Executive Summary

Dunedin City Council is championing a broad based, multi-stakeholder initiative to revitalise the Dunedin Waterfront (centred on the Steamer Basin) as part of the transformation of the central city. The initiative delivers city, regional and national level benefits exceeding the estimated public-sector investment over 5 to 15 years required to unlock and enable the project.

Public sector spending sequentially builds in phases to activate and support private sector investment that in final form would exceed of the total. The proposal includes sustainability, tourist, commercial, cultural, ferry, apartment, playground and hotel facilities.

Benefits of the investment phases include:

- Creating an estimated 230 new full time equivalent jobs for Otago in education, research, technology, innovation, tourism and cultural ventures over the first two phases of the investment, as a subset of more than 860 full time equivalent jobs establishing around the Steamer Basin.

- Over the longer term seeing these jobs grow to over 430 new jobs within an overall Steamer Basin employment footprint conservatively estimated at over 1750 FTE. With a high proportion of jobs in high value technology and research fields there is potential for the FTE numbers to be understated.

- Job creation across the construction stages will provide a temporary stimulus into the Otago economy with more than 500 jobs directly engaged and many hundreds of jobs more through indirect and induced effects.

- The project activates private sector investment of over in the first stage, over for the second stage and more than in total over the lifetime of the project, and realisation of the Architectural Masterplan.

- Includes resilience and sustainability design concepts that address current and future city needs.

- Induces additional tourism visitation and spend into Dunedin and Otago which has estimated potential for annual additional value in the order of $38m per annum (representing a 5% lift in current Dunedin visitor numbers).

- Stages 1 and 2 are envisaged to enable additional tourism activity of more than $7m per annum which could grow to $38m on full completion of the project.

- The investment is supported by and enables untapped opportunities for iwi and business to be realised for eco-tourism, cultural recognition and experience.

- § 9(2)(b)(ii)
Its re-establishes and enhances historic CBD linkages to the Waterfront, helping achieve Dunedin City liveability and walking and cycling objectives.

- Aligns with regional development objectives for the Otago / Southland area and wider South Island economy through strengthened market profile, additional visitor journey choices, and enhanced attractiveness for inward investment and visitation.

- The Waterfront transformation forms part of wider initiatives to stimulate economic growth and employment for Dunedin and wider Otago. It is to be progressed on a phased and staged basis to reflect testing of market conditions and demand.

- The initiative strongly aligns with Dunedin City Council strategies for prosperity, liveability and resilience, as well as related national agendas. This is demonstrated through:

1. Significant Otago business interests (e.g. Port Otago, Farra Engineering, Rocketwerkz) identifying tangible benefits supporting job growth and enhancement of their operations through the transformation of the Steamer Basin. This has the added benefit of creating a more sustainable blue-collar : white collar employment demographic.

2. Ngai Tahu are poised and ready to take an even greater role as a strategic partner and investor in the region under their new policy initiative Hae Te Awa. This is a realignment of the overall iwi strategy which includes a review of the tribal investment strategy to ensure it is aligned with achieving a regional footprint and giving effect to the expectations of iwi across Te Waipounamu.

3. University of Otago commitment to anchoring the redevelopment through the Sustainable Futures Initiative Building, which will be a high-profile showcase for the creation and sharing of world leading knowledge on sustainability. This is underpinned by the University’s research capacity, a new engagement programme, and its deep commitment to sustainable practices.

4. Dunedin City Council commitment to enhanced public realm investment, including a $20m pedestrian link that will re-establish Dunedin CBD historic link to the Waterfront.

5. The benefits unlocked aligning with Council strategy goals for economic, community, cultural, education and the environment.

6. Broad public support for the initiative as evidenced through responses to the high profile public exposure the initiative has received.

Evaluation work shows that public sector leadership will be required to unlock the potential at the Waterfront. Market soundings and testing demonstrate that without public sector leadership and intervention achieving transformational change at the Waterfront is highly unlikely.

An ultimate ‘end state’ development concept is identified, however to respond to market demand and funding realities distinct phases are proposed to build towards the overall concept.

