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PORT NICHOLSON BLOCK
SETTLEMENT TRUST



THE WELLINGTON
COMPANY

SHELLY BAY
TAIKURU

SHELLY BAY TAIKURU – AN ENDURING PARTNERSHIP

TWC's and Taranaki Whānui partnering agreement always envisaged an option for Taranaki Whānui to participate in the development of Shelly Bay Taikuru when it was ready.

The Shelly Bay Taikuru development will deliver a significant asset and benefit for community; delivering an exemplar development that has only been made possible by Taranaki Whānui and delivered in partnership with TWC.

As envisioned in the Shelly Bay Taikuru options deed between TWL/ TWC; the following proposal has been developed that will deliver sustainable intergenerational benefits for Taranaki Whānui and will retain a significant footprint (commercial assets, Maori reserve, Cultural assets) within the development.

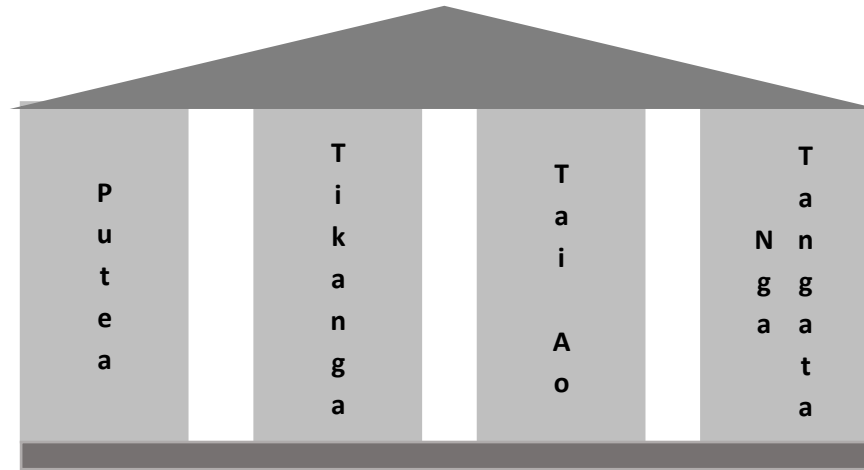
Through our direct interest in Shelly Bay Taikuru as an Iwi we will be able to grow and leverage opportunities for all Uri and demonstrate our mana as mana whenua through the development of Shelly Bay Taikuru.

The proposal is founded on four interconnected Pou, representing the Tikanga (cultural), Nga Tangata (social), Tai Ao (environmental) and Putea (commercial) aspirations that Taranaki Whānui seek to achieve through the development of Shelly Bay Taikuru and as include the initiatives communicated to community in February 2020.

See also "Open Letter" dated 21 March 2020.

SHELLY BAY TAIKURU – AN ENDURING PARTNERSHIP

The four Pou that underpin the enduring partnership and which are all equal are as follows:



The Pou form the basis of our whare – all four Pou like the walls of a whare must each take the equal load of the other so as to ensure the whare stands proud and tall in perpetuity.

- **P u t e a (Commercial/ Economic)** – will provide a direct commercial and economic benefit to Taranaki Whānui, for the future benefit of all Taranaki Whānui.
- **T i k a n g a (Cultural)** – will be distinctively Taranaki Whānui and will recognise Taranaki Whānui as mana whenua, in place, name and in the built form.
- **N g a T a n g a t a (Social)** – will provide opportunities for Taranaki Whānui to participate directly in the development and delivery of Shelly Bay Taikuru providing intergenerational benefits and opportunities for Uri.
- **T a i A o (Environmental)** – a sustainable and innovative green community.

SHELLY BAY TAIKURU – PUTEA

- ***Putea: Commercial/ Economic*** – will provide a direct commercial and economic benefit to Taranaki Whānui, for the future benefit of all Taranaki Whānui.

