



## FTC #129: Application for referred project under the COVID-19 Recovery (Fast-track Consenting) Act 2020 – Stage 1 decisions

### Application 2022-084 Jervois Quay Project

Date submitted:	13 April 2022	Tracking #: BRF-1465	
Security level:	In-Confidence	MfE priority:	Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon David Parker, Minister for the Environment	Decision on recommendations in Table A	To be advised

Actions for Minister's Office staff	<ol style="list-style-type: none"> <li><b>Return</b> the signed briefing to MfE.</li> <li><b>Send</b> attached letter (if signed) with accompanying template and links to application documents.</li> </ol>
Number of attachments: 3	<p>Attachments:</p> <ol style="list-style-type: none"> <li>Application documents for Jervois Quay Project (Databox link)</li> <li>Letter to Ministers – inviting comments on Jervois Quay Project referral</li> <li>Template for ministerial comment</li> </ol>

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Samantha Maxwell & Max Gander-Cooper		
Manager	Stephanie Frame	s 9(2)(a)	✓
Director	Caroline Hart	s 9(2)(a)	

## **FTC#129: Application for referred project under the COVID-19 Recovery (Fast-track Consenting) Act 2020 – Stage 1 decisions**

### **Key messages**

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1. This briefing seeks your initial decisions on an application from MFC Development Limited Partnership to refer the Jervois Quay Project (project) to an expert consenting panel (panel) under the COVID-19 Recovery (Fast-track Consenting) Act 2020 (the FTCA).
2. The project is to construct an eight-storey mixed-use building up to 39 metres high, which will provide for educational and cultural activities, and retail and commercial (offices) tenancies. The building will include a plant room on the roof of the eighth storey, and a laneway providing for through-site pedestrian access. The project also involves demolition of an overbridge across Wakefield Street.
3. The project site is located at the corner of Jervois Quay and Wakefield Street, Wellington. It is part of the Wellington City Council-owned area bounded by Jervois Quay, and Wakefield, Victoria and Harris Streets, which contains significant civic structures including the Wellington Central Library/Te Matapihi, Town Hall, City Gallery and the Michael Fowler Centre. The site used to be used as a car park for patrons of the Michael Fowler Centre, and currently, most of the project site is occupied by a temporary building used by the Royal New Zealand Ballet. The site is to remain in council ownership and will be leased by the applicant.
4. The project involves activities such as the removal or demolition of an existing building and structures, construction of an eight-storey building (plus plant room) and associated infrastructure, earthworks (including disturbing contaminated soils), take, diversion and discharge of groundwater, discharge of stormwater and contaminants to land, and landscaping.
5. The project requires land use consents under the Wellington City District Plan (WCDP), water and discharge permits under the Proposed Natural Resources Plan for the Wellington Region and the Wellington Regional Plan for Discharges to Land, and land use consent under the Resource Management (National Environmental Standards for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011 (NES-CS). The applicant lodged a resource consent application for the project with Wellington City Council on 3 March 2022. The council has yet to make a decision on notification.
6. The project is located in the Central Area zone and the Civic Centre Heritage Area in the WCDP. The project has overall discretionary activity status owing to the proposed new building exceeding the maximum height standard for the heritage area by approximately 12 metres.
7. We have undertaken an initial (Stage 1) analysis of the referral application and this is presented along with our recommendations in Table A.
8. The project meets all the eligibility criteria in section 18(3) of the FTCA, but more analysis is needed before we can advise you if it meets the purpose of the FTCA (thus satisfying section 18(2) of the FTCA) and advise you on matters in section 23(5) which may influence your referral decision.
9. We recommend you progress consideration of the application to the next stage of analysis (Stage 2) and invite comments from Wellington City Council, Greater Wellington Regional Council and specific Ministers listed in section 21(6) of the FTCA.
10. We recommend that you invite comments from Wellington Water because of the potential impact on surrounding three waters infrastructure, and Heritage New Zealand Pouhere

Taonga as the project is in an identified heritage area, with a number of significant heritage structures in the surrounding area, as additional parties under section 21(3) of the FTCA.