The development is complementary to both the CODE and Dunedin Engineering Cluster initiative. It is seen as continuing the momentum for the city’s long-term facility and infrastructure development after the completion of the stadium project.
The first stage (including project initiation) seeks funding for a public wharf and marina from the north west corner of Steamer Basin around to the south of Wharf Street, including the building platforms for the Sustainable Futures Initiative, Eco Tourism and Commercial Office buildings and a metro playground to activate the area. This is over a 5-year period (indicative dates proposed: July 2019 – April 2024, noting that start dates are subject to fundraising). It includes the establishment of an Urban Development Agency, resource consenting, physical investigation and concept designs (2 years), design, procurement and construction of the above buildings. This entails public sector funding support and will deliver in the order of 130 new jobs construction and around 130 sustained jobs, activate some private and tertiary sector development activity, and provide tangible benefits for University of Otago, Otago Polytechnic, Ngai Tahu and Port Otago activities.

The second stage will seek funding for the public wharf and marina from the south west corner of Steamer Basin around to the east of Birch Street and up to the point, including the building platforms for the residential and hotel buildings, and the first building of the Cultural centre once confirmed developer funding is in place. This stage is over a 4-year period (indicative dates proposed: December 2022 – December 2026) and includes the design, procurement and construction of the public realm and above buildings. This entails public sector funding support and is likely to deliver in the order of 450 new construction jobs and around 860 full-time equivalent (sustained jobs) in this phase. Activation of significant private sector capital occurs in this phase with private sector development activity and further strengthen benefits for a range of the key stakeholders.

Recommendations of this report are to:
1. Adopt the public entity led development philosophy described in the report.
2. Seek final funding support and commitments from the key stakeholders, including potential from the Provincial Growth Fund.
3. Undertake further quantification and justification to enable the initiative to commence and establish thresholds and performance targets for subsequent phases to proceed.

The third stage provides an urban park area east of Birch Street/ south Kitchener Street, and public realm and building platform along East Fryatt street, to enable the area for future private development. The third phase will see the full realisation of the Waterfront vision, including the private development of the Ferry access into Steamer Basin, a ferry terminal and ticket office opposite the Sustainable Futures Initiative Building, the Eco Tourism Centre, and the remaining two buildings of the Cultural Centre. This is over a 4-year period (indicative dates proposed: 2027+) and entails public sector funding support and is estimated to deliver in the order of 1750 sustained jobs, as well as 740 construction jobs and other related benefits.
Summary Overview

Dunedin City Council is championing a transformational Waterfront project adjacent Dunedin’s CBD in association with a partnership of Otago stakeholders.

This Business Case is prepared on behalf of Dunedin City Council to explore options to invest in a mixed use Waterfront development at Dunedin’s Steamer Basin. The concept enables educational, cultural, tourism, business and a range of public good outcomes to be achieved.

The development options span a spectrum from a transformational signature Waterfront building development and associated public realm and transportation linkages that is fully led by the public sector, to a sequenced Waterfront development approach that can be delivered in partnership with the private sector and accommodates future growth.

The preferred way forward provides long run net benefits for the level of public investment, and will materially enhance investment for business, education and recreational purposes, as well as a positive catalyst for a strong iwi voice, cultural and community interests.

All options considered provide the opportunity for an architectural statement and integrated urban design approach to activities within and adjacent the Waterfront development - but the higher the level of public intervention, the higher the likelihood of achieving the original architectural intent. All options will better connect the Waterfront to the CBD. The scale of option (metro, regional, national or international) has an influence on the ability to create an international defining statement and marketable symbol for Dunedin and the South Island – and therefore the wider benefits that can be achieved.

Public sector investment is to enable commitment of private sector funding to the development, and to enable a suitable commercial basis for securing the necessary tenant mix. Part of the public-sector investment is also to provide necessary public realm and transportation linkages adjacent the development.

Of the options explored the preferred way forward would entail a public-sector investment of 5 to 15 years.

