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## **SKYLINE KIOSK**

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### **1. Purpose of report**

The purpose of this report is to seek the Committee's approval to the:

- demolition of the existing Skyline Kiosk;
- construction of a new kiosk; and
- granting of a ground lease for the footprint of the new kiosk building.

### **2. Executive summary**

The proposal to redevelop the Kelburn terminal for Wellington Cable Car Ltd has been in progress for a number of years. The Strategy and Policy Committee approved the Wellington Cable Car Company Ltd's 2012/13 Statement of Intent, including the proposal to redevelop the Kelburn Cable Car Terminus (Terminus), at its meeting of 21 June 2012.

The Terminus redevelopment requires the demolition of the Skyline Kiosk (Kiosk), this structure is owned by Council and accordingly any demolition requires Council's approval. If the demolition is approved, Panorama Property Ltd (owner of the Skyline building) proposes to build a new kiosk set back from the new Terminus.

A resource consent has been granted for the Terminus redevelopment - this is conditional on Council's approval of the demolition of the existing Kiosk.

### **3. Recommendations**

Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Recommend to Council, in its capacity as landowner, that it approves (subject to all necessary regulatory approvals):*
  - (a) *the demolition of the Skyline Kiosk;*
  - (b) *the construction of a new kiosk by Panorama Property Ltd in accordance with the plans shown in Appendix 1; and*
  - (c) *the granting of a ground lease to Panorama Property Ltd to accommodate the proposed new kiosk.*

3. *Note that:*

- (a) *the construction of the approved design of the new Cable Car Terminus building is dependant on the demolition of the existing Skyline Kiosk;*
- (b) *the ground lease with Panorama Property Ltd will be restricted to the footprint of the proposed new Skyline Kiosk as shown in Appendix 1; and*
- (c) *all maintenance and operating expenses relating to the proposed new kiosk will be the responsibility of Panorama Ltd.*

#### **4. Background**

The proposal to redevelop the Kelburn terminal for Wellington Cable Car Ltd (WCCL) has been in progress for a number of years. At its meeting of 8 June 2012 the Council Controlled Organisation Performance Subcommittee agreed to support the Terminus redevelopment as outlined in the WCCL's 2012/13 Statement of Intent. The Strategy and Policy Committee subsequently approved the Company's 2012/13 Statement of Intent on this basis at its meeting of 21 June 2012.

The original resource consent application did not require the Kiosk to be demolished; this option provided for the City to Sea Walkway to continue through the Terminus building during operating hours. However the final design submitted for resource consent does require the Kiosk to be demolished and provides for an unimpeded continuation of the City to Sea Walkway during all hours.

A resource consent for the Terminus redevelopment was granted on 3 April conditional upon the kiosk demolition.

On the basis of the Terminus redevelopment and its effect on the kiosk, Panorama Property Ltd (Panorama) undertook to design a new building that is better integrated into the main Skyline building and allows for the public walkway to be maintained.

WCCL is in discussion with Panorama in respect of how the parties will manage the proposed terminus and kiosk redevelopment works, any agreements between the parties will be dependant on Council providing building owner approval in relation to the Kiosk.

#### **5. Discussion**

##### **5.1 Skyline Kiosk redevelopment**

The Terminus redevelopment provides an opportunity to improve the kiosk from both an aesthetic and operational perspective. The kiosk operates as a café and provides good amenity to the Cable Car site, however an improved design

and entranceway will enhance the operation and provide a better experience for visitors to the site.

Council's Urban Design team has considered the proposed design for the new kiosk and is comfortable that it will integrate well into the site, provide better visual connections and maintain open public access to the City to Sea Walkway.

The resource consent for the Terminus redevelopment provides consent for the demolition of the existing kiosk (subject to Council's approval as building owner) and Council's Planners have indicated that existing use rights could apply to the new kiosk on the basis that it will be of the same character, intensity and scale as the existing structure.

The main Skyline building (excluding the Kiosk) is owned by Panorama and is subject to a ground lease. The Kiosk is leased to Panorama under a premises lease with the responsibility for external maintenance sitting with Council.

If approval is granted to Panorama to redevelop the Kiosk, then the current premises lease would be surrendered and a new ground lease would be required for the footprint of the new structure. The new ground lease would be for approximately the same area as the current premises lease however it would have a much greater set back from the proposed Terminus building to allow for the public walkway.

## **5.2 Consultation and Engagement**

WCCL consulted with a range of interested parties and the public on the Terminus redevelopment. During the design phase in 2011, once there were two shortlisted designs, feedback was sought from groups including Wellington Museums Trust, Botanic Garden, Friends of Botanic Garden, Panorama Ltd, Positively Wellington Tourism, Heritage Places Trust, Iwi, Kelburn Progressive Association, Friends of the Town Belt, and the Council's Accessibility Advisory Group.

The public was also asked for feedback at this point, as were nearby Kelburn residents through a letter drop. The shortlisted designs also received some Dominion Post coverage and were featured in the Our Wellington page.

Officers intend contacting the same groups and individuals consulted in relation to the Terminus redevelopment, noting that the Kiosk redevelopment is still subject to Council approval as building owner.

## **5.3 LTP and Financial considerations**

The costs of demolishing the existing Kiosk will be fully met by Panorama, as will the construction costs relating to the new Kiosk.

Council will benefit from some reduced operating costs if the redevelopment proceeds as it would no longer be responsible for the building's external maintenance and compliance costs.

A nominal rental is charged under the current premises lease for the existing Kiosk, this is in lieu of rent being charged to Council for the public toilets situated within Panorama's building. Officers propose that this arrangement would continue if a ground lease was granted for the new Kiosk meaning the exercise would be cost neutral to the Council.

## **6. Conclusion**

As a result of the Cable Car Terminus redevelopment, there is also an opportunity to redevelop the Skyline Kiosk, this would result in an improved urban design outcome for the Cable Car Precinct and ensure that the linkage to the City to Sea Walkway is enhanced and maintained.

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## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

*Agreement to the recommendations will facilitate the redevelopment of the Cable Car Terminus and enhance the visitor experience to the wider Cable Car Precinct site.*

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

*There is no impact on the LTP, there may be some small savings in operating costs.*

### 3) Treaty of Waitangi considerations

*There are no Treaty of Waitangi impacts.*

### 4) Decision-making

*This is not a significant decision. The report seeks the Committee's approval on the basis of the discussion contained in the report and reflects the views and preferences of those with an interest in this matter who have been consulted with.*

### 5) Consultation

#### a) General consultation

*The effects of this work are confined to the site. It is proposed that engagement be targeted to the local neighbourhood and interested groups who were consulted in 2011 in relation to the Cable Car Terminus redevelopment. Council is not required under legislation to consult on this matter.*

#### b) Consultation with Maori

*Iwi will be included in the consultation.*

### 6) Legal implications

*In the event that a new lease agreement is required Council's solicitors will be consulted.*

### 7) Consistency with existing policy

*The recommendations in this report are consistent with Council policy.*