
REPORT 5
(1215/52/IM)

PROPOSED DISTRICT PLAN CHANGE FOR FORMER CHEST HOSPITAL SITE

1. Purpose of Report

This report seeks approval from the Committee to publicly notify a district plan change for the former Chest Hospital site, near Newtown.

2. Executive Summary

A little over 3 hectares of land formerly controlled by the Capital and Coast District Health Board (CCDHB) as part of Wellington Hospital was gifted to the City Council in December 2002 to retain the open space nature of the land (Lots 3 and 4 DP 316137). Nearly three-quarters of this land is wooded hill slopes, with the remaining area containing the former Chest Hospital and Nurses' Home, which are listed as heritage buildings in the District Plan.

The Council is presently engaged in negotiations to lease the main Chest Hospital building with a preferred lessee. The results of these negotiations will be presented separately once draft lease terms and conditions have been agreed on. To facilitate the continued use of these buildings and to recognise that the land has been returned to Council ownership, a change to the District Plan is required.

The Proposed Plan Change involves a number of amendments, including:

- Rezone Lots 3 and 4 from Inner Residential to Open Space C.
- Define Lot 4 as a Heritage Area (by including an appendix to Chapter 21).
- Provide for the *use* of the former Chest Hospital Heritage Area as a Permitted Activity under the Open Space rules, subject to compliance with appropriate Open Space standards.
- Control the *development* of the Chest Hospital Heritage Area as a Discretionary (Restricted) Activity in the Open Space rules. This includes any additions and alterations to heritage buildings, construction of new buildings or structures, and the modification of open space areas, additional hard surfacing which is less than 100m² and additional site coverage that is less than 35%. Any change beyond these thresholds would require resource consent as a non-complying activity.
- Resource consent applications would be assessed according to a range of criteria, including the effects on the heritage values of the scheduled buildings, recreation values and Open Space C values, the necessity for the structure for the effective use of the site, the level of intensification, and public access.

- Refine the District Plan listing of the former Chest Hospital premises as a heritage item by specifying both the exterior *and interior* of the building as warranting protection.

The costs associated with this proposed Plan Change are considered to be minimal, and are significantly outweighed by the benefits derived from the rezoning, which will enable the effective long-term use of this site.

The District Plan change process is just one of three tools that Council has to manage the use of this site. In addition to the plan change process; Council, as landowner, has the ability to impose certain conditions in the lease agreement that would not be appropriate in the District Plan. The other mechanism at Council's disposal is the Reserve Management Plan that is required due to is proposed re-classification of the reserve as a historical reserve. Both the lease agreement and the reserve re-classification will require approval before this Committee at a later stage.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree that the recommended provisions outlined in section 5.7 of this report be adopted as part of the proposed plan change.*
3. *Agree to publicly notify the proposed plan change, as set out at Appendix 1 of this report, in accordance with the First Schedule of the Resource Management Act 1991.*
4. *Delegate to the Chair of the Strategy and Policy Committee the authority to approve minor editorial word changes to the proposed plan change prior to notification.*
5. *Adopt the section 32 Report set out in Appendix 2 of this report.*

4. Background

The former Chest Hospital site (Lots 3 and 4) is contained within a larger block of land that was, until recently, Crown land administered by CCDHB. As well as the former Chest Hospital, this large block of land contained various hospital buildings at the end of Coromandel Street (Parkview Clinic and Ewart Hospital), as well as over 2 hectares of wooded slopes.

The Chest Hospital site contains a complex of buildings that include the original "Fever Hospital", built in 1918-20, as well as a Nurses' home, the central wing of the hospital (built in 1973) and several other ancillary buildings. The site also contains the levelled areas that form the gardens and lawns surrounding the complex, and the driveway providing vehicular access to Alexandra Road. This site is distinct from the

much larger area of wooded hillside that surrounds the site, and extends down the hill to the hospital facilities at the northern end of Coromandel Street.

All of the Hospital land from the Chest Hospital site through to the northern end of Coromandel Street was zoned Open Space C in the Proposed District Plan (notified in 1994). CCDHB appealed against that zoning, contending that an Inner Residential zoning was more appropriate for its land, especially as it was not in Council ownership at that time.

