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Freepost 2199  
Gerald Blunt (279)  
Wellington City Council  
P.O. Box 2199  
Wellington 6140  
shellybay@wcc.govt.nz

**Re: Shelly Bay - proposal to sell and lease land in Shelly Bay to redevelop the area**

1. This submission is from the Architectural Centre, an incorporated society dating from 1946, which represents both professionals and non-professionals interested in the promotion of good design.
2. In general we support increasing housing supply, and have no problems with developments on private land which comply, where the developer provides infrastructure. The issues raised in this consultation are not to do with the quality of architectural or urban design, nor are they about whether or not this kind of development should proceed as a general rule, although we always have concerns about car-dependent suburban development.
3. The prime issues as we see them have to do with whether or not public resources ought to be used to underpin a private development, and what criteria should be considered in making this decision. Specifically, what makes this development (Taikuru) so different that public resources should support it?

**The prior resource consent decision and the HASHAA 2013**

Lack of Public Notification

4. We do not support the previous decision to treat the resource consent for the master plan and design guide for this proposed development as non-notified. Shelly Bay is a significant part of a larger public recreational area and we consider that consultation with the wider public is important due to the proposed changes to the area in terms of built form, population and traffic issues which will significantly alter the character of this area, and access to it.
5. We note that, while the Housing Accords and Special Housing Areas Act (HASAA) 2013, must only notify the application, or hold a hearing, within in specific constraints (s29(1)), there is a requirement to notify "*the owners of the land adjacent to the land subject to the application*" (s29(3)(a)). In this case, the land adjacent is publicly owned, and while the legal owner is the WCC, the land is a highly-used public recreation area, arguably suggesting grounds for public notification within the parameters of the Act.

Adequacy of Infrastructure

6. The HASHAA also states that "*The Minister must not recommend the making of an Order in Council ... unless the Minister is satisfied that - (a) adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to*



the architectural centre inc.  
PO Box 24178 Wellington

relevant local planning documents, strategies, and policies, and any other relevant information" (s16(3)(a)).

7. There is insufficient infrastructure to support the proposed development of 350 approx. dwellings. This consultation is testimony to that. This suggests that the Minister did not conceive a development of this scale when they recommended making the relevant Order in Council (HASHAA (Wellington - New June 2015 Areas) Order 2015). This Order in Council provides a sense of the anticipated scale of the intended development in its Criteria for qualifying developments in special housing areas. It states "*the minimum number of dwellings that must be built is 10*" (HASHAA (W-NJ2015A) Order 2015) s5(c)). We acknowledge that this is a minimum, not a maximum, but in order to provide a sense of relative scale the HASHA (Wellington-New December 2015 Areas) Order 2015 gives a range of minima from 2-10 (s5(c)(i)-(iii)), suggesting the degree of fineness is relevant. In contrast to a minimum of 10 dwellings, 350 dwellings would appear to be significantly beyond the level of adequate infrastructure provision that the Minister would have envisioned.
8. In addition, we note that the HASHAA 2013 states that "*An authorised agency must not grant a resource consent that relates to a qualifying development unless it is satisfied that sufficient and appropriate infrastructure will be provided to support the qualifying development*" (s34 (2)). If this current consultation is genuine, then it cannot be said, at the time the resource consent was granted, that the WCC was satisfied that "*sufficient and appropriate infrastructure*" would be provided to support the development. Additionally, the WCC have stated that "*the existing public infrastructure is not sufficient to support the full proposed development at Shelly Bay*"; Shelly Bay Ltd have stated that they are only prepared to fund \$10m of infrastructure (WCC, Q&A p. 4).

### **This consultation**

9. We note that this consultation regards two matters:
  - (a) whether or not the WCC should sell and lease specific parcels of land in order to enable the development to progress
  - (b) whether or not the WCC should financially contribute to the development, through funding infrastructure development (\$7.5m), and public amenity (\$3.5m)

### Should WCC sell and lease this land?

10. The land intended for sale is currently public recreational land (see yellow in map below).<sup>1</sup> It will be used for housing (WCC, Q&A, p. 2). This will increase housing supply in Wellington, which is positive, but it will not increase either social housing nor affordable housing. The HASHA (W-NJ2015A) Order 2015 is explicit in this regard. Its Explanatory note stated "*This order does not prescribe affordability criteria for any of the special housing areas,*" and this is reflected in s5. There is nothing in the documents that we have seen to date that indicate that there is any intention for social or affordable housing to be supplied in the proposed development. The benefit of the development is that the provision of more housing will tend to reduce the value of all, or most, housing in the suburbs.
11. This use of the land will reduce public recreational green space but the green hill behind, and the vast harbour in front, provides an excellent sense

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<sup>1</sup> We have tried to map this area as accurately as we can from the information on the public consultation document. It is not clear if the sale includes the bottom of Main Rd, which is frequently used by the public to access the land above.

of surrounding open spaces and amenity. With proper management of traffic and public car-parking the paved areas can be made safe for children to play, and on the types of surfaces they prefer, under supervision from windows.

