

DRAFT WATERFRONT DEVELOPMENT PLAN 2008/09

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1. INTRODUCTION and BACKGROUND

In September 2000 Wellington City Council appointed a Waterfront Leadership Group to consult with the public and develop a vision, values and principles for future development on the waterfront. Council adopted its recommendations in the form of the Wellington Waterfront Framework in April 2001, and this Framework guides what is to be done on the waterfront.

Following approval of the 2007/08 Waterfront Development Plan, the Council's Strategy and Policy Committee (the Committee) agreed that, with the completion of design briefs for the identified development sites there was no longer a need for a separate Waterfront Development Subcommittee. Consequently, it was decided that on-going waterfront development plans (and now the design brief for Queens Wharf including the Outer T) will be considered by the Strategy and Policy Committee, supported with technical advice from the Technical Advisory Group (TAG) as necessary.

The Development Plan outlines the work plan/programme to implement the Framework. It has been developed directly from the concepts as laid out in the Framework, and includes how developments will be done, a phasing schedule and a financial model for the proposed work.

Other than the introduction of the planning work for the Queens Wharf Precinct, this draft Development Plan for 2008/09 makes no significant changes in scope from what has been indicated in earlier plans. However, the timing of some projects has changed.

The draft Development Plan proposes that in 2008/09 the remaining Kumutoto sites (sites 8, 9 and 10); Frank Kitts Park; Taranaki Street Wharf; and Queens Wharf, will be subject to further planning work in response to issues raised within the Hilton decision. The key focus of the 08/09 draft Development Plan is the planning for commercial and public space projects, in respect to the commercial projects, sites 8, 9 and 10 will be a particular focus over this period. In addition, planning on the Taranaki Street Wharf lagoon will continue and WWL will continue to work with Wellington Tenth's Trust to progress the design and development of the wharewaka.

This draft Development Plan is later than usual as it has been necessary to factor in the implications of the "Hilton decision"¹ and the appeal on the Overseas Passenger Terminal resource consent. The 08/09 Development Plan focuses on the 08/09 year only because of the financial implications of the adjusted timing of commercial receipts and because the Council has resolved to review years 09/10 to 19/20 as part of the Long Term Community Council Plan (LTCCP).

An important aspect of the 10 year review will be the timing and implications of transferring development and management responsibilities to the Council – which at this stage is anticipated to occur by 2011/12. It is not expected that any significant contractual commitments will be entered into until the 10 year review has been undertaken and approved by the Council.

¹ Decision of the Environment Court to decline the resource consent for the Hilton Hotel on the Outer T

2. PRINCIPLES

The Waterfront Framework sets down the fundamental principles for development on the waterfront.

The phasing of work has been decided based on the following principles:

- **Heritage buildings should be restored and reused as a priority.**
- **Timing of commercial development will be impacted by market conditions.**
- **Income should be generated upfront where possible to minimise the impact on ratepayers.**
- **Public confidence in the waterfront development must be maintained.**

3. 2008/09 PLAN OVERVIEW

The Overseas Passenger Terminal proposal was granted resource consent from Greater Wellington Regional Council in early 2008. That decision has been appealed to the Environment Court, which can be expected to proceed to hearing in late 2008.

The Hilton decision necessitates further consideration on the future use of the Outer-T area. This planning work will be incorporated into the Queens Wharf Precinct plan whereby the various issues relating to the wider Queens Wharf area will be considered further. This potentially includes the redevelopment of Shed 6, TSB Bank Arena upgrade and its interface with Frank Kitts Park, the promenade, the 'square' and the Outer-T.

Resource consent was granted for the wharewaka in November 2005. WWL will work with the Wellington Tenth Trust in 2008/09 to progress the design, as well as progressing plans for the lagoon subject to the reports back to the Council.

A design competition has been held for Frank Kitts Park including the Chinese Garden. This design will be considered further in terms of the resource consent process with applications expected to be lodged in 08/09.

It is expected that resource consent applications will be lodged for the Sites 8, 9 and 10 in 08/09.

4. PROJECT PROCESS

The development of the waterfront follows three stages. Stage One, creating the Wellington Waterfront Framework and Stage Two, the development of design briefs for each precinct within the waterfront, have been completed. Stage Three, WWL's implementation of each precinct's design brief is now underway. At all stages the public has had, and will continue to have, opportunity to provide input.

