched to an acceptable standard;
- Been assessed against the approved council heritage criteria; and
- Meet the agreed standard to qualify for inclusion on the District Plan Heritage List.

Some buildings will not need to be reviewed:

- District Plan Heritage Area buildings which have been researched to a high standard recently;
- Buildings individually listed through recent Plan Changes, researched to a high standard; and
- Buildings with current Heritage Orders.

It is estimated it will take until late 2013 to complete the review. It is recommended that, once complete, the information from this review is made available to the public and landowners and on the Council website and/or in published volumes.

The current debate about retention of façades only, following demolition of high profile heritage buildings, and allowing for development of a site behind a façade, is an issue that deserves further discussion and guidance from Council in this part of the review.

5.6 Should the Heritage List be ranked?

Prior to the release of the Government's consultation document, officer advice had been that Wellington City needed to have a District Plan response in relation to balancing heritage with city resilience outcomes. District Plan changes have been agreed and are being drafted to address District Plan provisions and specifically high risk features. Work on reviewing the Heritage List has commenced with a view to building in a resilience focus to the heritage portfolio we are protecting through the District Plan.

If the Government were to proceed down a road of removing RMA considerations in relation to earthquake prone buildings as proposed in "Building Seismic Performance", the fact that such a building was on a Heritage List would mean that the Council could only take an advocacy role in attempting to see it strengthened rather than demolished. There would be no resource consent application required that would enable other matters to be considered in addition to life safety.

Given this potential legislative outcome, the Council is presented with a problem in terms of whether it should move, and how quickly, on District Plan changes. This includes whether to proceed with introducing a ranking system or not as, under the Government proposal, this would potentially have no influence. It is likely that the Government's direction in this area will be clarified in the following year which will enable any decision to be made on any District Plan changes.

Ranking the Heritage List has been considered by the Council in the past. A possible ranking approach has been reconsidered after the NZ Historic Places Trust presented on building city resilience at the SPC meeting on 20 September 2012. The options for managing the Heritage List, including ranking, is outlined below and was prepared before the MBIE consultation document on "Building Seismic Performance" was released. Officers consider that Councillors should still consider the ranking options given that the central government direction is still not set.

In light of the MBIE proposals officers recommend **Option 2** (refer to Table 1) as this concentrates reviewing the integrity of the District Plan Heritage List rather using ranking as a way of responding to the earthquake prone building issue.

If the Government proceeds to give public safety precedence over RMA considerations, ranking could be seen as a mechanism outside the District Plan to help determine the priority buildings for the advocacy and facilitation role of Council, and where grants should be directed. One reason for doing this is to address the complexities around the provisions of the Building Act and the ability to retain heritage buildings following an earthquake. The threshold of 34% NBS required under the Building Act accounts for life safety but does not represent a scenario where the heritage value of a building will likely be protected in the event of an earthquake.

Whilst many heritage buildings in Christchurch survived the earthquake, they were subsequently demolished because of the extent of damage incurred. A heritage building is likely to require strengthening to a greater level - 70-100% of NBS or even higher if it is a building we would want to see withstand a moderate earthquake and last over time. Prioritising buildings outside the District Plan could be a way of working through which buildings Wellington City would want to direct resources into because of the need for a higher threshold.

TABLE 1: Options for Ranking the Heritage List in the District Plan

Option	Description	Pros	Cons	Consequences for the District Plan
1. Status Quo (no ranking)	Retain the existing Heritage List.	Allows for a consistent starting point to resource consent processes and funding mechanisms. The review process also means good quality information will now be available on each heritage place to inform the above, a significant improvement on the present situation.	All buildings have equal status which may limit the ability to balance heritage importance over other factors, as well as limit the ability to target grants and incentives. Does not address current errors and anomalies.	This option requires no change to the DP Heritage List (no plan change). However, the list is overdue for review in terms of the 10 year timeframe required by the RMA.
2. Rationalise Heritage List (no ranking)	Review list and remove places from the list that do not meet the 2007 Listings Criteria. Correct errors and anomalies.	Focused on the integrity of the existing list. Would remove current weaknesses in plan implementation.	Only 'tidies up' the list. Does not change status of heritage buildings or rules. May result in opposition to removal of places from the list.	Would require a plan change but only in respect of the Heritage List – no change to the objectives, policies and rules which have all been recently reviewed (PC43). Addresses the issue of the list itself being overdue for review.
3. National & Regional ranking system	Rationalise list and restructure list into two categories ranked according to International/National Significance (Category A) and Regional/Local Significance (Category B) - as per NZHPT recommendation.	Clarifies what the Council and Community think are the most important buildings in terms of nationally recognised significance criteria. Would likely have the support of HPT.	Could be seen to be of less relevance in terms of the 'Story of Wellington'. The identification of a 'second tier' could create a perception of diminished value and result in more pressure to lose these buildings, especially if EQP.	Would require a plan change in respect of the Heritage List and the objectives, policies and rules. A 'test-run' of this approach identified a small number of principally publicly owned buildings in Category A. The large part of the existing list would fall into Category B.
4. Wellington Significance ranking system	Rationalise list and assess the significance of each building to Wellington, with two groups 'highly significant' (A) and 'significant' (B) identified.	Tells more of a story about Wellington and its heritage. May be easier to combine with non-regulatory initiatives and incentives as a result.	Still splits the list and as a result creates a 'second tier' which may result in more pressure to lose these buildings, especially if EQP.	Would require a plan change in respect of the Heritage List, the objectives and policies and rules. A 'test-run' of this approach identified a larger number of buildings of mixed public/private ownership in Group A with the balance Group B containing significant buildings of mixed ownership.
5. Numeric ranking system	Rationalise list and assess the significance of every building/object based on a scoring system. This may also result in categories based around scores.	Provides a quantitative system that if well set up and recognised, can provide more certainty in the assessment process.	Can result in significant debate around scoring which is a diversion from the objective to maintain a Heritage List with a high level of integrity.	Would require a plan change in respect of the Heritage List and the objectives, policies and rules. Would represent a significant policy change to current and previous heritage policy in Wellington.
6. Qualitative grouping system	Rationalise list. Buildings/objects are classified on the basis of their role within a heritage area or their place in the thematic framework.	Tells the Story of Wellington in a way which places buildings by type rather than assessing their significance. Would be clearer what themes are over or under-represented and consequently inform consenting or incentives processes.	Does not deliver a ranking system so would have a similar effect to the status quo system in not prioritising one building from another.	Would require a plan change in respect of the Heritage List and the objectives and policies. Potentially the rules will not need to be changed.