In an interim decision, the Environment Court upheld CCDHB's appeal and sent both parties away to develop appropriate provisions to be put in the Plan. These provisions, confirmed in the final decision of the Environment Court (W4/2000), are detailed in Appendix 19, Chapter 5, of the Wellington City District Plan (Chapter 5 sets out the policies and rules for the City's Residential Areas).

Since the Plan was made operative, CCDHB has decided that the Chest Hospital buildings and surrounding land are surplus to its needs. Consequently, the Crown gifted the buildings and land (over 3 hectares) to the Council consistent with its proposed return advocated in the WCC Town Belt Reinstatement Policy (1998). The land exchange between the Council and CCDHB was ratified on 19 December 2002 via an Order-in-Council. The Council was gifted the land (being Lots 3 and 4) and associated buildings so that "members of the public will be able to enjoy the land", although it was acknowledged that Lot 4 should be treated separately to reflect the need to make day-to-day use of the heritage buildings it contains.

Under the transfer agreement, the Council has a number of obligations in respect of the future management and use of the land transferred to it from the Crown.

1. In regard to Lot 3, which comprises the largest proportion (72%) of the land transferred, Council's obligations are that it:
 - Must preserve the open space character of the land; and
 - It must promote a new classification or purpose of the land under the Reserves Act 1977 that is consistent with its obligation to preserve its open character and that, subject to any restrictions that may be imposed under that Act, gives the public access to the land.
2. Council's obligations in relation to Lot 4, the Chest Hospital site, which forms 28% of the total area transferred from the Crown, are that it:
 - Must promote a new classification or purpose of the land under the Reserves Act 1977 that is consistent with any lawful restriction on the use of the land; and
 - In the event that the land becomes vacant land, the Council must—
 - Carry out any work required to give the land the character of open space land; and
 - Then preserve the open space character of the land.
 - As soon as practicable, it must promote a new classification or purpose of the land under the Reserves Act 1977.

This proposed Plan Change is therefore, just one of three related processes that seek to implement the transfer agreement.

In 2003 the Council sought a Declaratory Judgement in the High Court to determine whether the land was still classified as 'reserve' land. The Court found in favour of the Council confirming that that land never lost its reserve status. Consequently, the land is still subject to any Reserves Act processes in addition to District Plan processes.

Previous Council Decisions on future of this land

Council previously agreed (November 2002) that the best way to secure the long term future of the heritage buildings was to lease them to an appropriate user group. Accordingly, Council advertised for interested parties in September 2004. Council staff are currently engaged in negotiations with the preferred lessee. The results of this lease process will be the subject of a separate report to the Strategy and Policy Committee at a later date. In preparation for a lessee using the hospital buildings, the Council has just completed a \$0.5 million refurbishment of the building's exterior, including a new roof to restore it to its original condition and colour scheme.

Consultation

Consultation was carried out at an early stage of this District Plan Change process with the following stakeholders due to their particular interest in this land:

- Wellington Tenth's Trust
- Friends of the Wellington Town Belt
- Capital and Coast District Health Board
- Newtown Residents' Association.

The results of those meetings were incorporated into a discussion document prepared for consultation with Council's own staff; particularly Parks and Gardens, Property Team and City Development (including the Council's Heritage Advisor).

The proposed Plan Change has also been sent to all statutory bodies that we are obliged to consult with under the First Schedule of the Resource Management Act.

5. Discussion

5.1 Current District Plan Provisions for Chest Hospital Site

The Chest Hospital site is managed under the rules set out in Appendix 19 to the Residential Area section of the District Plan, "*Particular Provisions for the Land Described as NZ GAZ 1939 P 3181 – for Purposes of General Hospital, NZ GAZ 1973 P 1021 – vested in Wellington Area Health Board, and CT 190–99, now 45C/357 (Capital Coast Health Land), Newtown*".

Appendix 19 applies all of the Inner Residential rules relating to subdivision, land use and development, but replaces or modifies some of the rules for specific parts of the land as defined by a map that is included in Appendix 19 and described as:

Area 1 – The Ewart and Parkview Hospital premises;

Area 2 – The unbuilt areas surrounding the Chest Hospital and extending to the Ewart and Parkview properties; and

Area 3 – The Chest Hospital building and its immediate surrounds.

