

Referendum on use of the Old Harbour Board Building at the Town Basin



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Whangarei District Council has resolved to hold a binding referendum to decide the future use of the Old Harbour Board Building at the Town Basin.

The referendum is being conducted under the provisions of the Local Electoral Act 2001 and the Local Electoral Regulations 2001 and is carried out by Council's electoral officer Dale Ofsoske from Election Services.

Last year Council sought proposals from the public on the possible future use of the Old Harbour Board Building. Of the submissions received, two proposals were accepted and put forward by Council for further consideration by the public alongside the option of demolition of the building.

Electors are being asked to indicate which of the following three options for the future of the Old Harbour Board Building at the Whangarei Town Basin they support:

Option A: Development of the building for the Harbourside Project;

Option B: Development of the building for the Hundertwasser Wairau Maori Art Centre;

Option C: Demolition of the building.

The outcome of the referendum will be binding on Council. However, if either Option A or Option B is the preferred choice, the proposal must have secured the remaining capital funding by 30 June 2017 to enable it to proceed.

The referendum process started on 10 March 2015 and finishes on Friday 5 June 2015.

The referendum is being held by postal vote. Voting documents are being sent to all registered electors (residential and non-resident ratepayers).

The voting period lasts three weeks (Thursday 14 May 2015 to noon Friday 5 June 2015). This will allow Council to consider the outcome of the referendum as it finalises the Long Term Plan. Electors may post their completed voting documents back to the electoral officer using the pre-paid envelope included with the voting pack, or drop them off at the following Council offices: Whangarei District Council's Main Office, Forum North, Rust Avenue, Whangarei; Ruakaka Service Centre, 9 Takutai Place, Ruakaka.

Special voting is available during the voting period – call into a Council office for more information.

For further information visit www.wdc.govt.nz/referendum or phone the electoral office on 0800 922 822.

Comparison of Key Costs and Risks

	OPTION A Harbourside	OPTION B Hundertwasser Wairau Maori Art Centre	OPTION C Demolish and Grass
CAPITAL			
Estimated Opening Date	Mid 2019	Mid 2019	2016
Capital Cost (based on independent advice including contingency & provision for escalation)	\$10.3 million	\$15.1 million	\$0.35 million
Capital Requested from WDC	\$2.5 million	\$2.8 million	\$0.35 million
Fundraising required (by 30 June 2017)	\$7.8 million	\$12.3 million	n/a
Fundraiser	Harbourside Community Trust (to be formed)	Prosper Northland Trust with Whangarei Art Museum Trust	n/a
CONSENT MATTERS			
Resource Consent	Achievable	Obtained 2014	n/a
Building Consent	Achievable	Ready to lodge - achievable	n/a
Parking	Achievable	Approved in Resource Consent	
Heritage Status of Existing Building	None	None. Considered in Resource Consent	Demolished
OWNERSHIP	WDC	WDC – Leased to Whangarei Art Museum Trust	WDC
PROPOSED OPERATOR	WDC	Whangarei Art Museum Trust (Operate Art Gallery)	
OPERATIONS			
Annual Operating Costs (based on Deloitte estimates – 2022)	\$0.74 million	\$1.1 million	
Required visits per year to cover costs	95,000 visits per annum	95,000 visits per annum	
Proposed admission charges	Adult \$10/ Child \$3	Adult \$15/ Child \$7.50 50% discount for locals	
Estimated visits per annum*	35,000* (mid-point of range of 20,000 to 50,000 Deloitte estimate)	150,000* (Deloitte, Crowe Horwath, Visitor Solutions)	
Cash Surplus (Deficit) – average year 2022*	(\$420,000) deficit* (at 35,000 visits)	\$520,000 surplus* (at 144,000 visits)	
KEY RISKS			
Capital Cost Overrun Risk	Medium (Concept only/ renovate old building)	Low (Detailed plans/ mainly rebuild)	
Financial Operating Risk To WDC	High (Owned and operated by WDC)	Low (Prosper Northland Trust providing cash loss underwrite) The guarantee is capped at \$500,000 per annum, with a maximum of \$2 million over the 10 year period.	

*These are estimates only. See Peer Reviewer comment opposite. For more information see the full reports at www.wdc.govt.nz/referendum

The information in this brochure has been taken from the following independent reports prepared by Deloitte, an international firm which provides audit, tax, consulting and financial advisory services:

- Harbourside Feasibility Study;
 - Hundertwasser Wairau Maori Art Centre – Feasibility Study update.
- Deloitte were engaged by Council to provide comparisons of the operational costs, expected income and number of visits of Options A and B. The reports were based on the following information:
- Harbourside Proposals – two reports
 - Hundertwasser Wairau Maori Art Centre Proposal
 - Examination of Capital Costs prepared by Klu'dup.