The preferred option is a ‘public entity led’ approach that will reconnect the city to the harbour, create a educational tourism destination asset centred around sustainability and celebrates the connection to the ocean.

It is proposed that this will be achieved through a partnership approach with Port Otago, Ngai Tahu, the University, Polytechnic, and other stakeholder groups to provide a development that leverages their international research standing, global digital reach, and demonstrated commitment to sustainability. Dunedin is focussed on the creation of a place existing that plays to the strengths of the city - collaboration, digital health and education, sustainability food and ocean research – and complements the Goals of the United Nations Sustainable Development Policy.

The development will provide a Sustainable Futures Initiative Building and conference/cultural centre as anchor uses for the development. Complementary developments include high quality residential and hotel accommodation, with room for growth and provision of commercial office to support SME in the target areas of ICT, gaming, digital health, bio-tech and research related services.

Set out are the context, stakeholder’s vision and objectives, considerations underpinning the need to invest, benefits anticipated, and exploration of options from long list identification through to a recommended position. In turn, the steps needed to secure investment funding are described.
The form of the public-sector investment is wharf and public realm infrastructure, the provision of a building platform, and two anchor buildings. The building platform will create a development parcel that can be taken to market with the aim of securing a private sector developer to lead the development.

The key risks for the public entity are the building costs and ability to obtain funding. Key factors to achieving a successful development are striking the balance between achieving all of the benefits; the right level of investment to secure it's recognition as an international scale of development; and the ability to secure funding. The key to managing these risks is to have a clear funding programme, business case on building use, needs and accommodation requirements, and operational funding resolved prior to committing to the build.

Matched funding is presently not available, and the University has committed to a fundraising programme for the Sustainable Futures Initiative Building, which if successful could result in a matched funding ratio of 9:1.

Without public funding to provide the infrastructure, building platform and anchor building investment the public benefits accruing to the development will not be realised.
Vision

Dunedin is positioned as one of the world’s great small cities. It is home to almost 60% of Otago’s population, however economically it is not commanding its share of growth and investment.

Dunedin is a compelling destination – compact, with a unique sense of self and great quality of life. Relative to inward investment levels going into Queenstown, other South Island locations and within wider New Zealand, there is significant untapped potential for Dunedin to improve its growth and productivity.

The opportunity to realise this potential has generated within the city a very strong alliance of strategic partners and key stakeholders. The leadership of this group, strong community support, and confidence of the private sector in the future of the city has been a main driver to accelerate investment into the city – and provides a national exemplar of coordinated regional growth.

This partnership is in the middle of a investment programme to prepare the city for the future – this is focussed on events, tertiary education, port infrastructure, health and increasing the level and quality of service across the city. A missing element of the vision is how to expand the CBD and still retain the compact urban form that defines the city. This opportunity may be realised by extending the urban form and changing land use from industrial / port operations to mixed use development in the Waterfront.

To achieve a regeneration type development in brownfield sites requires to deliver the outcomes; and intervention by public sector entities to bridge the development risks associated with developing a new precinct.

Crucially, the Waterfront development proposed has a good story and there is public funding already committed.

Dunedin City Council has long term plan funding to improve connectivity between the CBD and Waterfront with a pedestrian and cycle bridge and Port Otago Limited have an aligned strategy that provides the opportunity to unlock harbour land.

The University of Otago has the international track record to provide a strong voice to the sustainability conversation.

The Otago Polytechnic has proven capability to capitalise on training opportunities for trades apprenticeships.

The ability of Dunedin business and public-sector entities to deliver wider regional benefits through better vocational pathways, a diversified regional economic performance, through the creation of a development that is resilient and has a focus on sustainability engagement aligns with the regional growth priorities and wider government sector strategies.

Problem Definition – Accelerating Growth

Dunedin is consistently around 1.5% behind New Zealand growth, and Central Otago Regional growth has out-performed the city for several years. To break from the steady but modest growth trajectory Dunedin’s leaders have identified that a co-ordinated initiative to catalyse investment is needed.