<p>7. Ownership Profile system</p>	<p>List is separated out into two lists – publicly owned and privately owned.</p>	<p>Would clearly identify which buildings already have status as a ‘public good’ through being publicly owned. Transparent way of separating public buildings from the rest of the list in regard to strengthening incentives for e.g.</p>	<p>Does not really work as a system for managing effects on heritage buildings through land use change which can occur to all buildings regardless of ownership. May be difficult to argue in RMA terms.</p>	<p>Would require a plan change in respect of the Heritage List and the objectives, policies and rules. Another potential way of using this approach is to overlay the ownership profile over any or all of the above options 1-6 to help inform decision making.</p>
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5.7 Recommended framework for reviewing the Heritage List

There are advantages and disadvantages for all of the options considered and, as mentioned, there is an area of doubt remaining until government proposals around the Building Act/RMA interface have been confirmed.

Officers recommend that **Option 2** would resolve present issues around the integrity of the Heritage List and improve confidence amongst building owners and the community. With the information officers are assembling on each building, performing regulatory functions under the RMA for heritage buildings will be enhanced by these improvements.

Officers also believe that either Options 3 or 4 could be implemented outside of the District Plan as a mechanism to directing Council resources on advocacy, facilitation and funding. If the government does not proceed with its proposal around removing legal, regulatory and planning requirements for earthquake prone buildings, then Councillors could look again as to whether a ranking system is appropriate as a regulatory tool through the District Plan.

It is recommended that a decision on ranking the Heritage List is not made until:

- The Government has clarified its position on the Building Act/RMA interface in relation to earthquake prone buildings.
- All buildings and objects have been reviewed under the 2007 Listings Criteria.

6. Discussion – Financial Incentives for heritage

6.1 Financial Incentives for Heritage Owners for earthquake strengthening

The Council has done a lot of work on earthquake strengthening of heritage buildings over the last 15 years. While awareness of the issue has been heightened since the Canterbury quakes, it is not a new issue for Wellington.

The Council offers private heritage building owners two areas of financial assistance:

- Built Heritage Incentives Fund (BHIF) - \$329,000 per annum, included in our LTP for 3 years until 2014/15
- Resource Consent Subsidy Grant - \$50,000 per annum for all 10 years of our LTP.

Deciding on the City's heritage outcomes

Agreeing the strategic outcomes for heritage buildings and heritage areas will help to define any policy and criteria put in place for any incentives.

The factors that will determine if these funds are sufficient incentive for heritage property owners to seismically strengthen their buildings include;

- The Council's objectives and aspirations
- Significance of the heritage building within the Heritage List

- The heritage building use and future use
- The economics of strengthening for the current property owner and external market forces.

If the Council is primarily interested in meeting public safety requirements then strengthening to between 33% and 70% of NBS will be sufficient to achieve that outcome. However if the Council is interested in ensuring their enduring existence then it is more likely that a higher standard may be required.

At present, there is no enforceable mechanism to achieve this aspiration. The Council needs to rely on market forces, incentives and our facilitation role to achieve this.

The cost of achieving this depends on the building. However it will be a more expensive proposition for heritage building owners should the Council consider this outcome to be strategically important. The costs will be significant and there is no feasible or responsible way the Council can provide funding incentives to property owners at a level significant enough to remove the financial burden from them.