12. The land intended for lease (see orange in map below) is a wharf area with heritage buildings on it, which is intended to be used for mixed commercial/residential uses and hotels and intervening spaces. This land is to be leased for 125 years, and will support the adaptive re-use of two buildings on the site. We support the adaptive re-use of heritage buildings. We note however that, with the 125 year lease, the land will effectively be "sold," as far as all of us currently living are concerned. Our preference would be for WCC to be a majority partner (perhaps via City Shaper?) in this aspect of the development, including the adaptive re-use of heritage buildings, and to lease tenancies rather than land, for durations significantly less than 125 years, ensuring continued council/public control of the land.



[site of Taikuru, proposed Shelly Bay development, highlighting WCC land proposed to be sold (yellow) or leased (orange)]

### **Should WCC fund \$10 million of infrastructure?**

13. We consider that the answer to this question is dependent on whether or not Taikuru is a public good project which is consistent with WCC policy and best practice. The material supplied suggests:
  - (a) **that Taikuru is intended as a commercial project.** We do not understand why the council should provide financial assistance to a developer for what is a commercial project. If the council is underwriting this to the tune of \$10m it should receive \$10m worth of shares in the development company and the corresponding percentage of profit, that is unless the council is proposing to provide this level of assistance to all

developers promising to build housing, which we doubt is sustainable. The question has to be asked why is this development being subsidised over others?

(b) **there is no social good aspect to the project.**

- i. There is no evidence that Taikuru would provide affordable housing, or **social housing**. We believe that house prices are more important than housing supply in terms of addressing housing need in Wellington. For example, Wellington city had 5,184 (7.22%) unoccupied dwellings (out of 71,781) on census night in 2013 (and 4,554 (5.9%) in 2001; 4,086 (7.26%) in 2006). Given this, we believe that the council should support provision of social (and possibly affordable) housing over other housing projects.
- ii. There is no evidence that Taikuru is **sustainable**. There is no evidence that the housing will be zero-energy, nor that there is water collection or water recycling. This housing does not materially progress any of the council's climate change agenda, and so does not contribute to this aspect of social good architecture.
- iii. The lack of commitment to zero-carbon building, or any aspect of sustainable design (at the building or neighbourhood level) is disappointing. The brief mention of "solar and daylight guidance" appears to be focussed on occupant comfort and does not substantively address energy-use issues. The large windows ("*a minimum ceiling height of 2.7m for habitable rooms*" and "*Windows to the ceiling*"), for example, appear to be driven by a desire to maximise views, rather than sensible thermal advice, and will contribute to heat loss (Shelly Bay RC Application p. 150 [Shelly Bay Design Guide p. 57]).
- iv. The required roading infrastructure and seawalls will reduce **access to the coastal area**. For example, the Calibre servicing feasibility report schematic access layouts (Appendix C) identifies areas of significant sea-wall extension (potentially into MHWS), loss of beach amenity, and impact on vegetation.



[Korora]

- v. In addition, we understand that road widening will have adverse impacts on the korora (little blue penguin) nesting sites. According to DoC, the conservation status of the korora is "*at risk-declining*." "*These threats have increased with more coastal development*

*bringing more dogs and the clearance of traditional nesting sites"*  
(DoC, Little penguin/korora n.p.).



[Korora]

