
REPORT 1
(1215/52/04/IM)

OVERSEAS PASSENGER TERMINAL – CONCEPT DESIGN PROPOSAL

1. Purpose of Report

The Wellington Waterfront Framework states that the Overseas Passenger Terminal (OPT) should be retained and developed. The purpose of this report is to gain the Subcommittee's approval that the Willis Bond and Company (WB) concept proposal for the redevelopment of the OPT conforms to the requirements of the design brief (approved by the Subcommittee in April 2004) and the Framework.

The recommendation is supported by the Technical Advisory Group (TAG) and has been approved by the Wellington Waterfront Board.

2. Executive Summary

A three stage process from April 2004 to April 2006 was carried out by Wellington Waterfront Limited (WWL) to select a developer and concept design for the redevelopment of the OPT. The process saw 29 international developers register an interest in developing the site, six of which were invited to submit proposals.

Proposals were evaluated by a panel comprising WWL management and Board, TAG and WCC officers. The proposal consisted of a written design report and plans outlining each proposal, verbal presentations to the panel and in some cases scale models were constructed.

A two day workshop took place mid-way through the process to determine the preferred ground floor uses for all the buildings in the Waitangi Park Precinct. Preferences for the OPT were for a combination of food and beverage outlets, marine services, artisan activities and some form of an attractor for the seaward end of the building. The final three developers were asked to take these preferences into consideration in a subsequent revision to their proposals.

In April 2005 WB was selected as the preferred developer and invited to exclusively take part in the final stage of the process. Due diligence was carried out to enable the design and commercial assumptions made in the original offer to be tested and a binding offer to be made.

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A structural assessment of the OPT took place during the due diligence investigations. The assessment confirmed that the wharf and building are in a parlous state and it estimated a cost of \$10 million was needed to restore and seismically upgrade the wharf to building code requirements.

After subsequent refinement of the proposal, WWL is satisfied that the WB proposal meets the design brief and Framework and recommends that the proposal is approved by the Subcommittee. The final concept design was assessed and supported by TAG in April 2006.

If approved by the Subcommittee, WWL will seek public feedback through a public open day, advertorials in regional newspapers, and presentations to interest groups. Information and feedback will also be available at the Waterfront Information Centre and the WWL and Wellington City Council (WCC) websites. Feedback will be presented to the Subcommittee in late June 2006, at which time WWL will seek the support of the Subcommittee in asking Council to approve a 125 year lease.

3. Recommendations

It is recommended that the Subcommittee:

1. *Receive the information;*
2. *Note the Technical Advisory Group's (TAG) advice on the design proposals conformance to the requirements of the design brief;*
3. *Agree that the Willis Bond and Company (WB) development proposal meets the requirements of the Waterfront Framework and the design brief;*
4. *Note the public feedback programme that will be carried out in May and June 2006; and*
5. *Note that the public feedback on the development proposal will be reported back to the Subcommittee in late June 2006.*

4. Background

The Framework calls for the OPT to be retained and developed as part of the development of the Waitangi Park Precinct. As with all buildings on the waterfront, the Framework requires that buildings support the surrounding open spaces, both in their design and in their associated uses and activities.

Although the OPT is not listed in the Regional Coastal Plan or the Historic Places Trust as a heritage building, it is listed in the Framework as a heritage building and is included in the Council's inventory of heritage buildings.

5. Discussion

5.1 Design Brief

The design brief of the OPT redevelopment, prepared by TAG and approved by the WDSC in May 2004 is attached as Appendix 1. The brief required the following design issues to be taken into consideration:

Design quality and visual interest – the design should be high quality, attract and sustain attention and maintain the formal townscape and architectural qualities.

Relationship of the building to the open spaces – consideration shall be given to its relationships with the neighbouring building, appearance from various vantage points and ensure that the promenade around the building is high quality, continuous and in keeping with the rest of the waterfront.

Heritage conservation – the development should retain as many of the maritime artefacts and features as possible, shall acknowledge the building's recognisable landmark qualities, respect the existing architectural qualities and ensure continuity between the existing and any new additions. Adaptive reuse of the building is anticipated.

