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**INNER  
CITY  
ASSOCIATION**

Representing  
Wellington  
Inner City  
Residents and  
Businesses

Yes, I want to speak at a submission hearing.

I am making this submission as an organisation – Inner City Association

This submission represents the views of 35 members in response to ICA's survey. This is 10% of all members; 82% residential property owners; 38% business property owners (30%) and business leasees. 40%(10) are in buildings with a s124 notice; 52% (13) are in buildings that have been confirmed as not earthquake prone; 8% (2) are in buildings that do not have a s124 notice but are planning to undertake seismic strengthening.

#### **Invest for growth or business as usual?**

69% of respondents support the 'invest for growth' approach to the LTP, with 31% supporting business as usual. Of the proposals outlined in the LTP, the priorities for respondents are:

1. Improved management of key infrastructure (nearly 80%)
2. Screen and tech industries, inner city regeneration, real transport choices (59%). Of these, aspects of the inner city regeneration (6 respondents) and the cycling/bus proposals (4 respondents) were viewed as positive things in the Draft LTP. The urban development agency is not widely supported.
3. Strengthening town centres (38%)
4. Reigniting our sense of space, new and improved venues (35%)
5. A longer airport runway (29%). This proposal rated highest (seven respondents) in response to the question on what aspect caused the most concern in the Draft LTP, with four respondents viewing it as positive. Two respondents questioned the business drivers for the proposal, and the risks to ratepayers if it failed.
6. New visitor attractions (23%)
7. Revitalise the Civic Square (18%)

The majority (50%) of respondents support or strongly support the resulting rates increase to support the 'invest for growth' approach; 30% opposed or strongly opposed and 20% were neutral.

#### **Earthquake strengthening issues**

##### ***CAB and Central Library***

ICA strongly opposes WCC's proposal to undertake further strengthening on the CAB and Central Library buildings (46% of respondents strongly oppose or oppose, 29% are neutral and 22% support or strongly support).

There was insufficient information given in the LTP Consultation document to fully inform ratepayers on what was proposed. Advice from WCC officials in response to our request for the seismic rating of these buildings stated that engineers have advised that neither building is considered earthquake prone, with the CAB at 60-65% of NBS, and the Central Library 60% of NBS. Engineers have stated that there are some 'vulnerabilities' that are around 30-40% of NBS, but the buildings are not earthquake prone. Further, the engineers' advise that for the CAB at least those vulnerabilities would not fail in a moderate earthquake. WCC is proposing to spend \$16.8m to get the two buildings to 'at least as close as practicable to 67% NBS). Aren't the buildings already there? There are many owners that would love to have this seismic rating. There are many owners of buildings that are quite happy with this seismic rating.

Spending \$16.8m on these two buildings is an inefficient use of public money. The \$16.8m could be more productively used to help owners strengthen heritage and non-heritage buildings with s124 notices that have to strengthen. 52% of respondents support or strongly support using the \$16.8m to provide financial support to owners who have to strengthen and are unable to access finance to fund their shares. 20% oppose or strongly oppose and 29% is neutral.

There are body corporates of buildings with s124 notices that are actively investigating strengthening options and some of these projects are at risk of not proceeding because some owners cannot finance their share of the costs. Costs of strengthening proposals for some buildings, particularly heritage buildings, are so high it is not economically viable to do so. Other body corporates are spending thousands trying to find an affordable strengthening option and having to go to several engineers due to poor quality of advice.

WCC's earthquake strengthening policy to get all buildings to over 67%, which ICA has always opposed, is helping to drive up demand and costs of the engineering and construction resources and spread the incorrect perception that unless the building is over 67% it is not safe. This drives down values of buildings, which has a flow on effect on owners' ability to get finance. Several respondents raised concerns about the lack of support for residential apartment owners for earthquake strengthening.

#### *Heritage buildings*

The heritage status and constraints are creating additional financial pressures on some owners. ICA supports the proposals to increase the size of the Built Heritage Incentive Fund and the rates remission increases for heritage buildings (66% support or strongly support; 15% oppose; 20% neutral). This financial support is appreciated, but ICA believes WCC should go further and review its approach to the heritage building policy to reduce the financial impact on private owners for a public benefit (71% strongly support or support; 23% are neutral; 6% oppose or strongly oppose).

Councillors were to consider options for addressing built heritage, natural hazard and economic resilience issues in light of the financial impacts of strengthening listed buildings on private owners at a workshop in August 2014. This discussion did not take place at that workshop, but it needs to be had urgently. Hard decisions have to be made locally and nationally.