Outputs

- *SBTL (SBTL) and Taranaki Whānui Limited (TWL) will joint venture (JV) in the development of the commercial landholdings at Shelly Bay Taikuru. The JV will be confirmed in legally binding and mutually agreed commercial terms and agreements between TWC and TWL.*
- *The joint ventures primary goal will be to ensure all commercial assets developed in Shelly Bay Taikuru are retained within Taranaki Whānui ownership.*
- *The assets that we will seek to retain in Taranaki Whānui ownership via TWL will include*
 - *SHELLY BAY LODGE: The relocation and redevelopment of the former Shelly Bay Lodge into a boutique hotel.*
 - *SHED 8: The redevelopment of Shed8 into a mixed use premises (Commercial/ Residential)*
 - *SHIPWRIGHTS BUILDING: The redevelopment of the Shipwrights Building into a commercial retail premises.*
 - *SUBMARINERS (CHOCOLATE FISH) The relocation and redevelopment of the Chocolate Fish into a commercial retail premises.*
 - *THE KIOSK: The development of free standing commercial/ retail premises located to the North of Shed 8.*
 - *PULLEY HOUSE: The development of a new mixed use apartment/ commercial building located on the former Slipway.*

SHELLY BAY TAIKURU – PUTEA

Structuring

- *SBTL will contribute \$3m to the JV/ TWL will contribute \$3m (Capped) JV to form the basis of the 50/50 JV Partnership.*
- *The JV will establish a LP to develop the Council landholdings and the site where the proposed Shelly Bay lodge will be located.*
- *The JV will acquire the Council leasehold and freehold landholdings from Council.*
- *The JV will appoint SBTL (nominee) as the GP to develop the landholdings.*
- *The GP will be responsible for the design, build, funding and sale/ lease of the development of the Shelly Bay Taikuru Village/ Boutique Hotel (Refer Figure 1/ 2). The GP will receive a development management fee + plus any land input costs where SBTL has contributed land for delivering the development (As detailed).*
- *The residential component of the WCC seaward landholdings development will sold into the open market with profits being returned to the LP and split 50/50.*
- *TWL's profit share + equity inputs into the JV will form TWL's equity input towards the acquisition of the commercial assets (as nominated). The purchase price will be at cost price input; less all or any costs.*
- *TWC' \$3m contribution to the JV will be a suspensory loan to TWL for 125 years and only repayable if TWL dispose of some or all of the commercial assets or upon the leasehold landholdings being free held by WCC*
- *TWC/ PNBST:TWL will seek to have the WCC leasehold land made freehold for the benefit of PNBST/ TWL.*

Figure 1 – Scope of the JV (Cross hatched Council land)

Areas for sale and lease



WCC landholdings scope

- Wellington City Council ownership
- Shelly Bay Limited ownership
- Area to sell
- Area to lease
- Final boundaries subject to survey

Figure 2 – Scope of the Commercial Assets to be Developed and Retained PNBST/TWL



Key Commercial/ Cultural Outcomes for Taranaki Whānui

SHELLY BAY TAIKURU – PUTEA

The development management fee

- *The GP will receive the following Development Management fee:*
 - *A development management fee equal to 10% of all costs based on a agreed independently certified development budgets.*
 - *50% of any cost savings or contingencies not allocated.*
 - *Where SBTL contributes any landholding owned into the village or boutique hotel, this will be contributed at current market value as confirmed by an independent valuer.*