Activity – the OPT shall contribute to a diverse range of people and activities on the waterfront. The ground floor shall be predominantly public use. The building as a whole shall improve public safety. Marine activities associated with the wharf shall be maintained.

Bulk and Form of additions – the building is to remain in scale with the surroundings and with people. Additions should not compromise the building's architectural identity and townscape quality. The design shall minimise the impact on neighbour views as a result of any increases in height and width.

Servicing and parking – surface parking shall be minimised with parking located below grade or concealed within the building. Vehicle access for servicing the building and shipping vessels shall be maintained.

Components, elements and materials – building materials shall be consistent with the buildings existing architectural character and heritage values and shall reflect its urban waterfront location. Landscape materials shall be consistent with elsewhere on the waterfront.

Departures from the brief – designers may depart from the requirements of the brief provided exemplary design resolution of architecture and public environment can be proven.

Concept design documentation – documentation shall convey a clear response to the design issues and objectives.

5.2 Development Selection Process

The selection process has been carried out in three stages between April 2004 and April 2006. The stages involved:

Stage One – Expressions of interest.

In April 2004 the opportunity to lease and develop the OPT and Clyde Quay Wharf was advertised in New Zealand, Australia and Singapore. Expressions of interest were received from 29 development teams. The registrations were reviewed by WWL and six developers were invited to submit proposals.

Stage Two – Requests for proposals and non-binding offer.

In May 2004 the six developers were supplied with a comprehensive information pack which included the design brief prepared by TAG, heritage value report, history report, wharf condition assessment reports, draft lease document, certificates of title and the Framework.

In August 2004, nine proposals were presented by the developers to the Board, TAG and WWL, from which three development teams were selected.

A workshop held in December 2004 helped to identify preferred ground floor uses for all the buildings in the Waitangi Park Precinct. The preferences for the OPT were for a combination of food and beverage outlets, marine services, artisan activities and some form of an attractor to the building. Developers were asked to incorporate the outcomes of the workshop into their designs and resubmit by 28 February 2005. Developers re-presented their revised proposals on 14 March 2005 to the evaluation panel.

Taking into consideration the presentations, TAG assessment and commercial considerations, WWL exclusively invited WB to take part in stage three of the selection process.

Stage Three – Due diligence and binding offer

WB was granted a six month due diligence period to investigate the structural condition of the OPT and wharf, test the commercial assumptions made, finalise the concept design and submit a binding offer. The due diligence period was extended in October 2005 to February 2006, because of complications identified during the structural assessment of the wharf.

During this stage a conditional development agreement and lease were agreed.

5.3 Structural Condition Assessment

As part of WB's due diligence investigations, Dunning Thornton Consulting Structural Engineers (DT) assessed the current structural condition of the OPT. DT's assessment resulted in a report detailing the poor condition of the wharf, going on to state that if it was not upgraded as part of a redevelopment project it would require significant

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investment to bring it up to an acceptable standard. Extracts from DT's findings include:

- The existing concrete wharf structure under the building footprint (completed in 1910) is in a parlous state. The original concrete wharf slab, deck beams and lattice bracing have been severely affected by spalling and exposed reinforcing is commonplace. Vertical capacity tests have revealed that the piles have significantly less load capacities than had been previously assumed.
- The timber wharf extensions and piles were built in the 1960s, prior to the terminal building construction, and are generally in better condition than the concrete structure. However, the piles are wasting (getting narrower) around the tidal zone due to erosion. A small number of piles are completely rotten and require immediate replacement. A number of connecting bolts are severely rusted and require replacement.
- The terminal building's primary concrete structure is generally in reasonable condition. However, the external secondary structure (roof trusses, balustrades and exposed decks) and roof cladding are showing signs of significant deterioration in the marine environment.

The assessment also analysed the seismic capacities of the existing structures. The seismic capacities range from as low as 15-20% of the current code for the timber wharf, to 40-60% for the building. The combined structure is assessed as being earthquake prone. If left unchecked, the ongoing deterioration will at some point in the next 20 years render the wharf unsafe.

Local authorities are required under the Building Act, to set a programme for the seismic upgrading of all earthquake-prone buildings. This means that in its current state the OPT represents a financial liability to the City in the order of \$10 million. An upgrade or change of use to any part of the existing building would immediately trigger a requirement to seismically upgrade the structure.