Problems with the current growth trajectory are multi-faceted. They span people capital risks (retaining and attracting skills, talent and jobs), to sustain community facilities and infrastructure, and lost opportunities to strengthen prosperity, resilience and wellbeing of Dunedin’s communities.
The key problems identified by stakeholders are;

**Vocational Pathway for Talent:** Limited number / diversity of vocational pathways in the region and Dunedin to attract and retain high value talent impacting on sustainable productive business. In the same way that investment into the Dunedin Stadium has significantly raised Dunedin’s national profile for events and sporting fixtures, investment in a skills and educational focal point for Dunedin has potential to significantly raise Dunedin’s profile as a destination to work and live.

Each year, Dunedin attracts around 30,000 students. And each year, a third (almost 10,000) leave to other parts of the country and internationally for job opportunities. Dunedin has significant potential to compete and retain talent, but requires additional tourist, education and employment drawcards to change the perception and improve retention. For example retention of 1% of the leavers to the quaternary (knowledge sector) would create job value of $192m per year on year.

**Imbalance of Regional Growth:** Urban development in Queenstown and Central Otago is reliant on tourism activity creating an imbalance of growth and pressure on infrastructure, accommodation and environmental limits.

Regional growth imbalance has accelerated in recent years. Regional growth is 6% (influenced by Queenstown). Dunedin is around 2.5%.

In the case of tourism revenues, there is scope to move Dunedin’s $750m annual visitor spend closer to the $2.8B that Queenstown receives. For example, the international quality and nature of the proposed Steamer Basin development means it is credible to consider it translating to a 5% lift in Dunedin’s visitation and resultant spend, which equates to a city and region wide benefit of over $38m per annum. In turn this can support alternative tourism pathways which include other regional destinations (e.g. Invercargill and Waitaki).

**Figure 1:** Vocational Pathway for Talent

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[Image of a chart showing the distribution of new jobs created in the last year across different industries, and a pie chart showing the qualifications and income distribution of university students in Dunedin.]
**Urban Form Constraints:** Limited sites of scale exist in the CBD which impacts the ability to develop in an integrated way. Additionally, historic land use and physical isolation of Waterfront land has led to weak connection of the Waterfront to the CBD core.

A strong and well thought out historical planning regime has long identified the desirability of better connecting the southern end of the CBD core to the Waterfront. The establishment of city precincts (both a spatial plan and economic development strategy) has triggered new development, however the Waterfront land remains underutilised.

**Figure 2: Regional Imbalance**
Perceived barriers to investment: Previous Waterfront and harbourside development proposals have largely stalled. This reflects challenges around ownership, land tenure, land aggregation, commercial viability and other market factors. Confidence has been impacted for securing external capital. These risk factors have become perceived barriers to entry. As the attributes for a quality Waterfront development remain, the conclusion is that a co-ordinated city response is needed to successfully navigate the hurdles. These considerations include market demand, city image, connectivity, land tenure, scale of development consent risk, demonstrating benefits from public sector funding, and securing satisfactory commercial returns to enable private sector capital to be invested.

Market demand remains a key risk for new build, high quality architectural development in Dunedin. The key to mitigating market demand risk can be resolved through further public entity intervention, but this needs to be in partnership with the private sector and be clear on the impact or improvement on long term benefits.
Figure 4: Perceived Barriers to Investment

Benefits

Investing in the Steamer Basin location for a mixed-use harbourside development delivers or enables benefits to Dunedin’s communities and businesses of:

- Vocational Pathway: enabling the city to compete and retain talent, with a focus on excellence in sustainability and SME. An additional 1,000 FTE jobs could generate in the order of $200m per annum for Dunedin’s GDP.

- Cultural: working with Ngāi Tahu to build authenticity and appropriate cultural representation into the design concept; potential to explore skills and capability development, and to consider scope for direct investment to showcase the connection the harbour, southern ocean and sustainability.

- Tourism: Dunedin’s current $750m per annum of tourism spend is roughly a quarter of that received into Queenstown Lakes annually. Providing additional attractions at the Waterfront to grow Dunedin’s current 930,000 visitors by 5% (over 40% of whom are International), to just under 1 million would add over $38m annually to Dunedin’s GDP.