The Deloitte reports were peer reviewed by Richard Dunbar of Nexus Planning and Research Limited.

All of the proposals, Deloitte reports and Peer Review Report can be found on our website at www.wdc.govt.nz/referendum. Copies are also available at Council's Customer Service Centres at Forum North and Ruakaka and all libraries.

Peer Review Comment

- There are other approaches to visitor forecasts that could be used, from publicly available statistics but in general, the quality of some statistics is poor and open to misinterpretation. There is no guarantee that an alternative approach would deliver satisfactory results.
- Therefore peer review does not support the visitor numbers and revenue estimates.
- Despite these uncertainties the proposals are quite different in concept and offer ratepayers a real choice of direction.
- Whoever wins will need to concentrate on a marketing strategy before implementation. This will reduce the uncertainty and may result in some fine tuning of the proposals to better meet market demand.

Richard Dunbar, Nexus Planning and Research Ltd.

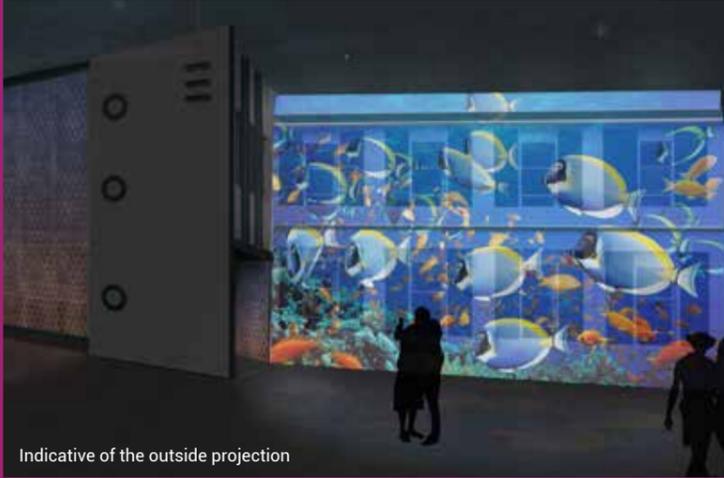
OPTION A Harbourside

Harbourside proposes to redevelop the Old Harbour Board Building into a "multi media arts centre that celebrates the maritime and marine history of those who peopled this place over many years".

The design incorporates a traditional heritage harbour face, with a permeable lightweight cladding on the Dent Street side to be a screen for interactive projection of colour, art and moving digital images.

Harbourside is proposed to include local maritime and harbour history; a fish aquarium; local Maori, Nova Scotian & Dalmatian history; a contemporary Maori Art gallery; Northland art; space for digital art exhibitions from a range of collections; an outside projection screen; a 4D theatre, and an interactive learning centre which will be available for educational purposes aimed particularly at young users.

Harbourside is expected to be of more interest to local and regional visitors.