### Statutory framework summary

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11. You are the sole decision maker for the referral application as the project will not occur in the coastal marine area.
12. You may decline the referral application before seeking comments from the relevant local authorities and any relevant Ministers:
  - a. if you are satisfied the project does not meet the referral criteria in section 18 of the FTCA, (which include helping to achieve the purpose of the FTCA) (see sections 18(2) and 23(1) of the FTCA)
  - b. for any other reason (see section 23(2) of the FTCA).
13. If you do not decline the referral application at this stage:
  - a. you must provide the application to, and invite comments from, the relevant local authorities and the relevant Ministers prescribed by section 21(6) of the FTCA
  - b. you may provide the application to and invite comments from any other person.
14. You are also able to request further information from the applicant or any relevant local authority at any time before you decide to decline or accept the referral application (see section 22 of the FTCA).

### Action sought

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15. Please indicate your decisions on the recommendations in Table A.

### Signature

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Stephanie Frame  
**Manager – Fast-track Consenting**

**Table A: Stage 1 initial assessment of project eligibility – projects where the Minister for the Environment is the only decision maker**

**Project to progress**

Project details	Project description	Project funding	Is project eligible for referral? [section 18(3)]	Will project help to achieve the purpose of the FTCA? [section 18(2)]						Recommendations	Minister's decisions
				Economic benefits and costs for people or industries affected by COVID-19 [section 19(a)]	Effect on social and cultural wellbeing of current and future generations [section 19(b)]	Likelihood project will progress faster under the FTCA than would otherwise be the case [section 19(c)]	Public benefit [section 19(d)]	Potential for significant adverse environmental effects, including greenhouse gas emissions [section 19(e)]	Any other relevant matters [section 19(f)]		
<p><b>Jervois Quay Project</b></p> <p><b>Applicant</b> MFC Development Limited Partnership c/- Willis Bond &amp; Co</p> <p><b>Location</b> The site is part of the council-owned civic precinct located at the intersection of Jervois Quay and Wakefield Street.</p>	<p>The project is to construct an eight-storey (plus plant room) mixed-use building up to 39 metres high, which will provide for educational and cultural activities, and retail and commercial (office) tenancies. The building will include a plant room on the roof of the eighth storey, and a laneway providing for through-site pedestrian access. The project also involves demolition of an overbridge across Wakefield Street.</p> <p>The project involves activities such as the removal or demolition of an existing building and structures, construction of an eight-storey building (plus plant room) and associated infrastructure, earthworks (including disturbing contaminated soils), take, diversion and discharge of groundwater, discharge of stormwater and contaminants to land, and landscaping.</p> <p>The project requires land use consents under the</p>	<p>The applicant has engaged Willis Bond to perform development management services under a Development Management Agreement.</p> <p>The project is to be funded by a mix of equity and debt capital. The applicant derives its equity from its Limited Partners. These are Willis Bond Capital Partners IV – an investment fund managed by Willis Bond, and Willis Bond and Company Investments Limited. The applicant advises that a significant amount of equity has already been committed to the project, and ongoing commitment is forecast to enable the immediate delivery of this project. Willis Bond has delivered over 15 projects under this organisational structure.</p>	<p>Based on available information at this stage, we consider the project is eligible for referral because:</p> <ul style="list-style-type: none"> <li>it does not include any prohibited activities</li> <li>it does not include land returned under a Treaty settlement</li> <li>it does not occur in a customary marine title area or protected customary rights area under the Marine and Coastal Area (Takutai Moana) Act 2011.</li> </ul>	<p>The applicant has provided an economic assessment that estimates the project will:</p> <ul style="list-style-type: none"> <li>contribute approximately \$70 million to regional GDP</li> <li>engage approximately 30 consultant and sub-consultant firms to undertake services associated with the detailed design, project management and procurement of construction of the project</li> <li>provide approximately 50, 130 and 90 full time equivalent (FTE) jobs in 2023, 2024 and 2025 respectively</li> </ul> <p>The applicant indicates that the project will result in ongoing post-construction employment from the ongoing maintenance of the site as well as full employment</p>	<p>The project has the potential for positive effects on the social wellbeing of current and future generations as it will:</p> <ul style="list-style-type: none"> <li>generate employment through the provision of approximately 50, 130, and 90 FTE jobs (related to pre-construction and construction activities) in 2023, 2024 and 2025 respectively.