6.2 The role of the Council in incentivising property owners to strengthen

Any decision on incentives needs to recognise that the Council plays a number of roles in achieving our resilience outcomes for both heritage and the city. These roles are:

Regulator/Enforcer	Facilitator	Funder
Focused on achieving life safety outcomes and ensuring buildings meet the Building Act minimum requirements of 33% NBS	This is a positive role and most likely to achieve better outcomes for property owners than any other role we play. Property owner's are limited by what they can afford to do and will be motivated by the demands being placed on them by tenants or financiers.	Our financial incentive programme is more likely to provide a contribution towards the financial burden of earthquake strengthening rather than funding the problem.
<ul style="list-style-type: none"> • Building Act Requirements • IEP Process • WCC Policy Requirements • Transferable Development Rights 	<ul style="list-style-type: none"> • Negotiations with building owners • Facilitation of private sector consortium solutions or a "one stop shop" for property owners • Residential Assessments and Earthquake Toolkits • "Wellington Rocks" Community meetings • Work with Central Govt on national incentives programme (e.g. tax incentives, EQC alternatives) • Work with banking sector to explore alternative financing solutions • Work with the insurance sector to explore alternative risk sharing models • Targeted Rate Scheme • Civil Defence/"Get Ready" communication 	<ul style="list-style-type: none"> • Grant Programmes • Fee & User Charge Subsidies • Capital investment

From a building owner's perspective, the main incentive to strengthen their buildings comes from "market forces" – these include tenant demand for a certain level of NBS and meeting the banking and insurance requirements.

It is important to note that for many building owners, these "market forces" are sufficient for them to strengthen their buildings to 70%-100% of NBS without any further intervention from us or central government.

In this context, financial incentive options specifically for heritage are discussed further below.

6.3 The Built Heritage Incentives Fund (BHIF)

The purpose of the BHIF is to help with conserving, restoring and protecting Wellington's built heritage. The fund also helps meet some of the additional costs associated with owning and caring for a heritage property. The BHIF is administered by the Council Grants and Heritage teams and has two funding rounds each year (March and July).

During the 2012/22 LTP deliberations it was agreed to continue funding the BHIF at \$329,000 per annum for three years until 2014/15, and that the fund focus "*on remedying earthquake prone related features or securing conservation plans / initial reports from engineers.*" This ensures that our existing heritage incentives are being focused on the area of greatest strategic need of earthquake prone buildings.

The BHIF follows on from a heritage earthquake strengthening fund that was first introduced in 1998. That fund was proactively managed and focused on specific buildings where it would have the greatest impact. The intent of earthquake strengthening at that time was for life safety (rather than enduring building protection) and getting buildings to 67% of the building code at that time. That fund was found to be effective for smaller 2-3 storey buildings (Courtenay, Cuba, Te Aro areas) rather than the larger buildings in the CBD which were often owned by developers and significantly more money was required for their projects.

6.3.1 Prioritisation, Criteria and "Report Backs"

As noted above, through the last LTP process earthquake strengthening was made a priority for the BHIF. The BHIF criteria allows for this priority. Earthquake strengthening projects will take precedence over other eligible conservation/maintenance projects and Council officers will advertise this priority to potential BHIF applicants.

Criteria 9 of the BHIF (Appendix 3) states that "only one grant will be approved for a grant to any one heritage place within each three-year cycle". Officers recommend that this be removed from the 2013/14 and 2014/15 funding rounds for earthquake strengthening projects. By removing criteria 9, applicants will be able to apply for funding for different stages of earthquake strengthening work within a three cycle and have work completed faster.

When funding is allocated, an applicant is required to report back on how they spent the money. Report backs are an essential part of the funding process as they provide transparency and accountability for the funding provider and applicant. The usual Council process is for an applicant to have submitted a

report back before applying for new funding. By removing this requirement for earthquake strengthening projects Council will be able to speed up the administration process for the BHIF and earthquake strengthening work. The risks are:

- Owners get ahead of themselves and apply for funding before they are ready to undertake the work; and
- Funding cannot be reallocated to other applicants if non-compliance is found with an approved application.

There are instances where the Council has removed the report back requirement but it is used with caution. Given the immediate nature of earthquake strengthening work, building owners are motivated to complete the work and to do so in a timely manner. This coupled with a proactive approach will limit Council's risks in this area.

6.3.2 The administration and management of the BHIF

The prioritisation or removal of criteria 9 from the BHIF will not affect its administration and funding rounds. However, to best utilise the BHIF, officers recommend that a proactive approach be taken and Council target and work with owners of heritage buildings to encourage them to submit applications to the fund.

With regards to applications and the allocation of the funds, officers recommend the following changes to increase the effectiveness of the BHIF:

1. Prioritise \$300,000 of the fund to earthquake strengthening projects.
2. Use the remaining \$29,000 for conservation and maintenance projects (status quo),
3. Implement a 3-stage earthquake grant funding programme:
 - a. Stage 1 – for feasibility and assessment work
 - b. Stage 2 – for detailed drawing and investigation of a preferred option
 - c. Stage 3 – a contribution towards resource consent fees and completion of actual works
4. Require all information from work completed in stages 1, 2 and 3 to be passed to a new owner in the event of the sale of the building.
5. Require funding for each stage of a project to be approved without time restriction (criteria 9) and allocated before the applicant has reported back on any previous funding (the 'report back') to allow quicker progress to a strengthened building.