- vi. The project will increase **traffic levels** impacting on the current character of the areas as a rare semi-rural recreational space close to the eastern city. We are concerned about the ability of the proposed road to accommodate an almost quadrupling of traffic (from 1200 vpd to 4700 vpd), and with traffic calming (p. 14 at [44]), the speed limit, and carparking, the congestion effect of this will be amplified. We need to protect the character of such areas of recreational space in our city. This is especially the case when there are areas, such as the north end of Adelaide Rd, which could be intensively developed and are better located to support council priorities for sustainable transport options. We support increasing maximum heights in this Adelaide Rd area from the current 18m and 12m to 22m (five storeys plus and an attic). We note the HASHAA (s 14(1)(b)) allows for 6 storeys and a maximum of 27m.
- (c) **the development is at odds with best practice and council policy.**
- i. Taikuru appears to be inconsistent with WCC policy supporting residential development which reinforces Wellington's compact city and enables sustainable transport options. This is counter to Council's aim for "*residential development to be ... closer to key centres and on good transport links*" (Notice of Decision NoD p. 24 at 1.1). As the resource consent decision states this is "*a relatively isolated site*" ((NoD) p. 13 at [37]). The WCC Low Carbon Capital plan refers to the city's aims to: "*keep the city compact, walkable and supported by an efficient transport network ... protect the city's natural setting ... maintain the compactness of our city as our population grows; and invest in our public transport network, footpaths and cycleways to reduce the need for car use and car ownership and improve travel efficiency. We will continue to encourage low-emissions economic development, building efficiency, water conservation and waste reduction*" (p. 14). It also identifies priorities of "*controlling housing and infrastructure development in places susceptible to flooding, and areas prone to slips or coastal erosion*" (p. 15). The plan also notes that "*[m]obile emissions make up the largest segments of Wellington City's emissions profile*" (p. 18); "*Wellington City Council is aware of the critical impact public transport has on creating a balanced, low carbon, well-functioning transport network*" (p. 21). We do not

consider the proposed development to be consistent with these stated WCC policy aims.

- ii. The project has inadequate public transport infrastructure. There is no definite public transport infrastructure planned to support this development. The proposed ferry is not a certainty, and is excluded from the \$20m of infrastructure spend. It is "*not seen as key to supporting the feasibility of any development*" (Calibre p. 4 at [4.8]). If the ferry service eventuates, it will be limited in terms of its ability to provide commuter services for those with destinations or origins other than the centre of the CBD. People from other parts of the city, such as Kilbirnie, Newtown and Miramar (where a number of the proposed workers may originate), will likely require private car transport, because of no feasible public transport options. This would support car ownership and use. Given the lack of meaningful public transport, the development will encourage private car use and private car ownership by workers, residents, and tourists. This is reflected in the stress on carparking provision for household units and visitors (NoD pp. 14 at [46], 22 at [9]), and the inclusion of two "*carstacker buildings*" (Shelly Bay RC Application pp 14, 15). In these regards the development is at odds with the Council's stated aims to reduce carbon emissions, reduce private car transport and support sustainable transport.
- iii. The estimated traffic increase is from 1200 to 4700 vehicles per day (vpd). Roads with similar traffic volumes include: Allingham Rd, Birdwood St, Braithwaite St (Karori); Awa Road (Seatoun); Balance St (City); Bassett Rd (Johnsonville); Bracken Rd (Johnsonville); Caledonia St (Miramar); Hataitai Rd (Hataitai); Happy Valley Rd (Owhiro Bay), and Tasman St (Newtown).
- iv. Many of these roads contrast Shelly Bay Road in terms of their greater width, extent of footpaths along the road length, and location relative to alternative routes. It seems to us that these traffic levels will significantly change the nature of Shelly Bay from semi-rural recreational area to a suburban road. As the Calibre Servicing Feasibility report notes "*Upgrading the current carriageway to fully meet the guidelines of the Council's Codes would serve to urbanise the road and may have adverse effects overall*" (p. 1). This report also notes that the proposed upgrade "*may not be fully compliant*" (p. 2). We are not sure how concentrated the traffic will be (i.e. its impact on the whole of the headland; or whether it will be confined to south of the development) and this may be a factor to also consider.
- v. The traffic volumes of other Wellington coastal roads are:
  - a. Lyall Parade: ranges from 6000 to 9000 vpd
  - b. Queens Drive: ranges from 4000 to 9000 vpd
  - c. Esplanade Lyall Bay to Houghton Bay: 8000 vpd
- vi. We also consider that the proposed infrastructure for pedestrians and cyclists will be inadequate. A sub-standard approach has been taken to the provision of space for these (e.g. footpath width). We also note that currently this route is a cherished part of the Great Harbour Way. It appears that the development will reduce the amenity of the Great Harbour Way due to increased traffic and a lack of equivalent increase in physical infrastructure for all transport modes.