The boundaries defining those three areas do not exactly match the Lot boundaries arising from the recent subdivision that allowed the land to be transferred to Council ownership.

Other controls

The Chest Hospital is listed as Heritage Item No.9 under the Schedule of Heritage Buildings in Chapter 21, and is described as “*Former Hospital 1918-19 (including the former Nurses Home and associated covered walkway but excluding the central wing built in 1973)*”. The Chest Hospital building (not the Nurse’s Home) also has a Category II listing by the NZ Historic Places Trust (ref 5376).

While the use, repair and maintenance of the premises, and any internal alterations, would be a permitted activity under the heritage rules, resource consent is required for any external alterations or additions, assessed according to the effect on the heritage values.

The site is also contained within the *Te Ranga a Hiwi Precinct*. This is a Maori Precinct which triggers the requirement for consultation with tangata whenua for any resource consent application within the Precinct.

5.2 Reasons for a Plan Change

A Plan Change is necessary for three principal reasons:

1. To rezone the land from its current special Inner Residential zoning, which is not an appropriate management framework for the land that has been gifted to the Wellington City Council to manage its open space values;
2. To rationalise the zoning boundaries in accordance with the new boundaries created by the subdivision that occurred to facilitate the transfer of the land to the Council; and
3. To provide for the potential adaptive long term reuse of the heritage buildings reflecting the expectation by the Crown that the Chest Hospital site should be managed in a different manner from Lot 3.

5.3 Rezone from Inner Residential to Open Space C

Retaining the Inner Residential zoning would be an inappropriate management framework to provide for the adaptive reuse of the premises, given that, under that zoning regime, practically any use other than residential activities requires resource consent, no matter how minor the change in use. The Residential Area controls are intended to protect the amenity values and character of the City’s residential neighbourhoods; a management framework that is largely irrelevant to the Chest Hospital site given its isolated location, at some distance from the nearest residential area.

A rezoning to Open Space C (the zoning for the Inner Town Belt under the District Plan) would appear to be the most appropriate means of managing the bulk of the land transferred to the City Council. However, to manage the long-term use of the former Chest Hospital site, a straight rezoning to Open Space C by itself, is unlikely to be the most effective and appropriate method. This is because the rules for that zone were not intended to provide for an adaptive reuse of these premises and the special circumstances of this site as part of the Inner Town Belt. The existing open space rules also do not specifically recognise the relationship between the heritage values of the buildings and their immediate surrounds.

Therefore some consideration needs to be given to introducing specific provisions that afford opportunities for the premises to be used in a manner that would neither unduly affect the heritage values of the premises nor conflict with the amenity values and character of the open space land. These are outlined in Section 5.5 below.

5.4 Heritage Matters

There is a difficulty with the present listing of the Chest Hospital buildings in the District Plan. For example, it is unclear at present whether the large open verandas are protected under the rules (ie. being part of the building exterior), as they arguably are deemed to be interior features given their enclosed attributes. However, given the important function that these features had in the use of the hospital, some form of protection is warranted.

As a result of such problems with the current listing, Ian Bowman (Heritage Architect) was engaged to carry out a thorough assessment of the interior and exterior of the hospital building. Consequently, Mr Bowman prepared an extensive list of exterior and interior features requiring protection. It is recommended that the present listing of the buildings as a heritage item be updated to reflect the special and unique heritage features of these buildings.

In addition to changes to the heritage building listing, consideration of the management of the surrounding environment is also needed. As the surroundings are said to contribute to the heritage values of the buildings, it is appropriate to exercise some control over activities that may adversely impact on those surroundings. Potential effects could include changes to the grounds around the building to accommodate additional parking and any new structures.

Because the Chest Hospital buildings are located in a well defined area that is an integral part of the buildings' setting, it is proposed that that best way to manage the effects of activities on the buildings and its surroundings is to establish a Heritage Area.

A defined Heritage Area enables specific rules to apply to a restricted area, where special circumstances warrant such a management framework. These rules can be designed to reflect the special and unique features of the site, while still providing flexibility and certainty for any potential occupier of the site. Such rules would allow for the use of the premises, focussing any control on those aspects of physical works that might adversely affect the site's heritage and amenity values.