- Business: accelerating growth in residents, business activity and visitor create economic multiplier effects into the local and regional economy.

- Public good outcomes: these range from wellbeing benefits of enhanced city pride and identity, to health benefits from increased likelihood of drawing people to the Waterfront on foot and bicycle.

- Public good outcomes relating to the benefits of a modern playground for enhancing Dunedin’s reputation as a family friendly city.

- Supporting Otago and Southland regional strategies for mutually reinforcing visitor and investment destinations.

At a Dunedin City level there are a range of outcomes committed to by the Council and stakeholders. Assessment of the Waterfront development options against these informs the evaluation of the options.
Vision and Development Aspirations for Dunedin

Attract new synergistic industry and business to create sustainable growth and good communities

“Amazing people doing amazing things”

Attract external investment and capital to Dunedin to continue momentum and investment of regional and local business investment in the City

“A great small city, with global connections”

Enhance Dunedin as a harbour city, not just the Waterfront, unlocking the harbour connecting to the Waterfront

“Our harbour is our heritage and our future”

Optimised land use development by sector across the city to provide a compact and sustainable CBD

“Localised economic density supporting wider regional growth”

Dunedin is the powerhouse of the Otago GDP, and increasing the economic density in the main metropolitan city reduces the pressure and demands on regional infrastructure and creates a more resilient region.

Preferred Way Forward

The evaluation of options against investment objectives indicates that:

- Dunedin’s Waterfront has the physical and locational attributes to underpin a successful world-class development.
- As a development location the Waterfront aligns strongly with Dunedin City Council’s urban planning strategy with better and safer connections for walking and cycling.
- To realise the Waterfront’s potential a range of significant issues need to be resolved or ‘de-risked’. These include land ownerships, connections for walking and cycling, commercial viability and building ownership and operation. Currently these present major hurdles to development.
- To unlock the Waterfront opportunity the best potential for success is likely to be via a co-ordinated public and private sector approach. This will entail public sector funding to provide key development anchors that would give private sector developers the confidence to invest.
- The preferred way forward from a Public sector perspective is an option identified as “public entity led development”. It includes the establishment of a single entity that will lead public entity development using a holistic approach (95% bricks and mortar / 5% fiscal policy) that aims to;
- Reduce development ‘hurdles’ and improve the attractiveness of the deal by:
  - Minimise land holding costs by undertaking land amalgamation to create development parcels; and
  - Reduce construction costs through provision of a building platform.
- Mitigate key development risks by:
  - Providing a flexible pre-consented master plan to establish a harbourside precinct;
  - Improving walking, cycling and transport connections and public amenity; and
  - Activating the area with attractions such as a neighbourhood or metropolitan scale playground / art sculpture or recreational activity.
- Incentive development and investment by:
  - Continuing business as usual regulatory and council initiatives;
  - Supporting growth and niche SME (for example eco-tourism, sustainability, bio-tech, ICT, education);
  - Providing a point of difference with authentic person to person and digital connectivity through the design and marketing of the development;
  - Waiver of development contributions on a selected basis (i.e. a development that meets or exceed key critical success factors); and
  - Diversifying the risk profile across multiple partners.

The public led entity development options is most likely to meet or exceed all of the critical success factors relating to the physical strategy and reduces the risk of the private sector “not following”.

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A step-change is required to get critical mass and achieve a concept that will make Dunedin the destination of the south and ultimately start to create a better balance of regional growth. The public entity led approach is anticipated to improve economic yield in two key ways:

- Increased employment and economic density in the area with the creation of a new precinct; and
- Providing an opportunity to optimise land use in the harbourside area will help with the creation of a secure and efficient operational area for the Port.

It also provides the opportunity for one or multiple private sector partners to be involved in the development. A wider industry bandwidth will help leverage niche business growth through person to person connectivity.

The selection of a suitable delivery model, establishment of a single entity responsible for taking the land to market, and capitalising the entity is expected to address some of the key challenges with brownfield urban regeneration and provides single party accountability. Examples of a single entity delivery model are urban development authorities, SPV’s, JV, etc.