The DT investigation was carried out on behalf of WB. The assessment data and design rationale has been reviewed by Holmes Consulting Group on behalf of WWL. Holmes Consulting confirms that DT's findings are a fair reflection of the current condition of the Overseas Passenger Terminal.

5.4 Willis Bond Proposal

The detailed specifications of the proposal are attached as Appendix 2 whilst the key elements of the design are outlined below:

DESIGN FEATURES

1. Ground floor spaces remain predominantly public use.
2. Ease of access around the wharf for pedestrians and vehicles is maintained.

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3. The Wharf deck promenade will be upgraded to improve surfacing, lighting, seating, access to the water and public safety.
4. A total of 28 public car parks provided on the wharf deck (10 located on western side).
5. An innovative under-wharf car park provides an effective parking solution for the development, preventing an additional demand on public parking in the Waitangi Park area.
6. Marina office and opportunities for marine related services to be accommodated within the building, supporting the maritime activities associated with this area of the waterfront.
7. Ninety-five residential apartments will occupy the upper levels of the development.
8. WWL will be granted a head-lease over the majority of the ground floor at a capped rate to enable the preferred uses to be accommodated.
9. Destination restaurants proposed for both the northern and southern ends of the building.

The image on the following page gives an idea of how the finished redevelopment might look. Further detailed information on the OPT redevelopment will be available on the Wellington Waterfront website (www.wellingtonwaterfront.co.nz) from 8 May 2006.

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5.5 TAG assessment

TAG has been an integral part of the project throughout the two year process, with evaluation reports completed at every stage. The evaluations have been used to assess conformance to the Framework and design brief, as well as a mechanism for providing feedback to the design teams.

TAG has endorsed the WB proposal, commending the quality of the design and the way it addresses the detailed elements of the design brief. The latest assessment of the proposal was completed in April 2006 and the TAG evaluation report is attached as Appendix 3.

5.6 Heritage

The OPT is not classified as a heritage building in the Regional Coastal Plan and does not appear on the NZ Historic Places Trust register but it is listed as a heritage building in the Framework.

With this in mind, a Heritage Value Report was commissioned by WWL in March 2004. The report, carried out by Heritage Architect Chris Cochran, was to make an explicit definition of the heritage qualities of the building. The report concluded that the value of the building resides more in its formal townscape and architectural qualities than in its history. Accordingly the redevelopment proposal seeks to retain these qualities wherever practicably possible. A summary of the heritage values from the report together with their treatment in the redevelopment proposal is given below:

ELEMENT	VALUE	REDEVELOPMENT PROPOSAL
<i>Architectural Features</i>		
Spire	High	Reused
Roof	High	Removed in sections, restored and re-erected
First Floor shape and deck	High	Not retained
Structure	Low	First floor slab retained Concrete columns retained Steel portal structure (1 st and 2 nd) retained where condition allows.
Handrails	Medium	Not retained – badly deteriorated
Proportions	High	Retained
<i>The Interior</i>		
Space, seaward end, first floor	High	Retained as part of public deck
Space with escalators, first floor	Medium	Not retained
Interior finishes	Medium	Not retained
<i>Contemporary Art Works</i>		
Mosaic murals	High	Retained
<i>The Wharf</i>		
1907 Wharf	Medium	The substructure replaced; deck retained
Wharf Setting	High	Retained
Landmark quality	High	Retained

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As can be seen from the above report, the redevelopment proposal will retain significant elements of the heritage value, including all bar one of the 'high value' elements. The WB proposal was the only proposal that, wherever possible, made a significant attempt to retain the heritage features of the building and wharf.

5.7 *Public Feedback*

As can be seen from the preceding sections, a rigorous and thorough process has been undertaken to determine the best course of action with regard to the OPT. The WB proposal conforms to the requirements of the design brief and the Framework, including the retention of heritage value wherever possible.

Further to this, due to the poor state of the wharf and building, an estimated \$10 million is required to restore and seismically upgrade the wharf. As the situation stands, this cost would ultimately have to be borne by Council. If nothing is done, the ongoing deterioration of the wharf means that at some point in the next 20 years the wharf will be rendered unsafe and therefore unusable by the public.