6.3.3 Proactive management of the BHIF

The BHIF is currently being managed in a reactive way by considering applications received, rather than proactively targeting heritage building owners that would benefit most from earthquake strengthening.

Our experience from the 1998 Building and Safety Fund and Heritage Fund was that a proactive management approach meant more successful strengthening

and heritage outcomes were achieved from the available funding. This approach however would take considerably more officer time.

There is a range of proactivity that could be applied to the managing the BHIF. With our existing heritage resources a limited approach could be achieved, for example, promoting the fund through our current networks and by phone calls to building owners.

A better approach to achieve the greatest benefit from our \$300,000 BHIF would be a dedicated resource that:

1. Establishes which buildings would most benefit from the fund;
2. Meets with building owners to discuss their earthquake strengthening needs;
3. Gains agreement to progress the project; and
4. Helps with the application to the BHIF for funding support.

This approach would likely cost \$40,000 for a dedicated resource and would need to be funded as a new initiative through the 2013/14 Annual Plan process.

In conjunction with the development of a consortium of service providers this approach could considerably increase the speed heritage earthquake strengthening occurs, and improve its co-ordination.

6.3.4 Increasing Funding Levels

Officers consider that the above changes are the best course of action to assist property owners of heritage buildings with earthquake strengthening at our current levels of funding. This would equate to funding approximately 16 buildings over the next 3 years at the maximum of say \$50,000 per property across all stages. It is likely to take several years to progress to the construction stage of a project so we would expect more buildings to be funded for stages 1 & 2 over the next 2 years.

To adequately support heritage protection the BHIF will need to be continued beyond 2014/15 (as in the current Long Term Plan). Councillors could also consider increasing the fund in 2013/14 and 2014/15 to be able to assist more heritage property owners.

Both of these options would need to be considered as part of the Annual Plan or Long Term Plan deliberations along with other funding priorities.

6.4 Resource Consent Subsidy Fund

The Council has a \$50,000 per annum fund to refund resource consent fees up to \$2,500 per application to heritage building owners. The purpose of this fund is to compensate heritage building owners for the additional costs imposed on them due to the heritage listing of their building.

Analysis of this fund shows that it is under utilised (\$10,000 - \$15,000 per annum). Property owners are normally informed of this subsidy at their pre-application meetings after they have decided to commence some maintenance or strengthening work on their building.

In the context of the earthquake prone building issue, this funding could be better utilised and targeted to incentivise our heritage outcomes. It is recommended that for the remaining period of the BHIF (till 2014/15) that Councillors allow officers to assess the utilisation of the resource consent fund during the financial year, and in circumstances where it is not well utilised allow for the money to be diverted to the BHIF for earthquake strengthening work.

This approach will focus almost all of the heritage incentive funding on earthquake strengthening which is the current priority.

6.5 Rates Relief or Rates Remissions

Using rates relief or rates remission to incentivise heritage outcomes has been considered several times by this Council. Most recently it was discussed in detail at the FAR Working Party and again at SPC as part of the 2008/09 DAP.

There are advantages and disadvantages to this mechanism of funding to property owners:

Advantages	Disadvantages
<ul style="list-style-type: none"> • Demonstrates and gives recognition to heritage areas and/or heritage listed buildings and associated assessment process being a 'public good'. 	<ul style="list-style-type: none"> • Council has no control over the use of the funding provided to heritage owners. As a result, we have no ability to monitor achievement of outcomes.
<ul style="list-style-type: none"> • Defensible position as legislation exists for adopting policy in this area. 	<ul style="list-style-type: none"> • Foregone rates from this tool have to be redistributed across other ratepayers, and some ratepayers will not be convinced they should.
<ul style="list-style-type: none"> • Continuing eligibility for rates remission can be linked to monitoring for RMA purposes 	<ul style="list-style-type: none"> • May be seen to give rise to a 'precedent' effect for other community / socially desirable agendas.
<ul style="list-style-type: none"> • Relatively low administration burden once eligibility criteria determined. 	

It is estimated that a 5% rates relief to all commercial heritage building owners would cost the Council approximately \$560,000 per annum. This would need to be charged to other ratepayers through the general rate or other services would have to be reduced.

Officers do not recommend rates relief or rates remission as a suitable mechanism to incentivise property owners for the following reasons:

- No control over how funds are used therefore no control over achievement of earthquake strengthened buildings outcomes
- A percentage allocation of relief will provide more to higher value properties and less to lower value properties, which may not reflect the actual need for financial assistance
- May set an unwanted precedent in Council policy for allowing rates relief to achieve community/social outcomes thus opening the door for lobbying in the future.

Officer's advice is that financial support for earthquake strengthening of heritage buildings is better achieved and controlled through transparent funds like the BHIF.