#### *Strengthening other Civic Centre buildings*

The majority of respondents (53%) supported WCC leasing out land and office space to fund the strengthening of the Civic Centre; 24% were neutral; of the 24% that opposed, 18% strongly opposed this proposal. Other respondents raised concerns that:

- EQ strengthening was a waste of money, particularly where buildings are not earthquake prone
- Leasing for 99 years (to finance the strengthening) was effectively selling the land.

### **Other initiatives of particular interest to ICA**

#### *Urban development agency*

By a small margin, respondents opposed (39%) WCC establishing an urban development agency that would be likely to have the authority to buy and develop land and buildings in the inner city; 30% were neutral and 30% supported. There is a potential conflict of interest for WCC, which is the regulatory agency enforcing s124 notices and approving strengthening proposals through the consent process. What will the market value be if some of these buildings have s124 notices, WCC will not agree to the strengthening proposal, dropping values and owners cannot finance strengthening?

One respondent commented that WCC is not a development company and should not develop this capacity. WCC should be able to achieve the desired outcomes by other means (eg, District Plan). Another respondent felt that such an agency may also assume authority to sell council property.

#### *Monitoring of compliance by licensed premises*

ICA does not accept that the current service levels for inspection of licensed premises are adequate. WCC has advised that the increase in the public health funding is not related to inspection activities when there are an additional 217 licensed premises that need to be monitored at 'peak' hours, in addition to the annual inspection.

The Draft LTP assumes that current services meet service level expectations. ICA questions the basis for this given the increased expectations of the District Licensing Committee for monitoring and reporting of licensed premises, particularly to monitor the effectiveness of conditions that are set on licences. Ratepayers should not fund all the costs of the inspection activities, particularly for late trading licensed premises. There is a primarily private benefit from the late night trading economy for the bar owners and their customers.

WCC officers advise that an Alcohol Fees Bylaw is being considered. ICA supports this investigation and looks forward to the outcome. ICA submits that this review should include the costs of monitoring the CCTV cameras from 2am-5am on peak nights (Thurs – Sat); (80% support, 17% neutral, 3% oppose). Volunteers monitor these cameras from 8pm – 5am; the 2am – 5am shifts are the hardest to fill, but are also the most important to cover, particularly on Friday and Sat nights. Local Hosts could be expanded so that one person is allocated to cover those critical shifts.

### **Other feedback about the Draft LTP**

- Focus on economic growth: this was noted as a positive aspect of the Draft LTP by 4 respondents. Seven respondents, however, raised concerns about the lack of detail on which to make informed decisions.

There are no obvious criteria in the documents to see how WCC selected these initiatives as providing the best value for money, particularly those that are to create economic growth. WCC is using 'commercial sensitivity' as a reason not to provide data on which the proposals are

based, but more transparency is needed. For example, there is no indicative full cost for the film museum or how the partnership funding will be split, so it is hard to judge the value of using \$30m of ratepayers' money.

Several initiatives refer to a business case being developed; more information from those business cases has to be available to ratepayers before a final decision is made. There is a high risk that support for an initiative through this consultation process is viewed by WCC as providing the mandate to proceed. WCC has to be transparent about the level of risks that ratepayers are being exposed to before a final decision is made. WCC has to be transparent about providing timely opportunities for directly affected residents and businesses to have real input through the design and implementation process.

- Concern that limited inner city green space is being used by businesses (eg, Karaka Café and St Johns Bar) removing these areas from public use during peak demand times. It should also be noted that the diagram of the outdoor licensed areas are not displayed by either of these businesses, as required.
- Other initiatives were suggested for the LTP: putting a roof on Westpac Stadium to attract more events to Wellington and build visitor growth (using Dunedin's Forsyth Barr stadium as an example where this has occurred) and expand the rail connection from the railway station to Courtenay Place and Newtown. Two people thought the film museum was a positive thing, while one was concerned about WCC's involvement in this.
- Small businesses: a concern was raised that there was no acknowledgement in the Draft LTP that small businesses need support, and the level of support for small businesses continues to be a concern for ICA. For example, is WCC committing to Xmas lights/decorations/trees in this LTP? We have heard that 2014 was a one-off and retailers have to justify this expenditure again?

## **Conclusion**

In summary, it is an ambitious plan for economic growth and ICA supports that overall approach based on the responses to our survey. It does, however, raise questions about whether WCC has the capacity and capability to manage and deliver the diverse range of initiatives. The public does not have the information to evaluate whether WCC's criteria and prioritisation is appropriate; that is a concern. ICA has areas of major concern, such as the \$16.8m on strengthening the CAB and the Central Library, when these are not earthquake prone.

The Draft LTP states 'Our decisions will be open to scrutiny' (p21 of consultation document). Decisions can only be open to scrutiny by making adequate data available, in an accessible format, with sufficient time, prior to decisions being made. WCC needs to do more to deliver on this statement as this LTP is implemented.