Each stage contains several elements:

Issues assessment

For specific areas or projects an assessment of issues is carried out before a brief can be prepared. Issues such as the physical condition of the site, market conditions (if relevant) and how the project is to fit into the wider waterfront project all need to be understood.

Brief preparation

The brief provides guidance on how a building site or an area of public space should be developed, giving direction to the designer through a series of performance criteria. It sets out the outcomes that have to be met as part of the particular development. Briefs will vary in detail and specificity depending on size and scale of the project.

Each brief will:

- contain a clear statement of why the brief has been prepared and what it seeks to achieve
- show (in words, diagrams, photographs, drawings) how the Framework principles can be applied to the site including the relationship between the site and public space
- provide the basic area and site appraisal that is essential for a good design solution

- set out design objectives for the site, showing the first stage of urban design analysis for the area and how it links into surrounding areas
- set out any criteria that the Subcommittee feels – having engaged with the public – are pertinent to the site.

Design implementation

The brief forms a basis on which WWL engages designers or developers. The design comes back to the Council for discussion and sign-off, again with public involvement, before being implemented.

Implementation

Once sign-off of detailed design has been obtained, WWL manages the contracts for public space construction and the selected developer manages the contracts for commercial development construction.

5. ENGAGING WITH THE PUBLIC

The Wellington Waterfront Framework requires transparency and a willingness to engage with the public about how the waterfront is developed. A balance must be set between making good progress on the waterfront and providing the public with sufficient opportunity to be involved.

The Council recognises that there are groups and individuals who have particular interest in the waterfront, and that there is also a need to inform other Wellingtonians and understand their interests and needs.

Committee meetings

As mentioned above, since the last election the Waterfront Development Subcommittee has been disestablished. Waterfront issues, including the draft development plan, are now considered at the Strategy and Policy Committee.

All Committee meetings are open to the public, with opportunities for the public to be heard at each meeting. Dates of these meetings are advertised and agenda and Committee papers are publicly available.

Formal Public Consultation

Public submissions will be sought when detailed or concept designs are proposed by WWL or developers working on waterfront developments. In addition, public consultation is also intrinsic to the publicly notified resource consent process that all significant waterfront developments are required to undergo.

To assist formal consultation processes WWL provides information and receives feedback via any or all of the following channels:

- Paid advertorials
- Public open days
- News releases
- Special displays
- Brochures

Electronic and hard copy publications

Information is readily available on meetings, issues and events through the Council's website, www.wcc.govt.nz and also reported in the Council newspaper, *Absolutely Positively Wellington*.

WWL's website, www.wellingtonwaterfront.co.nz, contains more detailed information about proposed waterfront developments, as well as events and other services and attractions on the waterfront. WWL also publishes a regular newsletter, *On the Waterfront*, available to anyone interested in keeping up to date with waterfront activities. This newsletter is published in both hard copy and electronic format. WWL's annual report is also published on its website, and available to the public in hard copy format.

Waterfront Project Information Centre

The Waterfront Project Information Centre is a permanent resource centre where members of the public can view the current status of the project, see what is proposed and make comments. It is located in Shed 6 at Queens Wharf. Since opening, it has been used as a key vehicle for informing the public for projects such as the progress on Waitangi Park, Taranaki Street Wharf proposed plans, Kumutoto development proposals, the NZX building, Chaffers Dock and Steamship Wharf developments, the Overseas Passenger Terminal and the Outer-T hotel proposal.

Feedback

The Committee can select from a wide range of techniques to get feedback from the public, such as questionnaires or running on-site surveys of people using the waterfront. For initial feedback on an issue in a short space of time, emails can be circulated to a discussion group.

WWL also conducts an annual survey of Wellingtonians, using independent researchers. This quantitative survey of 750 people establishes how frequently and for what purpose the waterfront is used, awareness about events, satisfaction about the current waterfront experience and how this experience might be improved. WWL also conducts additional qualitative market research of specific groups, when necessary.

Feedback forms available in the Waterfront Project Information Centre also invite comment on proposed developments, and the WWL website also solicits comments and ideas from visitors to the site.

Reference groups

To address specific issues, small reference groups with interested parties can be set up. For instance, a user group was formed to work with the designers of Waitangi Park.