6.6 Transferable Development Rights (TDR's)

TDR's are a mechanism the Council employed in the 1980s to generate additional funding for heritage owners to conserve their buildings. They created a market for the lost development potential (e.g. airspace) from the heritage listing of a property which was sold to developers wanting to increase their development potential on another site. The proceeds from the sale went to the heritage building owner to maintain and conserve the heritage elements of their building. There were minimal transactions and provided limited funding to a number of heritage owners. This approach was not carried through into the current District Plan (notified 1994).

To reintroduce this mechanism would require the Council to "reduce" the current development potential on buildings (the recipient sites) to force a market for TDR's. This would have the effect of devaluing buildings purchased with a certain development potential factored into the current value and purchase price. It would therefore require developers to purchase development potential they have already purchased under our current regulations. This would be an unpopular decision and likely be the subject of legal challenge. If a TDR market was able to be established, it could also undermine the established policy approach of ensuring high quality design-led approaches to altering existing and developing new buildings at the expense of allowing greater development potential on recipient sites.

Officers do not support the re-implementation of this approach and it is therefore recommended that officers do no further work on this mechanism.

7. Next Steps

The next steps that will be taken relating to the Heritage List Review are:

- Develop a heritage advocacy and communications plan around strengthening heritage buildings
- Complete the review of all buildings and objects on the Heritage List
- Respond to any Central Government direction on the management of heritage buildings that are earthquake prone.
- Compile further data on the nature of earthquake strengthening already undertaken on heritage buildings
- Be proactive in looking for solutions on a case by case basis where building owners are struggling to strengthen EQP heritage buildings

8. Conclusion

The primary objective of the heritage review process is to ensure a Heritage List for Wellington that has integrity and fulfils council's responsibilities in terms of the Resource Management Act. Completing the review of the District Plan Heritage List will provide building owners and the community with the

confidence that the List is robust and achieves the right balance between taking a proactive approach to the EQP building issue whilst ensuring outcomes that will effectively manage Wellington's heritage into the future.

The role of Council in incentivising strengthening outcomes is varied and spans roles as regulator, facilitator and funder. Providing financial assistance for the strengthening of privately owned buildings needs to be carefully considered in the national context of this issue. The BHIF and Resource Consent fund continues to provide financial support to heritage owners and a more focussed, proactive approach to this fund will improve our strengthening outcomes.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

The policy supports Council's overall vision of Wellington Towards 2040: Smart Capital which seeks to have infrastructure that creates a secure and resilient city.

2) LTP/Annual Plan reference and long term financial impact

The earthquake resilience project is contained in the Council Long Term Plan

3) Treaty of Waitangi considerations

N/A

4) Decision-making

This paper does not include significant decisions. The report sets out a number of options and reflects the views and preferences of officers and those with an interest in promoting city resilience in an earthquake event.

5) Consultation

a) General consultation

There has been on-going communications and consultations with wider community interests through the media, workshop discussions, presentations to sector bodies and relationship management with key agencies.

Formal consultation will be required as part of the Earthquake Prone Building and Dangerous and Insanitary Buildings Policies review.

b) Consultation with Maori

N/A

6) Legal implications

Potential legal risks for Council have been raised as appropriate.

7) Consistency with existing policy

This report recommends certain policy positions which are different or additional to the existing Earthquake Prone Building policy. However they are consistent with proposed policy settings being promoted by Government in response to findings from the Christchurch earthquakes.

Summary update on Council activities

1. Advocacy with Central Government

Update on financial incentives work for Earthquake Prone Buildings

It is clear that central government need to better protect other parts of the country from a similar disaster and incentivise private building owners to make their buildings more resilient to earthquakes. Following the findings from the Royal Commission of Enquiry the Government has indicated they will look at ways to achieve the recommendations from Department of Building and Housing.

Wellington City Council will work as closely as we can with the government officials to understand what form any national assistance might be and until we are clearer on that national response, it would not be wise for Wellington City Council to introduce our own financial incentives programme. For this reason, we are recommending that we continue with our work on developing grant and fees and charges subsidy incentives and use our position within the central government-led work to ensure our local incentive solutions are aligned and meeting a “gap” in the government-led incentives.

Tax Incentives

A Government led Taxation Working Party was set up towards the end of 2012 to look at tax deductibility of strengthening costs for the commercial, the cost to government and the timeframes over which this would be paid. Any tax incentives offered will be of benefit to the commercial sector only and we will support this outcome for the Government to get a change in legislation to this effect.

If this incentive is agreed, it will provide more financial benefit to commercial property owners than we are able to provide. For Central Government the cost of this incentive will be the key consideration.

Targeted Rate Scheme

Little work has progressed directly on this scheme as central government did not want to engage any further on this mechanism until the findings from the Royal Commission of Enquiry were known. Officers have progressed with our research projects to gain better data to base any modelling of the benefits of the scheme.

Next Steps with Financial Incentives

- Prioritise our involvement with central government including exploring tax incentives and alternative risk models to assist banks financing requirements
- Identify areas where central government may not provide adequate financial incentive for specific groups of property owners and develop appropriate incentives locally for those groups to be considered by Council
- Confirm government support or otherwise for the targeted rate scheme

- Refine internal data to be able to better progress our financial modelling work.

