

# Shelly Bay Development FAQs

5 November 2020

## What is the Council being asked to decide on at the Council meeting on 11 November?

The Council is being asked to approve the Key Commercial Terms (KCTs) of the proposed sale and lease of Council-owned land at Shelly Bay, and note the proposed engagement on the road in accordance with the 2017 Council resolutions. This follows the [Council decision in 2017](#) to, in principle, sell and lease the land,

The full list of the KCTs are outlined in the Council paper.

## What did the Council agree in 2017?

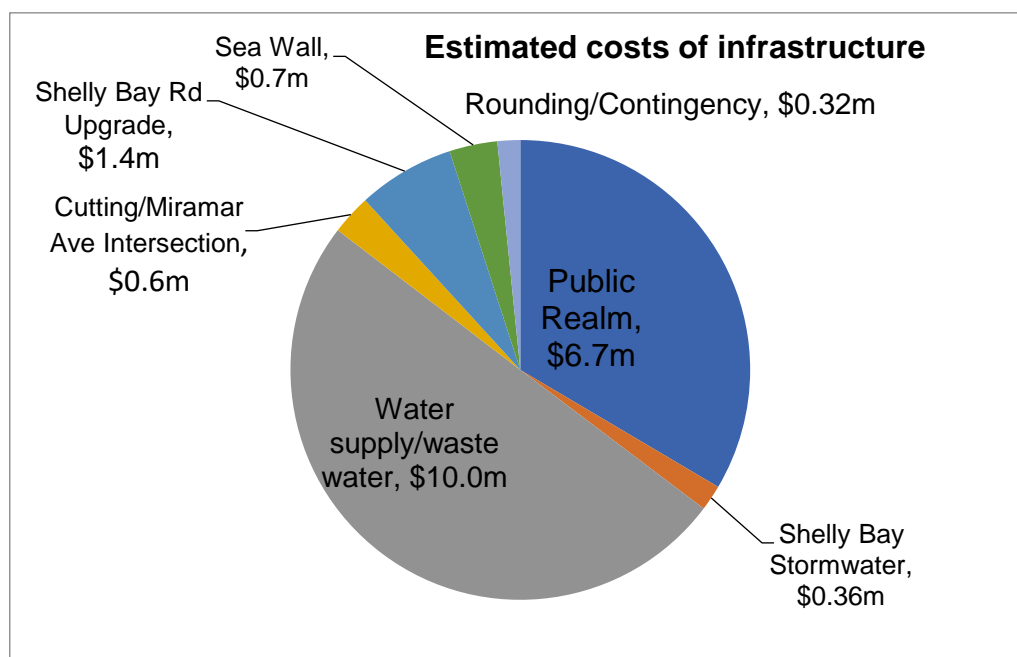
The Council agreed, in principle, to sell and lease portions of Council land at Shelly Bay, following preparation of a commercial agreement. The key resolutions from the September 2017 Council meeting:

- Agreed to sell 0.3 hectares
- Agreed to lease 0.6 hectares including Shed 8 and the Shipwright's Building
- Prepare a development agreement
- Delegated the authority to CEO and Deputy Mayor to finalise and execute agreements
- Council's contribution to the estimated \$20m joint infrastructure fund be capped at \$10m
- To further investigate, including key stakeholder engagement, the upgrade of Shelly Bay Road between Miramar Avenue and Shelly Bay.

## How much money would the Council contribute if the development goes ahead?

The Council's contribution to the estimated \$20 million joint infrastructure fund is capped at \$10 million, broken down in the graph below.

If the costs escalate the risk lies with the developer not the Council. Additionally, the Council would receive \$7.63m for the freehold and leasehold parcels.



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Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

## **If the Council does not accept the Key Commercial Terms could a development still go ahead?**

Yes. The current conditions of the resource consent are based on an approved masterplan which includes land owned by Wellington City Council. If the proposed sale and lease does not proceed the development parties may apply for a variation of the resource consent which (if approved) could allow the development to proceed on the privately owned land.

## **What does it mean for Council if the sale doesn't go through?**

Council owns the seawalls and buildings which require maintenance and strengthening. If this work is not carried out under the development agreement, Council would need to carry this work at its cost.

The estimated costs for the works on the Shed 8 and Shipwright buildings, include seismic strengthening and refurbishment to ensure the buildings are habitable, which will be up to \$11.65m. The estimated cost of demolishing these buildings is \$2.55m.

The estimated cost of repairing the seawalls is \$7.18m.

Officers would report back to Council on resolutions (including those from September 2017) that would need to be amended, rescinded and/or revoked; options for remediating the seawalls, and a proposed approach to Shelly Bay road.

## **What about the legal proceedings?**

There are currently legal challenges to the resource consent and the transfer of PNBST land. Under the KCTs, Council may choose to exit the agreement and have the land transferred back to Council if a claim is successful. More information is available in the Council paper at paragraph 57.

## **Who would the Council sell and lease the land to?**

The Council would transfer and/or lease the land to the entity chosen by Port Nicholson Block Settlement Trust (PNBST) and the Wellington Company.

PNBST was established in August 2008 to administer the Treaty of Waitangi settlement of Taranaki Whānui. They purchased a holding in Shelly Bay as part of this settlement.

PNBST set up a joint venture with developers The Wellington Company called Shelly Bay Ltd. The developers put forward a proposal to develop land at Shelly Bay and an application for resource consent was submitted.

**Additional background information can be found in the [August 2020 Frequently Asked Questions](#)**