Interactive workshops

One technique is to get designers and members of the public to work together to develop plans or design ideas for certain areas. Different techniques such as brainstorming and SWOT analysis could be used to formulate and evaluate ideas. This information can then be used to help prepare the performance briefs.

WWL has adopted a charette process, whereby individuals with relevant views and expertise related to a specific development challenge are brought together in an independently facilitated environment to workshop ideas, issues and objectives.

Open day

An open day allows the public and interested groups to view information about a project and to talk to designers and other relevant people. WWL has a policy of using open days for every project.

Call for ideas

A call for ideas can stimulate creative thinking and interest – this is the process that will be used for the Outer-T.

6. THE PROJECTS

The Waterfront Project has many proposed and on-going projects, all with different complexities, and in some cases, the potential to be interrelated. Some work needs to be done sequentially because of physical requirements to maintain the waterfront experience as much as possible during construction or to coincide with neighbouring development activities. There may sometimes be financial implications that justify undertaking one piece of work before another. Further, sufficient flexibility must be built in to respond to good ideas or proposals in a timely manner, should they arise.

Wellington's waterfront comprises five distinct precincts, linked by a waterfront promenade, that have been highlighted in the Framework. Design briefs have been prepared for each of these precincts. Below is a list of the proposed projects for 08/09. The location of sites is shown in Appendix 2.

Waitangi Precinct

Resource consent was granted for the preferred Overseas Passenger Terminal design in early 2008. This consent has subsequently been appealed to the Environment Court, with the appeal hearing expected to occur in early 08/09.

Taranaki St Wharf and Lagoon

Planning on the Taranaki Street Wharf area will continue and construction of the wharewaka will commence subject to ensuring that any design amendments remain within the scope of the resource consent that has been granted.

There has been a slowing of the Taranaki Street Wharf development in an attempt to match capital expenditure with revenues, however, the first phase of the public space around the wharewaka will occur once construction of the wharewaka begins.

Frank Kitts Park

The Subcommittee approved the design brief for the redesign of the park in December 2006. The design competition has been held and a design chosen in December 2007, further planning work regarding the resource consent is currently being undertaken and it is planned to lodge the resource consent in 08/09.

Queens Wharf

The Environment Court declined the resource consent for the Hilton Hotel. WWL will call for ideas to determine what to do on the Outer T. This will be incorporated into a broader Queens Wharf Precinct planning exercise that will take place in 08/09. Improvements to the Hunter Street traffic control will be implemented.

Kumutoto

It is planned to market and develop Sites 8, 9 and 10 in the Kumutoto precinct progressively over the next three years. Detailed design leading to lodging resource consents for these sites will occur in 08/09. Expressions of interest are currently being sought to develop and occupy these sites.

The Kumutoto public space will be completed and the fit out of the interior of Shed 13 will occur once a tenant has been secured.

7. PROJECT PRIORITIES

The following table sets out the projects on the waterfront in priority order as adopted by WWL.

	2008						2009					
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
OPT	Environment Court preparation and hearing											
Sites 8 & 9	Design								Resource Consent processing			
Site 10	Design								Resource Consent processing			
Shed 13	Shed 13 Fit-out											
Frank Kitts Park	Detailed design and resource consent											
Wharewaka	Detailed Design						Construction					
TSW Public Space	Detailed Design						Construction					
Queens Wharf	Concept and Master Plan											
Wharf Maintenance	Ongoing Wharf Maintenance											

8. FINANCIAL PLAN

A seven-year financial plan was incorporated in the Framework. The time period for this is now amended to take into account the LTCCP.

Given the uncertainty for the out years, there is a need for a rolling plan that provides certainty for the immediate future. WWL, which manages the Wellington Waterfront Project (WWP), prepares and presents a business plan every year, with a 12-month work plan that commits to work in that period. This Waterfront Development Plan will form the basis of WWL's Business Plan for Waterfront Development in 2008/09.

Assumptions

In preparing the financial plan a number of assumptions have been made. These include:

- Council funding of \$15.0 million, within the constraints imposed by the Framework and the LTCCP, will be available to the project.
- All of the available \$15 million has been spent.
- Current Council policy, which states that funds held plus future funds earned on the waterfront are available for reinvestment on the waterfront, will continue.
- Council approves the use of funds in the Project's commercial development fund for appropriate expenditure on capital (public space etc) projects.
- No significant change in property market conditions, or in conditions relating to construction activities, though there are several indicators (including labour shortages and visitor number reduction) that the economy is slowing down.
- Commercial property generates proceeds of "highest and best use" (allowing for predominantly public access to ground floors).