2. Advocacy with the Banking and Insurance sectors

Since our last meeting we have met again with several banks. The key findings from those discussions are:

- The banks will be willing to have further discussions regarding alternative risk models, but are highly unlikely to remove the requirement from their lending and take on any more risk.
- Key issue for them and their clients is insurance and affordability of the strengthening works.
- The feeling is that many CBD property owners are getting on with the work required (the external market forces are proving to be the only incentive required), but are still awaiting final government announcements to ensure any work undertaken meets all requirements.
- Other commercial areas are not as well equipped to deal with the cost of earthquake strengthening as the CBD due to the lower demand for office space and lower rentals in the outlying areas.
- There is no silver bullet around access to finance and the smaller, “mum and dad” investor in only one commercial building are going to find it difficult to provide the right security and income repayment potential from their asset, without further equity input, or repayments coming from other income sources.
- The body corporate/apartment market will be the most difficult to gain agreement on strengthening levels, costs and finance solutions.
- Banks cannot see a way to avoid some property owners suffering financial losses due to this issue, and some buildings are unable to be economically strengthened and will require demolition.

We are continuing our communications with the banking sector on this issue and these relationships will prove very beneficial to our incentives work with central government.

3. Working with Local Government

Council officers have continued to meet with counterparts within the region. There is support for a regional approach to EQP buildings which could provide a level of consistency for developers, property and home owners within the region.

4. Building assessments

The IEP assessments have continued with urgency. The assessment programme has focused on fully assessing the buildings built prior to 1976. We expect to conclude the pre 1976 assessments by 30 June 2014⁴. As at 31 January, the following assessments have been completed.

As at 31 Jan 2013	Built - Pre – 1976
No. of buildings	5, 434
Total no. assessed	3, 694
No. assessed as <33% NBS	464
No. of Heritage Buildings Assessed as <33% NBS	133
Total to be assessed	1,143

5. City Resilience Communications

Since the last update in September we have:

- Hosted 20 Wellington Rocks earthquake briefings across the city. The briefings were a joint initiative with GNS Science and WREMO (Wellington Region Emergency Management Office) to provide people with information about the earthquake risk in Wellington, the work the Council has already undertaken and has planned to make the city more resilient and the preparations people can make for themselves to ensure they are ready for an emergency. Around 1300 people have attended one of the briefing sessions. Audience evaluation of the presentation has been very positive.
- Assisted WREMO with the promotion of Shakeout on 26 September. Wellingtonians' participation in this national earthquake drill was high – at least 81,449 people in the city took part.
- We have begun promoting our recently released *Earthquake Strengthen Your House* guide and Quakecheck – the home assessment service developed with Master Builders and Certified Buildings. Five thousand copies of the guide have been printed. A postcard will be included with rates information in February to Wellington ratepayers to let them know the guide and assessment service are available and further promotion is planned in the coming months.
- Provided Council facilities with posters with drop, cover and hold advice so people know what to do if there is an earthquake while inside these facilities.
- We will promote the Earthquake Expo planned in April 2013 to commercial property owners, interest groups such as builders and architects and Wellington residents.

⁴ Actual completion will depend on owners supplying information in response to IEP assessments and information requests.

Our earthquake briefings and the Shakeout exercise have been widely covered in the media. George Skimming from the Earthquake Resilience team also featured on a Campbell Live story on how to earthquake strengthen your home in November.

We have featured eight Our Wellington stories and issued ten media releases to:

- Promote our earthquake briefings;
- Tell people about our new earthquake strengthening guide;
- Let people know how to take part in Shakeout;
- Update people on work on earthquake strengthening of Council facilities;
- Invite Wellingtonians to visit the exhibition on how Cuba Street buildings could be strengthened at Victoria University which the Council is supporting;
- Tell people about our new Quakecheck home assessment service; and
- Encourage property owners to complete a survey which gathers information on the challenges commercial building owners face to strengthen their buildings and access insurance.

Stories and media releases are shared on Facebook and Twitter. We now have over 900 followers on Facebook and this is becoming increasingly useful as a way to communicate – for example a posting about Wellington Rocks briefings on the Council's Facebook page was shared 40 times by other groups and individuals.

Future community and stakeholder engagement is planned as part of the Council's review of its Earthquake-prone Buildings Policy. Officers have continued to meet and present at city events and forums – such as the Inner City Residents Association workshops, Property Council meetings, New Zealand Planning Institute, and the Safer Buildings Conference.

6. Residential Home Assessments⁵

In conjunction with the homeowners guide "*Earthquake Strengthen Your House*" we now have equal numbers of members of the Certified Builders Association and New Zealand Master Builders involved in carrying out residential home assessments for a fixed fee (\$160 dollars inc. GST). They are participating in this home assessment project and will arrange to provide the assessment service within 7 working days by contacting the home owner and arranging a mutually acceptable time in which to carry out the assessment.

The project is now underway and is endorsed by the Mayor, with the first home assessments carried out in November 2012.