The WB proposal includes redevelopment of the building and upgrading of the wharf at no cost to Council, as well as providing a one-off lease payment to the Wellington Waterfront Project. Accordingly Council Officers recommend the WB redevelopment proposal and, subject to approval by the Subcommittee, seek public feedback on this proposed course of action.

It is proposed that public feedback will be sought immediately after the Subcommittee meeting of 8 May and that the public will be engaged through:

1. Stakeholder group presentations
2. Advertorials in the printed media
3. Public open day
4. Waterfront Information Centre displays.
5. WCC and WWL internet Websites.

The public feedback will be collated by WCC and presented to the next Subcommittee meeting in late June 2006 (TBC).

5.8 *Development programme*

WDSC meeting	08 May 06	WDSC meeting seeking approval that the WB concept design meets the design brief and Framework.
Key stakeholder presentations	10 May 06	Presentations offered to Chaffers Dock, Chaffers Marina, OPT tenants, Residents Associations etc.

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Public open day	13 May 06	Models, images and animations on display. Architects and project managers available for presentations and questions.
Seek WDSC support to ask Council to approve a 125 year lease	Late June 06	Present public feedback and possible design changes.
Resource consent lodged	October 06	WB to lodge development consent. WWL to lodge subdivision consent.
Pre-sales and marketing	Up to 10 months	Requires the design, and construction of a show apartment (4 months) followed by a 3 month marketing period.
Construction commencement	6 months after marketing period	Allows time to obtain building consents, calling tenders and site establishment.
Construction completion	30 months maximum (Target late 2010)	Practical completion target. (subject to any approved time extensions)

6. Conclusion

Elements of the OPT wharf are in an extremely poor state and if no action is taken the OPT will become a safety hazard and will ultimately need to be condemned. The OPT building is also under strength seismically and the Building Act requires local authorities to arrange a program of seismic upgrading. It is currently estimated that the cost of these repairs would be \$10 million and that Council would be liable for this.

Council Officers consider that the WB redevelopment proposal offers the best outcome for the City. The WB proposal was superior to all other proposals considered and promises to rejuvenate this Wellington landmark. The WB proposal was the only proposal to make a significant attempt to retain the heritage features of the building and wharf, where structural conditions allow.

This recommendation is supported by the technical assessment completed by TAG and Management and the Board of WWL.

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Supporting Information
<p>1) Strategic Fit / Strategic Outcome <i>The Waterfront Development Plan would contribute to the following Council outcomes:</i> <i>More Liveable – Wellington will be a great place to be, offering a variety of places to live, work and play within a high quality environment.</i> <i>Stronger sense of place – Wellington will have a strong local identity that celebrates and protects its sense of place, capital-city status, distinctive landform and landmarks, defining features, history, heritage buildings, places and spaces.</i> <i>More Prosperous – Wellington’s urban form, and flexible approach to land use planning in the central city, will contribute to economic growth and prosperity.</i></p>
<p>2) LTCCP/Annual Plan reference and long term financial impact <i>C378 Wellington Waterfront Project</i> <i>A312 Lambton Harbour Operations</i> <i>CX131 Lambton Harbour Development.</i> <i>In accord with the 2006/07 LTCCP.</i></p>
<p>3) Treaty of Waitangi considerations <i>Maori have had a long connection with the harbour and waterfront that continues today. There are several sites of significance for iwi around the waterfront including Waitangi Lagoon and Te Aro Pa.</i></p>
<p>4) Decision-Making <i>This is not a significant decision. The report deals with a strategic asset, but does not propose any changes to the waterfront development plan.</i></p>
<p>5) Consultation a) General Consultation <i>Consultation will be undertaken on the draft development plan. All affected parties will be included, and any feedback will be reported to the Subcommittee.</i></p> <p>b) Consultation with Maori <i>Representatives from Council’s mana whenua Treaty partners – Wellington Tenth’s Trust and Te Rūnanga o Toa Rangatira were involved in the development of the Wellington Waterfront Framework that underpins the Waterfront Development Plan.</i></p>
<p>6) Legal Implications <i>There are none at this stage.</i></p>
<p>7) Consistency with existing policy <i>This report is consistent with existing WCC policy on waterfront development.</i></p>