SHELLY BAY TAIKURU – TIKANGA

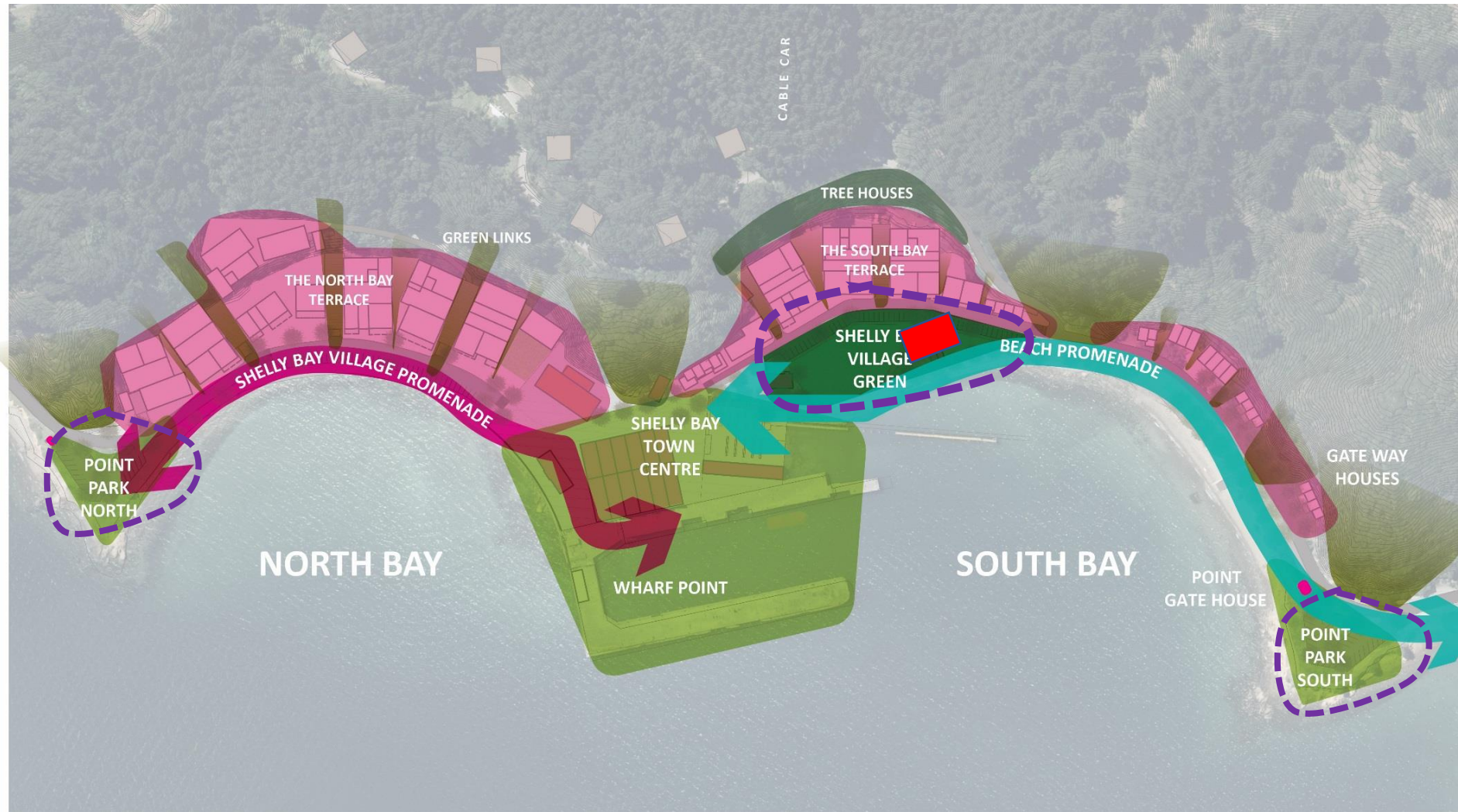
- **Tikanga: Cultural** – will be distinctively Taranaki Whānui – honouring our Tupuna and recognising Taranaki Whānui as mana whenua, in place, name and in built form.

Outputs



- *A Taranaki Whānui design panel will be established to ensure the Taranaki Whānui narrative is interpreted in the built form and name in place*
- *An artist in residence programme will be established with Taranaki Whānui artists being given a preference to participate in this programme.*
- *A Taikuru – Wharenui will be developed on the Village Green. The Whare Marukaikuru will be held and owned by Taranaki Whānui; in what will be developed into a place and space of significance to Taranaki Whānui for all of community to enjoy. The Taikuru – Wharenui will be a key cultural and marker representing Taranaki Whānui status as mana whenua and will deliver a further commercial asset for the benefit of all Taranaki Whānui and Community.*
- *SBTL will contribute \$1m towards the development of the Whare Marukaikuru and TWC/ PNBST will seek to have WCC assume a 25 year lease over the Te Whare Marukaikuru on a full net lease basis with co-management rights back to Taranaki Whānui.*

Te Whare Marukaikuru will be underpin by the three Pou that stand at Shelly Bay Taikuru today – Turangawaewae, Kaitiakitanga, Kotahitanga and the fourth being Manaakitanga. These will form the pillars of our wharenui as one.