It has been demonstrated to provide the next best ratio of public and private sector investment at approx. (based on the estimated Master Plan Capital Costs).

The step change can occur over a short time frame, estimated at 5 – 15 years. This is based on a box and cylinder estimate of project sequencing the building platforms and public realm phased over three distinct stages.

- **Stage 1**
  - Establishment of an Urban Development Agency, land amalgamation, resource consenting, physical investigation and concept designs;
  - Design, procurement and construction of the public wharf and marina from the north west corner of Steamer Basin around to the south of Wharf Street, including the building platforms for the Sustainable Futures Initiative, Eco Tourism and Commercial Office buildings and;
  - Building development of the Sustainable Futures Initiative building, the Commercial Office building and a metro playground to activate the area.

- **Stage 2**
  - Design, procurement, and construction of the public wharf and marina from the south west corner of Steamer Basin around to the east of Birch Street and up to the point, including the building platforms for the mixed use apartment and retail building (“Waka”), Hotel and the Cultural Centre buildings
  - Building development of the Waka, Hotel building and the first building of the Cultural Centre once confirmed developer funding is in place. s 9(2)(b)(ii)
Stage 3

including;

- Design, procurement and construction of an urban park area east of Birch Street/ south Kitchener Street, and public realm and building platform along East Fryatt street, to enable the area for future private development.
- Building development of the Ferry access, a ferry terminal and ticket office opposite the Sustainable Futures Initiative building, the Eco Tourism Centre, and the remaining two buildings of the Cultural Centre

There is an opportunity to improve the timeframes if building development occurs in parallel with the creation of the building platforms.

The preferred way forward is most sensitive to movements in;

- Building Platform Costs
- Market Rents
- Development Construction Costs

The themes that are emerging to underpin the kaupapa / heart of the development are;

- Connection to the Southern Ocean
- Sustainability (past, present and future) and
- Centre of Digital Excellence, focussed on attraction of talent for the gaming industry and smart hospitals (digital health)

Commercial Case

A commercial feasibility study has been undertaken to demonstrate the potential viability of various schemes. This is to determine the overall viability of the development. This has proved challenging due to the market rentals and build costs. A commercial feasibility has been completed for the architectural master plan, and a transitional scheme. In addition, market sounding was undertaken with property developers (both local and national) to gauge the markets perception of the viability of the schemes.

This market engagement has identified that a private sector led development approach is preferred. It also identified that a public entity led building needs to be the anchor for the development and surrounding land use change needs to occur to improve the attractiveness of the wider area for residential development (reverse sensitivities).

Technical Feasibility

A technical feasibility study has been undertaken to identify any fatal flaws for the proposed Master Plan building structures and foundations, building platform and horizontal infrastructure.

The technical feasibility study has not identified any obvious fatal flaws with the approach. Note that this does not include consent risk.
Environmental Feasibility

An environmental feasibility study has been undertaken to identify any fatal flaws for the proposed Master Plan and broadly covers ecology, hydrodynamics, carbon zero, and contamination risk. The environmental feasibility study has not identified any obvious fatal flaws with the approach but notes the risk of contamination around the Dry Dock.

- The key technical and environmental risks to be resolved are;
- Understanding the physical environment (geotechnical, edge stability, soil-structure interaction, foundation type, wharf type);
- Traffic modelling and access to the Waterfront development impacting on Transport Infrastructure requirements;
- Sequencing of construction and development in relation to creating the building platform, including land title amalgamation; and
- Consent Risks in providing title to construction platform.

Overview of the Public Entity Led Development Approach

This consists of;

Anchor Buildings

- Public entity constructs Sustainable Futures Initiative Building; and
- Public entity constructs smaller scale Cockle Shell, to act as a cultural or conference centre and support the complementary uses (sustainability engagement, hotel, apartments).

