

Quarterly Review – Wellington Waterfront Limited

Wellington Waterfront Limited has presented its report for the quarter ended 31 December 2008 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

- Further awards were received during the quarter for the Meridian Building and the Kumutoto public space
- An agreement is being finalised with a tenant to take on the Shed 13 lease during the first quarter in 2009/10
- Agreement was reached with the Chinese Garden community over the final design of the Chinese garden elements proposed for Frank Kitts Park
- At 31 December 2008 Alison Timms, Stephen Kos and David Pritchard all ceased to be directors of WWL.

Performance

Due to the current review of the Waterfront Project, the Company has not been able to finalise its Statement of Intent and associated performance measures for 2008/09.

Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
% residents visiting waterfront	95%	n/a	n/a
# Wellington Waterfront is a more interesting and exciting place to visit	90%	n/a	n/a
# project milestones achieved	SOI measure – quantum not agreed		
Capital expenditure (\$ million)	2.075		0.216
Commercial proceeds (\$ million)	0.000		0.000

Activities during the quarter

- Discussions continued with the Wellington Tenth Trust over the construction of a wharewaka complex, and the formation of a new Trust to oversee its implementation and subsequent operation
- Negotiations continued with prospective tenants for the three sites 8 – 10
- Holmes Consulting continued their condition survey of the under wharf areas and a detailed report is being prepared

Financial Commentary

- EON Design Centre, the intended final occupant for the Meridian Building went into receivership in November leaving WWL with a possible bad debt. A restaurant tenant is now scheduled to start operating in this space from June 2009
- Additional borrowing by WWL from Council still stands at \$3.9 million due to the deferral of planned public space expenditures however this is likely to increase in the coming months as remedial work on the wharves is undertaken.

Statement of Financial Performance

For the quarter ended 31 December 2008

\$'000	Q2		YTD		FY
	Actual	Budget	Actual	Budget	Budget
Income	907	742	1,885	1,464	3,009
Expenditure	2,499	1,976	4,957	4,364	10,114
Operating surplus / (deficit)	(1,592)	(1,534)	(3,072)	(2,900)	(7,105)

Statement of Financial Position

As at 31 December 2008

\$'000	YTD	2007/08	FY
	Actual	Actual	Budget
Current assets	9,003	10,835	1,025
Non-current assets	172,033	172,866	154,833
Current liabilities	1,834	2,280	1,214
Non-current liabilities	3,901	3,901	6,093
Equity	175,301	177,520	148,551
Current ratio	4.9 : 1	2.8 : 1	0.8 : 1
Equity ratio	97%	94%	95%

Statement of Cash Flows

As at 31 December 2008

\$'000	YTD	2007/08	FY
	Actual	Actual	Budget
Operating	(347)	1,168	(3,533)
Investing	(601)	(9,790)	3,375
Financing	-	9,677	-
Net	(948)	1,055	(158)
Closing balance	1,043	2,001	544

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Warren Ulusele

Profile - Wellington Waterfront Limited

Wellington Waterfront Limited (WWL) is a wholly owned subsidiary of the Council.

The Company is proprietor of approximately 20 hectares of land as bare trustee for the Council. The land – on the seaward side of the road – stretches from Wellington Railway Station to the Overseas Passenger Terminal. It also includes 12 hectares of harbour bed.

WWL manages the Lambton Harbour Development Project (the Project). From 1987 this was a joint venture between the Council and the Wellington Harbour Board. In 1989 the Harbour Board was dissolved, and its interests transferred to the Council. The waterfront has progressively been transformed from a working industrial port to one of the city's key recreational areas. Development is guided by the Wellington Waterfront Framework, which covers issues relating to the character of the waterfront.

WWL is letting contracts for commercial developments, generally for long term leases. This commercial income contributes significant funding to the public space developments. The balance is funded by the Council.

The Project was scheduled for completion by 2007 at a cost to Council of not more than \$15 million, plus the annual management fee. However, it is currently anticipated that waterfront development will continue to 2009 and beyond.



In June 2007, Council approved \$15m of temporary additional funding to the Project, to be drawn down and repaid over a three year period.

Entity Data

Established	28 September 1987	
Board	Michael Cashin (Chair) Cr Ray Ahipene-Mercer David Kernohan Stephen Kos Mark Petersen David Pritchard Alison Timms Robert Gray	<i>Term expires:</i> 31 Dec 09 Oct 2010 31 Dec 09 31 Dec 09 31 Dec 10 31 Dec 09 31 Dec 08 31 Dec 09
CEO	Ian Pike	
Balance date	30 June	
Number of FTE staff	8	
Website	www.wellingtonwaterfront.co.nz	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$1,000 (book value)	
Type of interest	100% Shareholding	