- vii. According to the council heritage report, the proposal might not support the retention and protection of heritage. This report states that "*[t]he historic heritage value of Shelly Bay ... has not been systematically assessed by the applicant. ... If the values of a heritage place have neither been assessed nor documented it is not possible to fully appreciate the effects of a proposal on those values*" (Tanner, Heritage Assessment). We support this stated need for a proper heritage assessment by a qualified and independent expert. The lack of an adequate evaluation of heritage values undermines the credibility of the Shelly Bay Design Guide which states that "*[t]he most important historic building within Shelly Bay is the Submarine Mining Depot Barracks*" (p. 5); and the assertion that the loss of the former Hospital Building "*is not considered to be a significant adverse effect*" (Shelly Bay RC Application p. 262 [Heritage Assessment p. 2]). These assertions appear pre-mature if the heritage research and assessment is yet to occur, and would caution against the current proposal to remove the Submarine Mining Depot Barracks from its original site.



[Star Boating Club Submarine Mining Volunteer Corps, Shelly Bay, Wellington (1899) ATL 1/2-091780-F]

- viii. We also note that it appears that it is only the council-owned heritage buildings that will be both adaptively re-used and remain on their original sites. The approach to heritage buildings appears to be as cute things which can be moved around and plonked in various places on the site, effectively as aesthetic follies, in order to give the development some character. This conclusion appears to be supported by the brief email from Adam Wild, which states his support for the Shelly Bay Master Plan relating to "*the particular qualities they lend to the distinctiveness of Shelly Bay ... The Wellington Company's[sic] proposed development at Shelly Bay is well composed*" (Shelly Bay RC Application p. 262 [Heritage Assessment pp. 1, 2])
- ix. We note that the WCC Heritage Policy is explicit about the need to identify heritage and support research in order to assess the level of heritage value, in accordance with the RMA: "*those natural and physical resources that contribute to an understanding and appreciation of New Zealand's history and culture*" (p. 3). The WCC Heritage Policy specifically states:

"It's an important priority for Wellington City Council to identify areas of the city which represent cohesive "collections" of heritage places" (p. 3)

The WCC will "[a]dopt a heritage-area approach to identify important areas within the urban and rural areas of the city that will contribute to the community's sense of place" (p. 5)

The WCC will "[e]nsure that places continue to be fully researched, documented and recorded for regulatory and non-regulatory purposes" (p. 5).

**(d) it is normal for the developer to pay for the infrastructure demands of a development**

- i. Infrastructure provision appears to have been evaluated without any capacity to accommodate future growth ("sufficient and appropriate"). (Calibre, Shelly Bay, Wellington Servicing Feasibility, p. 1).
- ii. There will be insufficient public amenity, in contrast to the council urban design advice that facilities be provided (specifically toilets) by the completion of Stage 1. The proposed facilities (toilets, water fountains, taps and showers) will instead be "*left to market demand*" (NoD p. 37 at [10.2.3]). As the WCC urban design report notes: "*for the place to feel like public space there should be no barrier - real or perceived - to using the facilities*" (McMan, Urban Design Assessment p. 2).
- iii. It is usual for the infrastructure needed for a development to be funded by the developer. The Calibre report indicates that the following infrastructure is needed:
  - a. road/carriageway upgrade (p. 2)
  - b. a new reservoir and related watermain infrastructure (p. 2)
  - c. a new wastewater pump station and rising main to the Salek St pump station, Kilbirnie and local reticulation (p. 2)
  - d. internal drainage network for the development site (p. 3)
  - e. new stormwater outfall structures (p. 3)
  - f. an internal stormwater network (sumps, raingardens etc) (p. 3)
  - g. upstream reinforcement work for power and three substations (p. 3)
  - h. telecommunications infrastructure (network design, supply of telecommunications specific material and installation) (p. 3)
  - i. the installation of 2.9km of gas main in Shelly Bay Rd (p. 3)
  - j. cable car (p. 4)
  - k. passenger ferry terminal, [wharf upgrades] (p. 4)

14. We have obtained the following from WCC (in red text) regarding the costings:

| item  | estimate (\$ million) |
|---|-----------------------|
| road/carriageway upgrade  | 1.71                  |
| a new reservoir and related watermain infrastructure  | 2.9                   |
| a new wastewater pump station and rising main to the Salek St pump station and local reticulation | 2.75                  |
| internal drainage network for the development site  |                       |



|  |              |
|--|--------------|
| new stormwater outfall structures  |              |
| an internal stormwater network (sumps, raingardens etc) (bulk stormwater)                          | 0.32         |
| upstream reinforcement work for power and three substations  |              |
| telecommunications infrastructure  |              |
| the installation of 2.9km of gas main in Shelly Bay Rd (all utilities)                             | 1.32         |
| passenger ferry terminal, wharf upgrades (wharf demolition (\$2m); replacement of wharves (\$13m)) | not included |
| seawall  | 0.6          |
| consultancy fees   | 1.45         |
| subtotal   | 11.05        |
| contingency (17.6%)  | 1.95         |
| <b>TOTAL</b>   | <b>13</b>    |