5.5 Activities that could affect the heritage and open space values of the Chest Hospital Site

As noted above, the reuse of the Chest Hospital premises might create effects that could adversely affect the environmental values of the site, particularly the heritage values of the site. For example –

- Additional parking is quite likely to be required due to the building’s isolation (for example, from public transport) and its large floor area, with a consequent reduction in open space and landscape values.
- Additional structures may be required to support the effective use of the premises by future occupants, including fencing, which may affect the landscape values and special qualities of the site.

Further, another important consideration is whether controls are required to limit the extent of any changes to the premises in terms of sustaining the long-term function of the site as Open Space land. It is considered preferable to impose limits on the extent of changes to the site, as any significant further intensification of land use and capital investment would further increase its anomalous situation.

Under the existing Open Space C rules, nearly any non-recreational¹ use of the premises would require resource consent as a non-complying activity, no matter how minor the effects of such activity. Resource consent applications for non-complying activities are assessed against the objectives and policies of the Open Space zone, which provide no recognition of the special circumstances of the Chest Hospital site and therefore do little to assist decision-making.

Given that most potential uses of the Chest Hospital site would be non-recreational in nature, resource consents would be required even for minor changes in use. The significant uncertainty and administration costs that this situation would create are considered unnecessary as many potential uses of the premises would have few if any external environmental effects due to the site’s isolation from residential areas.

The non-complying nature of most non-recreational uses is also likely to be detrimental to getting a good use of the building, which in turn may affect Council’s ability to maintain the heritage values of the building. This would be contrary to the conditions of the Order-in-Council. The only significant source of potential adverse effects is limited to those arising from any physical changes to the premises that might be sought. Accordingly, site-specific rules can be developed as part of the proposed Heritage Area to control development of the area, but the use of the area is permitted subject to meeting certain environmental conditions (e.g. noise, dust, hazardous substances etc).

¹ The District Plan defines recreational use as “means any activity whose primary aim is the passive or active enjoyment of leisure, whether competitive or non-competitive, casual or organised, (but does not include the use of motor vehicles in Conservation Sites or Open Space Areas). Recreation has a corresponding meaning.

5.6 Options Analysis

The options for a plan change are summarised in Table 1. These options are comprehensively discussed in the section 32 report (attached as Appendix 2).

Method	Benefits	Costs
1. Retain status quo (ie. No zone or rule changes)	<p>Continued application of the existing provisions, providing certainty for all parties.</p> <p>Any change in use or development would require resource consent, enabling a case-by-case assessment of effects, ensuring all adverse effects are avoided, remedied or mitigated.</p>	<p>Inflexible provisions for a range of potential uses, creating potential for missed opportunities to re-use the building, leaving the building potentially uninhabited, leading to degradation.</p> <p>Any non-residential use would require resource consent, creating uncertainty and compliance costs.</p>
2. Re-zone to Open Space C	<p>Enables a variety of recreational based activities to establish as a permitted activity.</p> <p>Supports the viable use of the Former Hospital Building, contributing towards the long-term management of a heritage building.</p> <p>Ensures the appropriate zoning applies to land with Open Space C values.</p> <p>Provides certainty as to the nature of activities and their effects on Open Space C values.</p>	<p>Non-recreational based activities will be subject to the resource consent process, increasing compliance costs.</p> <p>Relies on the Reserve Management Plan to recognise the unique and special attributes and associated management framework.</p>
3. Heritage Area	<p>Enables area specific provisions to be used, to manage unique and specific heritage attributes of an area.</p> <p>Ability to restrict new development to particular thresholds as a permitted activity, enabling minor modifications while still protecting the heritage values of the site. Reduces compliance costs, as it would avoid the requirement for resource consent.</p> <p>Provides flexibility for a range of uses, supporting the on-going viable use of the building, therefore contributing to the preservation of a valuable</p>	<p>Introduces new controls protecting the heritage values of the site. The new controls require resource consent for site development works, potentially increasing compliance costs.</p> <p>The thresholds for permitted development may not be set at an appropriate level. If the controls are too restrictive, they could inhibit development and the re-use of the building. Conversely, if the control were too open, there would be potential for the degradation of the heritage values.</p>

	heritage resource. Provides certainty as to the level of development that is permissible.	
4. Reserve Management Plan	Flexible to address the specific issues associated with the management of the Former Chest Hospital site. Provides certainty as to the level of development that is permissible.	Potential overlap with the Town Belt Management Plan, and inconsistent policies. Financial costs of preparing an individual Reserve Management Plan for an isolated area. Not integrated with District Plan, creating potential inconsistencies.
5. Lease agreement	Tailor lease agreement to reflect the individual characteristics of each lessee.	Uncertainty as to conditions in a lease agreement, both for the Council and any potential lessee.