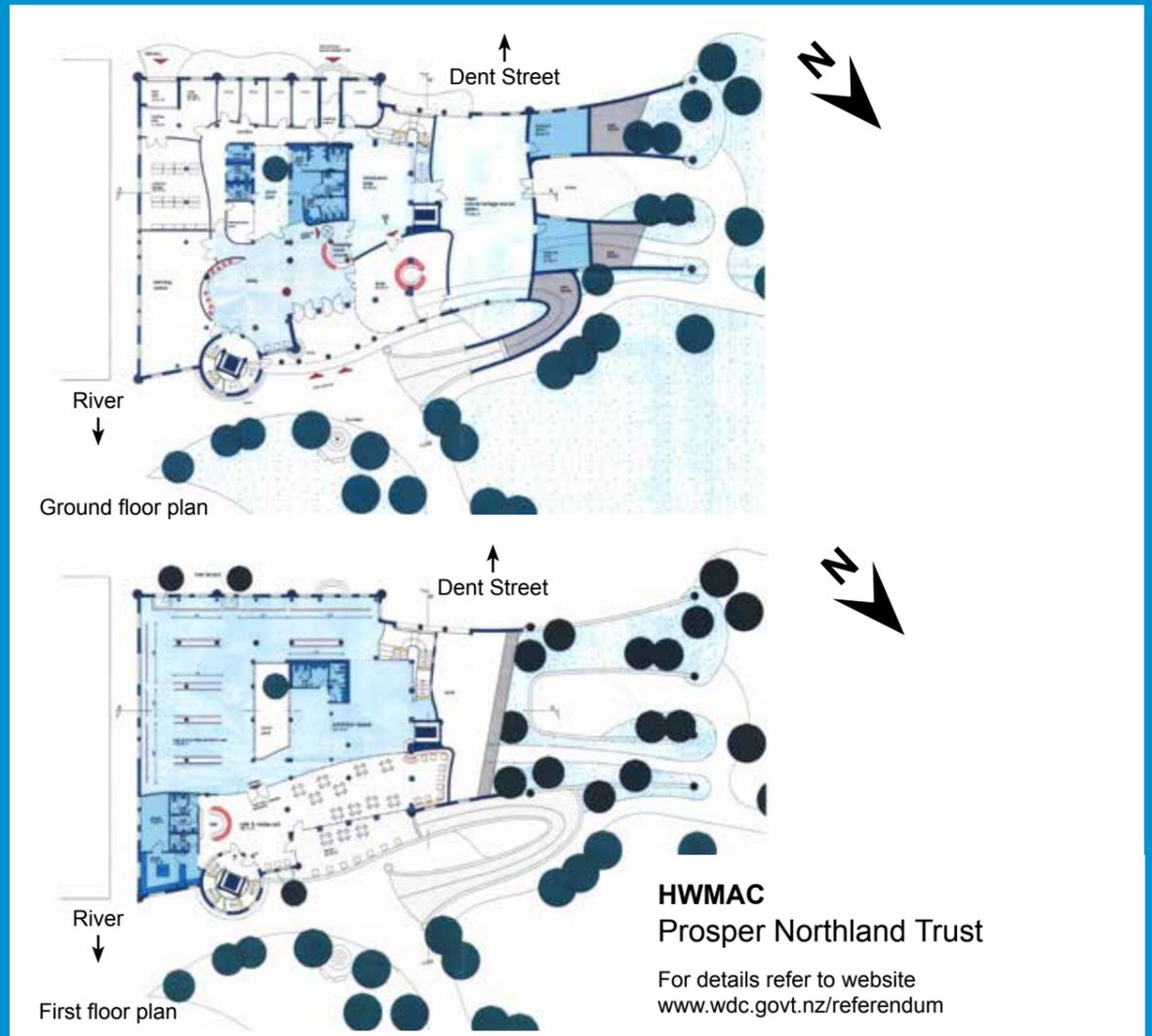
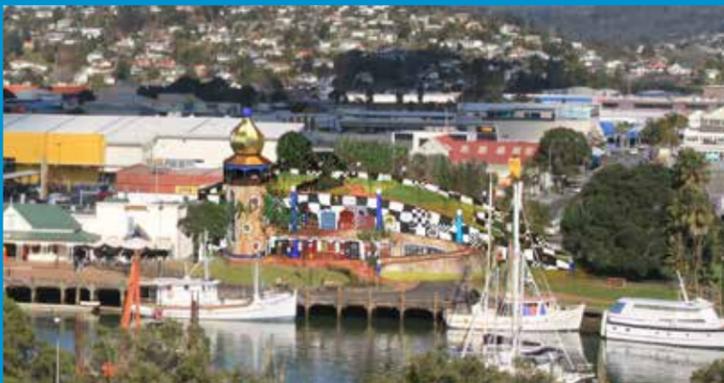
OPTION B Hundertwasser Wairau Maori Art Centre (HWMAC)

HWMAC would be a unique building based on the concept designed for redevelopment of that building by world renowned Austrian artist, Friedensreich Hundertwasser, who had spent much of the last 30 years of his life in Northland and became a citizen of New Zealand. It would be one of a limited number, and the last authentic Hundertwasser building in the world.

The development would include a Hundertwasser gallery, a contemporary Maori Art gallery, education facilities, cinema, accessible roof garden and viewing tower, souvenir shop and café.

The HWMAC has the support of the Hundertwasser Non-Profit Foundation in Vienna, who would also provide Hundertwasser art work on free loan for as long as the HWMAC is active. The HWMAC would include the only curated display of contemporary Maori Art in New Zealand and has the support of the Wairau Maori Advisory Panel.

The HWMAC is expected to be an attractor of international and domestic visitors to Whangarei.



OPTION C Demolish and Grass

The Old Harbour Board Building would be demolished and the area would be covered with grass. This area could then be used for various passive recreation activities in the future.