⁵ Residential home assessments are offered to those home owners who do not feel confident to undertake the assessment of seven key elements identified in the home owners guide "Earthquake strengthen your house". These include: hot water cylinder tie backs; header tank security; chimney stability; placement and security of piles and foundations; floor bearer fixings to piles and foundations; bearer to floor joist connections; fixing ties to clay and the old cement tiles to the tile battens.

The first assessment disclosed the very things we are hoping to get the owners to fix and improve the earthquake resilience of their homes. As a result of this first assessment, the header tank in the roof void got secured, two significant plumbing leaks under the house got repaired and the owners received an acceptable price for a re-pile to the foundations of their home.

Overall the owners were delighted by the service and thought the home assessment well worthwhile. The service has featured on TV3 Campbell Live; and we are working with other councils in the region. Most have adopted the guide and we are working with some on using the assessment service in their areas.

7. Update on District Plan work: High Risk Features and Wider Response

In September, officers advised that further work on a District Plan response on high risk features would be reported back this month. Whilst preliminary discussions have been had with engineering professionals around alternative methods for strengthening or replacing high risk features, particularly on heritage buildings, the Council response on this issue relies on what direction the government wishes to set. Proposals for managing high risk features are laid out in the Building Seismic Performance consultation document from MBIE which is currently open for submissions. Until the process of determining what national approach is going to be taken, it is considered a District Plan change specifically in relation to high risk features would be peremptory.

Background work on scoping a potential District Plan change to cover all of the planning issues identified under the city resilience workstream has continued. This is taking into account the review of the heritage list, the nature of the direction in which the government is heading in relation to earthquake prone buildings, and reflects the wider District Plan responses discussed previously with the Committee. It is important that changes to the District Plan are well coordinated and make sense in terms of an overall Council policy on heritage and city resilience.

8. Cuba Street Precinct Project.

The project involved two fourth year architectural classes of Victoria University School of Architecture containing the seventy students, managed by two tutors who focussed upon the urban planning, architectural design, heritage, and seismic resilience needs of the Cuba Street precinct.

Archives provided copies of all building plans, Council sponsored two leading structural engineers to work with the students and Council officers and NZ Historic Places Trust provided additional inputs by way of occasional lectures and peer review.

Whilst representing a variety of approaches expected from any group of architectural students, a key consideration for all groups was the management and enhancement of heritage values while redeveloping the precinct with a vision appropriate for twenty years in the future. Single buildings and small clusters of between two and four buildings were considered.

The key outcomes from this work were the architectural design work and technical reports. The architectural designs were developed into a series of drawings illustrating the designs and these were converted into a model of the precinct.

The model has been on display at Victoria University and we are negotiating with the University to have this model on display in Council premises during the first quarter of this year.

Sixty reports for individual historic buildings and 37 reports of schemes for clusters of buildings are accessible from the VUW School of Architecture library.

Officers are considering the next steps that we could make based on this material and will report back when plans are finalised.

9. The survey of Commercial Building Owners

Summary of results

In November 2012, Council undertook a survey of property owners whose buildings fall under the Council’s Earthquake Prone Building Policy. We received 487 responses to the survey from the 7,000 survey forms mailed out.

Key themes

Building strength and future intentions

- 37% of respondents have had their building strength assessed independently. Those owners with weaker buildings were more likely to be intending to strengthen:

Current Strength of building (% New Building Standard)	% of owners intending to strengthen
0–33%	90%
34–67%	35%
68–100%	10%
>100%	0%

- Of those intending to strengthen, the majority (62%) were intending to strengthen to above 67% NBS, while 29% were undecided. Just 9% were planning to strengthen to between 34% and 66%.
- Respondents named several drivers for this strengthening; the key ones being potential changes to the Building Act, demand from current and potential tenants, Central and Local Government requirements and insurance requirements.
- Most respondents were planning on strengthening in the near future – 25% within a year and another 37% within 5 years. Key drivers for this timeframe were buildings being notified as earthquake prone, insurance and bank requirements as well as tenant demand.
- Most (77%) of those who were intending to strengthen were planning on using some form of borrowings to fund the work; however, the majority (72%) had not yet attempted to get finance. Of those who had attempted to get finance, around a third has experienced significant problems.

Insurance issues

14% of all respondents had indicated problem in getting earthquake insurance with more issues experienced by owners of weaker buildings. For instance, 51% of 0-33% strength band owners had difficulty getting cover.

Premiums for earthquake cover have increased markedly across the board. However, those with weaker buildings have faced greater rises, with 79% of those with buildings that have an assessed strength of 0-33% facing increases of greater than 50%. Several respondents indicated that premiums had increased by around 300% - again these owners were clustered in the 0-33% strength group.

Increase in premiums by strength group

Strength as assessed	% of owners with 50% or greater increase in premiums
0–33%	79.3%
34–67%	63.6%
68–100%	50.0%
>100%	50.0%

Tenant issues

Several respondents reported tenancies being terminated or not renewed due to strength issues. Unsurprisingly, these were again clustered in the low strength band.