The preferred methods for the proposed plan change are outlined below.

5.7 Preferred Plan Change

It is considered that a change to the District Plan is required to appropriately manage the use and development of the former Chest Hospital site. Following an evaluation of the alternative options, it is considered that the proposed rezoning, new heritage area and associated development controls, are the most efficient and effective methods to achieve good environmental outcomes for this site. Accordingly, the preferred plan change would involve the following changes:

1. Rezone Lots 3 and 4 from Inner Residential to Open Space C.
2. Define Lot 4 as a Heritage Area (by including an appendix to Chapter 21).
3. Provide for the *use* of the former Chest Hospital Heritage Area as a Permitted Activity under the Open Space rules, subject to compliance with appropriate Open Space standards.
4. Control the *development* of the Chest Hospital Heritage Area as a Discretionary (Restricted) Activity in the Open Space rules. This includes any additions and alterations to heritage buildings, construction of new buildings or structures, and the modification of open space areas, additional hard surfacing which is less than 100m² and additional site coverage that is less than 35%. Any change beyond these thresholds would require resource consent as a non-complying activity.
5. Resource consent applications would be assessed according to a range of criteria, including the effects on the heritage values of the scheduled buildings, recreation values and Open Space C values, the necessity for the structure for the effective use of the site, the level of intensification, and public access.
6. Refine the District Plan listing of the former Chest Hospital premises as a heritage item by specifying both the exterior *and interior* of the building as warranting protection.

7. Resource consent applications would be assessed according to a range of criteria, including the effects on the heritage values of the scheduled buildings, recreation values and Open Space C values, the necessity for the structure for the effective use of the site, the level of intensification, and public access.

6. Conclusion

A change to the District Plan for the Chest Hospital land is necessary to give effect to the transfer agreement and also to introduce more appropriate planning controls for the land. The change will recognise the need for on-going use of the heritage buildings, but will ensure that such uses or activities will not adversely affect the heritage values associated with the site. The proposed Plan Change is an efficient and effective way to achieve a positive environmental outcome for this site.

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Supporting Information

1) Strategic Fit / Strategic Outcome

This proposed District Plan Change assists the smooth functioning of the District Plan. It also encourages re-use of heritage buildings, and facilitates the use of Council owned facilities for a public good.

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

The project is contained in the Council Project C533 – District Plan. There are no long-term financial obligations arising from this plan change.

3) Treaty of Waitangi considerations

The proposal does relate to land that is identified in the Plan as a Maori Precinct. The Te Ranga a Hiwi Precinct comprises a ridge line of significance as a diversion or defensive line through the area.

A meeting was held with the Wellington Tenth Trust about this plan change. Letters were later sent to the Tenth Trust and Ngati Toa, in accordance with the RMA statutory consultation obligations. The Tenth Trust were concerned about the effect any development would have on the integrity of the ridgeline and wanted a recognised process in place for the potential disturbance of an archaeological site (Te Akatarewa Pa). The rules were amended to ensure that any earthworks on the site would require a resource consent; allowing the concerns of tangata whenua to be addressed in that process.

4) Decision-Making

This is not a significant decision. The Plan change is site specific to the Chest Hospital Area. Without this plan change, it will be difficult to implement the Transfer Agreement relating to the land and certain activities may be restricted from using the land.

5) Consultation

a) General Consultation

All affected parties have been identified and consulted with. This includes statutory authorities, Newtown Resident's Association, Friends of the Town Belt and Capital and Coast District Health Board.

b) Consultation with Maori

As noted above.

6) Legal Implications

As this is a site specific plan change, there are no significant legal issues.

7) Consistency with existing policy

This plan change seeks to amend the current District Plan zoning to make the zoning more consistent with techniques to manage Council owned land and land that is located in the vicinity of the Town Belt.