Wharf, Public Realm and Building Platforms

Generally, this includes:

- Continuous public realm around the Steamer Basin water edge (8m);
- “Focus spend” - soft landscaping: hard landscaping: bluestone;
- Reduce the number and extent of access steps down to the water to three key areas;
- Reorienting the buildings back onto existing land, particularly at point;
- Retain Wharf Street Wharf (Cross Wharf) with reduced design life and grade treatment; and
- Increasing the investment in active spaces, such as a metro scale playground, art, transitional timber promenades and walkway areas.
The below summary provides an overview of the overall Transitional Masterplan – Public Entity Led Development Approach, sequenced over the three stages;

**Stage 1**

including;

- **East Fryatt Street**
  - Demolition of East Fryatt Street wharf and make good to the area for transitional public realm (i.e. asphalt, not shingle).

- **West Fryatt Street**
  - Sustainable Futures Initiative platform. Smaller scale, within property boundaries and on land.
  - Sustainable Futures Initiative building.
  - AVB pedestrian bridge, for pedestrians and cyclists.

- **Wharf Street**
  - Retain Harbourside Quay Bar and Grill Building.
  - Demolition of Jetty Street overbridge northern ramp and existing horizontal infrastructure.
  - Acquisition of privately owned reserve land.
  - Thomas Burns Street and Wharf Street realignment, to enable the development of the area West of Steamer Basin.

- **South Wharf Street**
  - Commercial Office platform, located on land, back from the wharf edge within property boundaries.
  - Commercial Office building.
  - Access to water via curved steps in South West corner, adjacent to the Commercial Office.

- **Wharf street/ Fryatt St realignment**, to enable the revised landing of AVB pedestrian bridge.

- **Eco-Tourism Centre building platform**, located on land, back from the wharf edge for future development.

- ‘Metro’ scale playground to activate the area.

- Retain existing wharf structure and install a lightweight timber promenade overtop to maintain a continuous public realm and manage grades around the water edge.

- Access to water via curved steps in North West corner, adjacent to the AVB pedestrian bridge landing, and at the mid-point on the western wharf.
Stage 2

including;

- West Birch Street
  - Waka platform. Reduced building footprint, located on land, back from the wharf edge within property boundaries.
  - Waka building.
  - Hotel platform. Reduced building footprint, located on land, back from the wharf edge within property boundaries.
- Hotel building.
- East Birch Street and Dry Dock
  - Cultural Centre building platform, located on land, back from the wharf edge.
  - Cultural Centre building, one smaller AVB cockle shell, located on land, back from the wharf edge.
- Access to water via curved steps east of the Hotel building platform extending along the wharf up to “the point”
- Clean up the operational wharf area and existing slipway, to provide public access to water.

Note, the slip way is currently operational, utilised by Port Otago. Transitional re-use of the slipway is dependent on s 9(2)(b)(ii)

Further information is provided in the Business Case.
Stage 3

including;

- East Fryatt Street
  - East Fryatt Street wharf building platform
- West Fryatt Street
  - Ferry Access
  - Ferry terminal
  - Ticket office
- Wharf Street
  - Eco Tourism building, in place of the metro playground
- East Birch Street and Dry Dock
  - Cultural Centre buildings, two AVB cockle shells (one larger and one smaller), located on land, back from the wharf edge.

- Kitchener Street
  - Urban Park and Seawall improvements.

The proposed staging allows for the AVB Masterplan to be fully realised in the future.
Proposed building platforms
Water access point
Urban Landscape
Red Sheds Bridge
Building Platform - Future Building Platform
Building Platform - Sustainability Futures Initiative Building
Ferry Terminal
Ticket Office
Building Platform - Eco tourism Centre
Building Platform - Commercial Office
Building Platform - Wakatipu Apartment Building
Building Platform - Hotel
Building Platform - Cultural Centre
Urban Park
Wharf and Public Realm - East Fryatt Street
Wharf and Public Realm - West Fryatt Street
Ferry Access
Wharf and Public Realm - Wharf Street
Jetty Street Overbridge / Wharf Street Realignment
Thomas Burns / Wharf Street Realignment
Metro Scale Playground
Wharf and Public Realm - South Wharf Street
Wharf and Public Realm - West Birch Street
Wharf and Public Realm - East Birch Street and Dry Dock
Table 1: Public Entity Led Development Approach Summary of Wharf, Public Realm, Infrastructure Zones and Building Platforms

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<td>s 9(2)(b)(ii)</td>
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<td>H</td>
<td>Wharf and Public Realm - Kitchener Street</td>
<td>8</td>
<td>Urban park</td>
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Capital Costs

The capital costs relating to the Public Entity Led development option are detailed in Table 2.

