

## 2. CIVIC PRECINCT PROJECT STEERING GROUP

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*Reporting Officer/s & Unit:* Richard Munneke, Director City Strategy

### 2.1 Purpose of Report

The purpose of the report is to update Council on the process, recommendations and decisions made to date on the Council Civic offices, Hotel development, and new Napier Library. The report also seeks endorsement for the formation of a Steering Group to support the project's next steps through the development of a civic precinct masterplan.

#### Officer's Recommendation

That Council:

- a. Receive and accept in principle the recommendation from the Library site project steering group to pursue the development of the library on the Station Street site.
- b. Endorse the formation of a Civic Precinct Steering Group.
- c. Endorse the Civic Precinct Steering Group Terms of Reference.
- d. Note that the Civic Precinct Steering Group will undertake comprehensive master planning for the Civic Precinct including any important linkages beyond that site, keeping Council informed ahead of specific recommendations to Council on the master planning.
- e. Note that the Civic Precinct Steering Group will recommend key consultation steps to Council for the project
- f. Note the annual plan will include the preferred site for the library, and that any feedback on this through the annual plan can be forwarded to the Civic Precinct Steering Group for consideration in the master plan development
- g. Resolve that the time capsule and mural relating to the civic building be housed in temporary storage prior to demolition of the old civic site.

#### Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

### 2.2 Background Summary

The 2015-25 Long Term Plan allocated \$7.5m to fix seismic issues and refurbish the two civic buildings. Following the Kaikoura Earthquake of 2016, the Building (Earthquake-Prone Buildings) Amendment Act 2016 amended the method of assessing buildings for their seismic strength and how they were to be rated. In mid-2017 Council engaged structural engineering specialists to undertake a new seismic assessment of both the Library and Civic Buildings under the new Building Act requirements. The results of this assessment found that the Library Building achieved 15% NBS (new building standard), while the Civic Building achieved 10% NBS, making both buildings earthquake-prone.

In September 2017, the Napier Library relocated to its temporary premises at the MTG. Cost estimates to strengthen and refurbish both buildings were deemed unfeasible. Council offices were also decanted to the three buildings in which they are located presently.

In December 2017, a Statement of Proposal (SOP) to divest the site on which the Civic Building is located was approved by Council. The SOP was supported by a Business Case that showed how both the Council offices and a central Library could be accommodated within the Library Building site. Additionally, it considered which type of commercial development would provide the greatest benefit to the City, recommending that a 4+ star international-brand hotel was a viable prospect that could provide the greatest benefit to the City.

### Hotel-Mixed Use Development

Following an early Expression of Interest (EOI) process, a Request for Proposal (RFP) was sent to several hotel operators. Candidates were assessed against a number of criteria including proven performance, financial backing, job creation, and environmental credentials. Council began negotiations with the winning candidate, Estilo, in 2018. This development would see a mixed-use development, with ground-floor retail, all day dining facilities, roof-top bar and a 4.5-star hotel of 128 rooms. The building would be of modular construction achieving a 5-star Green Star rating.

Modular construction, where the building is constructed using a series of modules built off-shore and assembled on-site, is a fairly new building technique in New Zealand, and does not have a standardised and well-tested method for ensuring construction meets New Zealand Building Code requirements. This presents a risk to Council in relation to liability. Council are currently working through ways to reduce this risk with the Ministry of Building, Innovation and Enterprise (MBIE).

While negotiations continue, Council Officers will continue working with MBIE and will demolish the Civic Building, making the site ready for redevelopment.

In terms of demolition two matters require resolution that being the time capsule and the mural on the east wall. It is envisaged that these be removed to temporary storage so that they do not hold up the demolition programme in the meantime. From there each item's permanent home can form a project in its own right.

### Library

In 2018, Council adopted the Library Strategy, which established the community's needs for Napier's new Library, and helped define the criteria for a suitable Library site. Requirements included a minimum of 2000sqm public space over a maximum of two levels, access to the outdoors, a sense of place, accessible and adaptable spaces, and a good neighbour and landlord to likeminded collaborators.

Using this information, Council Officers devised a multi-criteria analysis that, once approved by Council, was used to assess the 16 Napier CBD sites that had been suggested. A steering group comprising of elected members and Council officers considered the all the sites against the selection criteria. Three sites were short-listed, including one privately-owned site and two publicly-owned sites. One of these was the site of the former Napier Library, at 22 Station Street, while the other was a site formed

by taking sections of road, and a small portion of Memorial Square, connecting to a refurbished Women's Rest. Further due diligence on all three sites discounted both the privately-owned site and the Memorial/Clive Square site, leaving the recommended site of Station Street, the home of the former Napier Library. The site selection process together with the findings of the steering group can be found at attachment?