15. These estimates appear to us to be far too low, and we would not be surprised if the infrastructure costs were 2-3 times greater than the current proposed total of \$20 million. Given this, if the council decides to go ahead with funding this infrastructure, we strongly advise it to restrict its commitment to a total of \$10 million, not to 50% of the infrastructure cost. We note that the developer appears to have already (and wisely?) taken this stance: "Shelly Bay Ltd has advised that [\$10million] is the maximum they will contribute" (WCC Q&A p. 4). We also note that WCC "would have to fully meet any costs of road improvements that exceed the agreed budget" (WCC Q&A p. 5). Why is it that the developer is able to restrict their contribution to infrastructure funding when it would be normal for them to have to pay 100% of it (WCC Q&A p. 5), and the WCC is required to pick up cost overruns?
16. We believe that if the WCC contributes to the infrastructure bill for this development, an unfortunate precedent would be set. Not only would the council be playing favourites with this developer, but it would also undermine what is surely one of the purposes of developer provision of infrastructure, and that is to create a financial disincentive to over-expanding the city, and encroaching on rural and semi-rural landscape. We support council ambitions for a compact city supported by viable sustainable transport. This proposal does not advance these aims.
17. Instead Taikuru might end up being an urban-scaled, car-dependent, gentrification of Shelly Bay. The lack of commitment to providing free-public facilities to support public spaces, as noted by the urban design report, will support gentrification. The narrow range of housing prices (the lack of affordable and social housing) will also increase the likelihood of Shelly Bay being a high concentration of the aspirational middle-class, and exclusion of others.
18. Finally, what is the relationship between this proposed development, the council contribution to infrastructure and future plans for the neighbouring Special Housing Area: Shelly Bay Extension Special Housing Area (HASHA (Wellington - New December 2015 Areas) Order 2015)? The minimum number of dwellings to be built is again 10. Developing this area would further increase demands on infrastructure.

### Recommendations

We recommend the following:

1. The surrounding open space is sufficient for the density of housing proposed, therefore in this instance we support the Council selling recreational land for dense coastal housing.
2. Shelly Bay should be a model village demonstrating that Council's aims can be realistic and commercial. The road should be severely traffic-calmed to minimise commercial traffic, taxis, boy-racers and dangerous drivers. Only limited short-term public car-parking should be permitted. The dwellings should have no garages or car-parking. They should have bike sheds, with power for e-bikes. A public car-share system could be developed in tandem with Taikuru. We predict the market will respond with purchasers for houses with the considerable benefits of Shelly Bay.
3. We recommend that, rather than leasing land, the council be a proper partner in the adaptive re-use and tenancing of the two heritage buildings on the wharf.
4. We do not support the council underwriting the provision of infrastructure for a private development. We strongly oppose this aspect of the proposal.
5. If the council decides to underwrite the infrastructure of this private development, we recommend:
  - (a) that the council restrict its financial commitment to \$10m (and not commit to paying 50% of the infrastructure costs), and
  - (b) that the council buy shares in the company of \$10m and receive shareholder returns on the investment.

Consequently, the Architectural Centre

1. supports:
  - (a) the proposed sale of land.
2. does not support:
  - (a) the proposed leasing of land.
  - (b) the WCC financially contributing to the Shelly Bay development, through \$10m (or 50%) funding of infrastructure development.

Thank you for this opportunity to comment on the proposal for WCC to part-fund the Shelly Bay development. If you have any questions please do not hesitate to contact me.

Yours faithfully



Christine McCarthy  
 President, Architectural Centre  
 arch@architecture.org.nz

**Documents referenced**

- Calibre, Appendix 6 Engineering Plans Part 2  
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- Calibre, Shelly Bay, Wellington Servicing Feasibility (1 September 2016):  
<http://wellington.govt.nz/services/consents-and-licences/resource-consents/recent-resource-consents/~//media/services/consents-and-licenses/resource-consents/files/shelly-bay/appendix-7---services-feasibility.pdf>

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<http://wellington.govt.nz/~media/services/environment-and-waste/environment/files/low-carbon-capital-plan-2016-2018.pdf?la=en>

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WCC, Wellington Urban Growth Plan: Urban Development and Transport Strategy 2014-2043 (June 2015) <http://wellington.govt.nz/~media/your-council/plans-policies-and-bylaws/plans-and-policies/a-to-z/wgtn-urban-growth/wgtn-urban-growth-plan2015.pdf>