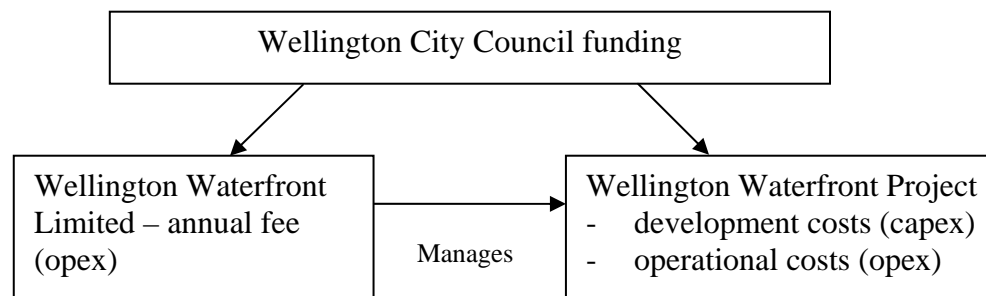
- Income from rented properties, car parking and use of event facilities is maintained as planned.

The current financial model allows for public space investment of \$57 million over the development period, which has been extended beyond the original 30 June 2008 completion date. The expenditure on each area and project is based on the best information available. The above assumptions are consistent with those made in respect of the financial model contained in the Wellington Waterfront Framework.

Financial impact of development plan

The financial plan indicates that, given the above assumptions, the financial impact upon Council of this development plan will be similar to that contained in the Framework.

The Council contributes to WWL through an annual management fee and also through funding for development (this development funding is managed by WWL). This is shown in Figure 1.



The contribution from the Council required to carry out development for 08/09 is \$5.4 million as a short term advance. This is shown below in figure 2 –

Figure 2 – *funding schedule for the WWP*

Receipts	\$m
Operating	2.878
Proceeds from commercial developments	0
Total receipts	<u>2.878</u>
Payments	
Waterfront operating costs	6.933
Public space developments	2.075
Total payments	<u>9.008</u>
Net cash surplus / (deficit)	<u>- 6.130</u>
Funded by:	
Realisation of / (investment in) term deposits	0.703
Wellington City Council - Temporary Additional Funding	5.971
Total funding	<u>6.674</u>
Funding from Wellington City Council	
Contributions for waterfront operational costs	3.896
Contributions for public space developments	2.075
Total Wellington City Council Funding	<u>5.971</u>

This excludes the Council’s payment of WWL’s annual management fee, and internal Council waterfront costs such as TAG and officer time.

Compared with the Framework there is an increase in the cost of developing public space of \$18 million. This reflects:

- Costs being affected by a shortage of skilled labour and increased price of materials.

The above cost increases are more than offset by increases in the expected proceeds from commercial developments of \$19.3 million. This is due to:

- Higher than expected financial outcomes from development sites already realised.
- Increases in the value of development sites.

APPENDIX 1

ROLES AND RESPONSIBILITIES

This section outlines in more detail the roles and responsibilities of the Council and WWL. These roles and responsibilities are consistent with the governance arrangements as set out in the Wellington Waterfront Framework and form the basis of a partnership between the two entities.

The Council and WWL both exercise their roles and responsibilities in a manner that is consistent with the Council's waterfront policy as expressed in the Wellington Waterfront Framework, the District Plan and any other documents adopted by Council.

Strategy and Policy Committee

The Strategy and Policy Committee reports to the Council. Its role is to:

- develop an annual work plan covering the waterfront's projected activities for the year that will form the basis of its delegations from the Council to make decisions
- develop and maintain a project development plan that includes broad priorities for work
- ensure that the development proceeds in a way that is consistent with the Council's Long Term Financial Strategy
- sign-off detailed designs

The Committee is responsible for ensuring that:

- Council has regular and informative reports on progress with the waterfront development.