Strength	% of respondents who have had tenancies terminated or not renewed due to strength
0–33%	32.3%
34–67%	6.5%
68–100%	10.0%
>100%	.0%

Interventions

Respondents were asked about specific interventions that would be useful to them in this space. The highest ranked of those were the ability to stage remedial work over a longer period, access to lower cost funds for strengthening and longer loan periods.

Summary

Multiple issues are being faced by building owners at present, especially those in the weakest strength band. Difficulties securing and maintaining tenancies and insurance availability and cost are key among them. Despite this, it is heartening to see that strengthening work is planned and most owners are not just intending to strengthen to the minimum requirement.

Heritage Listings Criteria (adopted 2007)

Criteria for assessing cultural heritage significance

1. Cultural heritage values

Aesthetic Value:

Architectural

Townscape/Landscape/Landmark

Group

Does the item have architectural or artistic value for characteristics that may include its design, style, era, form, scale, materials, colour, texture, patina of age, quality of space, craftsmanship, smells, and sounds?

Does the item have townscape value for the part it plays in defining a space or street; providing visual interest; its role as a landmark; or the contribution it makes to the character and sense of place of Wellington?

Is the item part of a group of buildings, structures, or sites that taken together have coherence because of their age, history, style, scale, materials, or use?

Historic Value:

Association

Is the item associated with an important person, group, or organisation?

Is the item associated with an important historic event, theme, pattern, phase, or activity?

Scientific Value:

Archaeological

Educational

Technological

Does the item have archaeological value for its ability to provide scientific information about past human activity?

Does the item have educational value for what it can demonstrate about aspects of the past?

Does the item have technological value for its innovative or important construction methods or use of materials?

Social Value:

Public esteem

Symbolic, commemorative, traditional, spiritual

Identity/Sense of place/Continuity

Sentiment/Connection

Is the item held in high public esteem?

Does the item have symbolic, commemorative, traditional, spiritual or other cultural value for the community who has used and continues to use it?

Is the item a focus of community, regional, or national identity?

Does the item contribute to sense of place or continuity?

Is the item a focus of community sentiment and connection?

2 Level of cultural heritage significance

Rare

Is the item rare, unique, unusual, seminal, influential, or outstanding?

Representative

Is the item a good example of the class it represents?

Authentic

Does the item have authenticity or integrity because it retains significant fabric from the time of its construction or from later periods when important additions or modifications were carried out?

Local/Regional/National/International

Is the item important for any of the above characteristics at a local, regional, national, or international level?

Built Heritage Incentive Fund Criteria

Prerequisites

1. The project makes a positive contribution to achieving the Council's Strategic Outcomes as listed in the Council's Long Term Plan (refer to Meeting the Council's Strategic Outcomes below).
2. The project is within Wellington city.
3. The project relates to buildings and objects listed in the District Plan, or to buildings and objects identified as contributing to a heritage area listed in the District Plan.
4. The project conserves and enhances the heritage significance of the item where elements of the item are protected by provisions of the District Plan (e.g. the exterior of a heritage place).
5. The applicant is the owner or part-owner of the heritage building or object (e.g. a private owner, or a charitable trust including church organisations). The Crown, Crown entities, district health boards, community boards, Council controlled organisations and Council business units are not eligible for this funding.
6. **Assessment** The project must be for:
 - a. stabilisation, repair or restoration of original heritage fabric relating to historic buildings, structures, or objects or their remains (e.g. repairs to masonry, joinery, plaster or glazing, earthquake strengthening, fire protection, protective works on archaeological sites) OR
 - b. professional services (e.g. structural strengthening reports, maintenance reports, conservation plans, archaeological site assessments, conservation work specifications, or supervision of work, technical advice etc) OR
 - c. reimbursement of Council resource consent fees for work which the Council supports as not harming heritage values, and where consent is required as a result of heritage listing
Note: A project which has received funding for either a or b above is not eligible for c - reimbursement of Council resource consent fees.
7. **Administrative** The applicant provides evidence of:
 - appropriate project management
 - appropriate technical supervision
 - sufficient resources to complete the project on time
 - demonstrated ability to report back on the project results as appropriate.
8. Applications for funds over \$3,000 will be considered only if a heritage report or advice from a qualified conservation professional is provided or budgeted for in the proposal.

9. These criteria will be reviewed on a 3-yearly cycle. Only one grant will be approved for a grant to any one heritage place within each 3-year cycle. Consideration may be given to approval of a further grant within a separate 3-year cycle.
10. Grants will only be assessed as a percentage of the heritage conservation component of a project, not of the total project cost. The grant assessment is at the sole discretion of the Council.
11. Only applications for work that has not yet commenced will be accepted for consideration.

Meeting the Council's Strategic Outcomes

In particular, projects are considered relevant if they contribute to the following outcomes in the Council's Long Term Plan:

6.5 Our overall aim is to make the city more liveable, retain its character, and enhance an even stronger 'sense of place' through continual improvement to public areas.

The fact that a building is listed with the District Plan means that it has heritage significance and hence its repair and restoration provides a positive contribution to achieving the Council's Strategic Outcomes around supporting a 'stronger sense of place'.