This paper seeks endorsement from the Council to accept the site selection process in principal and indicate that Council efforts now focus on master planning the library with the civic function and the hotel development in what is termed at this stage the civic precinct.

Council will signal to the public its' desire to return the library function to its original site through this years' annual planning process and request feedback. Comprehensive public engagement including a full statement of proposal can then occur on the masterplan for the entire site.

### Civic Offices

Following the Council decision declaring the Civic Building surplus to Council requirements, Council engaged consultants PWC to prepare a Business Case on the options for the new Council Offices. A long list of options was considered including, but not limited to the reuse of the old Library Tower building; the demolition of the library Tower building and rebuild of a new building on this site; continued leasing of the existing buildings, and the purchase and fit out of another building. In assessing these options, it was important that a number of outcomes could be achieved, including:

- Optimising the footprint/cost per person
- Customer experience
- An accessible Chambers/place for democracy
- Optimised workplace quality
- Improved Councillor facilities
- Alignment with City Vision principles
- Financially acceptable

The recommendation made in the Business Case was to strengthen and refurbish the former Library Tower Building for Council Offices. This recommendation was however, made in isolation of the site selection process for the Library, and it is now necessary to bring all three of the above projects together to ensure the right decisions are made for the City. One of the options that was considered in the Business Case was to purchase and fit out another building. The Dalton/Vautier House Building located to the south of the Library Building is currently on the market and given its size, location and vacancy, is worth considering to further strengthen this Civic campus.

### Project Trifecta

A Civic Campus at Station Street, including the Hotel on the Hastings Street edge, would anchor the southern extent of the City and bring greater vibrancy and foot traffic to this

area. It would present an opportunity to reimagine Station Street as a pedestrian-centred street and a revitalised Civic Court.

Some funding has already been provided for in the Long Term Plan for each of these projects, though it is expected that these will be revised as decisions are advanced and design finalised. Sufficient funding is available in this financial year for the demolition of the Civic Building. The Library has \$15.8m allocated, of which the majority sits in the 21/22 financial year. The Civic Offices have primarily OPEX funding available until such time decisions are made on the future direction of these.

To take this project forward, it is recommended that a steering group be formed to guide Council Officers in procedural matters as they relate to Project Trifecta. The makeup, responsibilities and Terms of Reference for this Working Party will be presented to Council for endorsement in the new year.

### **2.3 Issues**

This report provides an update to Council on progress thus far of the three projects that comprise Project Trifecta, and presents a recommendation to form a project steering group to take this project through its future steps and address the myriad of issues that such a development will likely encounter.

Given the scale of the project it is essential that comprehensive master planning is undertaken for the site to ensure that the opportunities of the three developments and possibly others are realised and also that the community can engage with an overall plan in the first instance rather than individual component parts. The Masterplan development will require input from various sectors of the community and we recommend that it be appropriately resourced and advised by external providers well versed in civic projects of this magnitude. In this way the steering group will receive best practice advice from the outset.

### **2.4 Significance and Engagement**

N/A

### **2.5 Implications**

#### **Financial**

There is funding required for master planning, which can be accommodated within existing budgets in the first instance. There are no further financial implications at this stage, however any implications identified will be reported to Council as decisions are made and detailed design is finalised.

#### **Social & Policy**

N/A

#### **Risk**

This report provides an update to Council on the process to date, and recommends an approach for the project as it progresses to the next phase.

The main risk at this stage is that Council pursues individual projects without master planning first and a secondary risk is that insufficient resources are allocated to procuring and appropriately skilled external provider to undertake the master planning exercise.

## **2.6 Options**

N/A

## **2.7 Development of Preferred Option**

Steering groups that guide the direction of a project are best practice and commonplace within the industry. A Steering Group was established for the Napier Library project, which proved to be an invaluable tool for ensuring transparency and a representative voice from the community through the representation of Councillors.

This is a complex challenging city changing project of a scale that requires careful consideration of the issues and opportunities. A steering group can provide the relevant focus required across the wide-ranging issues that will be encountered and provide recommendations to the Council on a way forward.

## **2.8 Attachments**

- A Civic Precinct Steering Group - Terms of Reference
- B Library Project Update Memo to Council, 12 November 2019