- implementation of the development plan is monitored including approval of variations from approved designs.
- an open and effective basis for consultation and co-operation is maintained with WWL
- there is a project development plan and budget
- public views on the waterfront are fully and openly canvassed before design briefs are finalised
- the final detailed designs for public space work have been tested and endorsed through an open process of public engagement

Technical Advisory Group (TAG)

TAG acts as a provider of independent design advice for the Council. It ensures that the Framework principles have been applied consistently in all waterfront design.

The Strategy and Policy Committee has overall responsibility for monitoring waterfront development by reviewing and making decisions on major matters (with advice from TAG) but may delegate its authority on minor matters of detail. TAG's role is to provide:

- advice and recommendations to the Strategy and Policy Committee on major matters of design and implementation
- advice to officers to make decisions on minor matters of design and implementation
- advice to the officers on resource consent applications
- general design advice on an 'as required' basis

Minor matters of design and implementation relate to minor alterations to buildings, minor variations to detailed design of public space, temporary use of public space and minor elements in public space.

TAG draws on the architecture, landscape architecture and urban design expertise of its members. It has a core group of four, but on large projects, other professionals may be co-opted to bring on stream other specialist advice as deemed necessary by the Council.

Wellington Waterfront Limited (WWL)

WWL reports to the Strategy and Policy Committee and Council Controlled Organisations Performance sub-committee. Its role is to:

- prepare an annual business plan (with input from the Strategy and Policy Committee) for the waterfront project (Lambton Harbour Development Project) covering the work plans, project implementation tasks and project operations. This will also incorporate an activity outline and projections for the subsequent two years. The business plan will support the approved project development plan.
- provide input into the project development plan and its annual revisions, and into the subcommittee's annual work plan
- manage day-to-day operations on the waterfront, including cleaning, security, tenancies and maintenance (with the exception of Waitangi Park)
- advise the Strategy and Policy Committee on all aspects of waterfront development, including budgets, development phasing, technical information, costs, feasibility and commercial issues
- commission work on detailed designs based on approved performance briefs
- select and appoint designers in consultation with the Strategy and Policy Committee

- market waterfront sites and properties as appropriate to get the best return for the Council (within any constraints imposed by the development plan)
- act as the contact point for anybody interested in a private development project on the waterfront
- negotiate and manage contracts for the design and construction of public space
- negotiate and manage contracts and leases for all building development sites and the refurbishment and re-use of existing buildings.

WWL is responsible for ensuring that:

- for its part, an open and effective basis for consultation and co-operation is maintained with the Council
- the waterfront is clean, safe and well maintained
- the Strategy and Policy Committee has relevant and timely advice to inform its decision-making. This will include financial advice and will involve WWL maintaining a financial model for the waterfront
- all contracts entered into are appropriate to deliver the desired outcome and reflect Council policy
- all public space development projects are delivered to plan, on time and on budget.

Definitions

Waterfront Framework – The Wellington Waterfront Framework was adopted as the Council’s policy for the waterfront on 3 April 2001. It is a general overview of what is planned for the waterfront. The character of each area is described, along with ideas about what might be included, but there is no detail or drawings. The Framework can be considered a general guide to future development, and the principles can be considered the ‘bottom line’, but there is flexibility for decisions to be made at later stages.

Development plan – The Development Plan sets out the phasing for all the work on the waterfront for the life of the project. It is reviewed annually. The Plan is based on high level budgets initially, but these are firmed up once each piece of detailed design work is completed and actual work costed. The Development Plan sets out the order for public consultation over the various areas of the waterfront, based on input from the public as well as professional advice such as market readiness. It covers phasing for work such as redevelopment of heritage buildings. WWL provides significant input into the preparation of this plan.

Performance briefs – Performance briefs are developed for each part of the waterfront before any design work is done. The briefs pick up the character of each part as described in the Framework, and include major design functions and go into detail about how an area is to perform. The performance briefs make reference to the high level budgets agreed in the development plan, although the final detailed designs signed off may vary in cost. Again, WWL provides significant input into the preparation of these briefs.

Detailed designs – Developed design or concept designs are completed based on the performance briefs. These may include options and are agreed through consultation as to which option to move forward this. Once the concept design is signed off, detailed designs are finished. Detailed design work is commissioned based on the developed/concept design. These detailed designs are of sufficient detail to enable construction work to start, but actual construction cannot begin until resource consent has been obtained.