</li> <li>generate employment post-construction through the ongoing maintenance of the site as well as employment opportunities generated from the retail and commercial tenants that will occupy the building</li> <li>provide a range of amenities and services including commercial, retail and education in an area with proximity to public transport, pedestrian linkages, and public and open space</li> <li>Improve pedestrian</li> </ul>	<p>The applicant considers that the fast-track process will allow the project to progress approximately 12-18 months faster than under standard Resource Management Act 1991 (RMA) processes, due to the likelihood of public notification and subsequent appeal under standard process.</p> <p>We recommend seeking comment from Wellington City Council (WCC) and Greater Wellington Regional Council (GWRC) on the appropriateness of using the FTCA process.</p>	<p>Based on the information provided by the applicant we consider that the project may result in the following public benefits:</p> <ul style="list-style-type: none"> <li>generating employment</li> <li>contributing to a well-functioning urban environment</li> </ul>	<p>The applicant has advised that the project has the potential for adverse environmental effects including:</p> <ul style="list-style-type: none"> <li>heritage effects given the proximity of the site to historic sites of interest to the community</li> <li>urban design effects</li> <li>landscape effects</li> <li>wind effects</li> <li>transportation effects</li> <li>noise effects</li> <li>earthworks effects</li> <li>contaminated land effects</li> <li>effects on infrastructure</li> <li>temporary construction effects</li> </ul> <p>The applicant has stated that overall adverse effects will not be significant.</p> <p>We note that a panel can consider this and any appropriate mitigation, offsetting or compensation to manage adverse effects of the development.</p>	<p>The applicant has advised they have lodged a resource consent with WCC on 3 March 2022. As of 1 April 2022, no decision has been made by WCC under the RMA concerning notification of the application. If the council consent application is notified this may have implications for your decision at stage 2. We recommend that you seek comments from WCC on the status of the consent application.</p> <p>The applicant will purchase a long-term leasehold interest in the project site from WCC pursuant to a 175-year ground lease. The site is currently part of a large site encompassing the whole of Wellington's civic square. The applicant states that WCC intends to obtain a subdivision consent to create a separate title for the site, against which the ground lease will be registered. The agreement between WCC and the applicant provides for WCC to transfer the leasehold interest to the applicant prior to commencement of construction. The applicant does not anticipate that there will be any undue delay in completing the subdivision to enable this to happen. We recommend that you seek comment from</p>	<p>a. <b>Note</b> that section 23(3) of the FTCA permits you to decline the referral application without inviting comments from the relevant local authorities and any relevant Ministers.</p> <p>b. <b>Note</b> that you have not yet provided the application to, nor sought any comments on it from, relevant local authorities or relevant Ministers but that you are required to do so if you do not decline the application under section 23(3) of the FTCA.</p> <p>c. <b>Note</b> that section 21(3) of the FTCA permits you to forward an application to, and invite written comments from, any other person.</p> <p>d. <b>Note</b> that section 22 of the FTCA permits you to request further information from the applicant or relevant local authorities at any time before you decide whether to accept or decline an application.</p> <p>e. <b>Agree</b> to progress the Jervois Quay Project to our Stage 2 analysis. The project warrants further analysis because it has potential to achieve the purpose of the FTCA but we need to consider some matters further before providing you with our final advice on the referral application.</p> <p>f. <b>Agree</b> to provide the application to, and invite comments from:</p> <ul style="list-style-type: none"> <li>the Ministers listed in section 21(6)(a)–(m) of the FTCA</li> <li>the relevant local authorities – Wellington City Council and Greater Wellington Regional Council</li> <li>the following additional entities/persons under section 21(3) of the FTCA: Wellington</li> </ul>	<p>Yes/No</p> <p>Yes/No</p>