Table 2: Table 2: Public Entity Led Development Approach Summary of Wharf, Public Realm, Infrastructure and Anchor Building Costs per stage ($ millions)

<table>
<thead>
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<th>Area / Description</th>
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<tr>
<td>West Fryatt Street</td>
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<tr>
<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>Sustainable Futures Initiative Building (Anchor Building #1)</td>
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<tr>
<td>Ferry Access</td>
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<tr>
<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>Ferry Terminal</td>
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<tr>
<td>Ticket Office</td>
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<tr>
<td>Wharf Street</td>
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<tr>
<td>Wharf Public Realm and Infrastructure (including Metro Playground)</td>
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<tr>
<td>Eco-Tourism Centre</td>
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<tr>
<td>South Wharf Street</td>
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<tr>
<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>Commercial Office</td>
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<tr>
<td>West Birch Street</td>
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<tr>
<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>Waka / Apartments Building</td>
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<tr>
<td>East Birch Street and Dry Dock</td>
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<tr>
<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>Hotel 1</td>
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<tr>
<td>Cultural Centre – Building 1 (Anchor Building #2)</td>
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<tr>
<td>Cultural Centre – Building 2</td>
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<tr>
<td>Cultural Centre – Building 3</td>
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<td>Kitchener Street</td>
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<td>Wharf Public Realm and Infrastructure</td>
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<tr>
<td>TOTAL Wharf, Public Realm and Infrastructure Costs</td>
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</tbody>
</table>

The capital costs of the Sustainable Futures Initiative are subject to the success of the proposed fundraising campaign, outcomes of engagement to identify user requirements, final building architecture form and function, and all relevant governance approvals.

The commercial feasibility and capital cost estimates provided are high-level concept estimates intended for comparative purposes between options only. These estimates have been based on feasibility design information and no physical investigations have been undertaken. The estimates therefore have a high degree of cost and revenue uncertainty associated with them and are not a statement of absolute cost. Additional design, investigation and estimating will be required to confirm the capital costs as the project progresses.

This report is subject to, and must be read in conjunction with, the assumptions, limitations and disclaimers set out in the estimate notes and elsewhere in the report.

1 The capital costs of the Sustainable Futures Initiative are subject to the success of the proposed fundraising campaign, outcomes of engagement to identify user requirements, final building architecture form and function, and all relevant governance approvals.
Proposed Funding

The proposed funding relating to the Public Entity Led development option are detailed in Table 3.

Table 3: Public Entity Led Development Approach Summary of Funding ($ millions)

<table>
<thead>
<tr>
<th>Funding Requirements</th>
<th>Initiation</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Provincial Growth Fund</td>
<td>$9(2)(b)(ii)</td>
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<tr>
<td>Dunedin City Council</td>
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<tr>
<td>University of Otago</td>
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<tr>
<td>Public Entity/ Philanthropic Venture</td>
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<tr>
<td>Private Sector</td>
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<tr>
<td>Port Otago Limited</td>
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<tr>
<td>Matched Funding Ratio</td>
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</tbody>
</table>

Management Case

The preferred option for governance is the establishment of an Urban Development Agency (UDA). It is proposed that the UDA will be established in 2019 as a Council Controlled Organisation and that the land required for the Waterfront Development will be transferred into the ownership of the UDA prior to development. The key stakeholders and technical advisory group will have a role in assisting the UDA in achieving this vision.

This executive summary is to be read in conjunction with the full Indicative Business Case, November 2018 and associated limitations.