- *TWC/ PNBST will seek to have the WCC leasehold properties transferred to Taranaki Whānui as freehold at nil consideration over and above the agreed leasehold purchase price.*
- *TWC/ PNBST will seek to have WCC convert the proposed reserves (Point Park North/ South, Village Green) into cultural reserves (Maori Reserve) in Taranaki Whānui ownership with a co-management rights between the parties (PNBST/ WCC). Taranaki Whānui will direct input into the design of these spaces as detailed in bullet point 1/ 2.*
- *PNBST Trustees will confirm the proposal with Taranaki Whānui Marae at a Governance Level: Kanohi ki te Kanohi before engaging with Uri or other stakeholders.*



Legend:

-  Cultural - Reserve
-  Te Whare Marukaikuru

SHELLY BAY TAIKURU – NGA TANGATA

- ***Nga Tangata: Social*** – will provide opportunities for Taranaki Whānui to participate directly in the development and delivery of Shelly Bay Taikuru providing intergenerational benefits and opportunities for Uri.

Outputs

- *SBTL will ensure through it's procurement process will ensure that Taranaki Whānui Uri are provided with the opportunity to participate in all aspects of procurement or direct employment and training within the development of Shelly Bay Taikuru. This will include:*
 - *A requirement for consultants/ main contractors to provide direct employment opportunities for Taranaki Whānui Uri.*
 - *A requirement for main contractors over the term of the project to provide trade training opportunities for Taranaki Whānui Uri.*
 - *A requirement for main contractors to demonstrate Taranaki Whānui businesses have been provided the opportunity through a direct procurement and sourcing model to participate in the delivery of Shelly Bay Taikuru*
- *SBTL will provide PNBST Uri with a first right of refusal (subject to uptake upon presentation to the market) over all or any affordable housing products offered within Shelly Bay Taikuru – a total of 15 affordable housing units will be offered via a progressive homeownership programme that will be jointly delivered by Taranaki Whānui/ TWC in partnership with the New Zealand Housing Foundation (NZHF) or other.*

These homes will be complimented by a further 10 in Monark – Mt Cook, 33 units in Aro – Te Aro all being made available to Uri via a range of affordable housing programmes, designed to provide our Uri with the opportunity to live within Wellington City. This will be the start of many more such opportunities to provide housing to our Uri within the rohe.

- *SBTL/ Taranaki Whānui will establish a Shelly Bay Taikuru – Education Endowment Fund with seed funding of \$100,000 offering scholarship to Taranaki Whānui members seeking to achieve betterment in higher education. The scholarship will be \$3,000 (minimum) per year and will be sustained and grown through direct investments from the seed funding and via an RA levy contributed to by all owners and users of Shelly Bay Taikuru.*

SHELLY BAY TAIKURU – TAI AO

- ***TAI AO: Environmental*** – a sustainable and innovative green community.

Outputs

- *This will be an exemplar community for which Taranaki Whānui will be invested in, in perpetuity.*
- *Shelly Bay Taikuru will be developed as a green community and will achieve a green community accreditation. The green community accreditation will be certified by the Australian and New Zealand Building Green Council against an international green community accreditation and standard that will measure the performance of the community – in design, in build and in delivery – as Kaitiaki we will play in a key role in not only ensuring these standards are maintain in a governance role but also as a owner of the whenua.*
- *Taranaki Whānui will play an active role in the ongoing governance and management of the community.*

NAU

DESIGN WORKSHOP
shellybaytaikuru.co.nz

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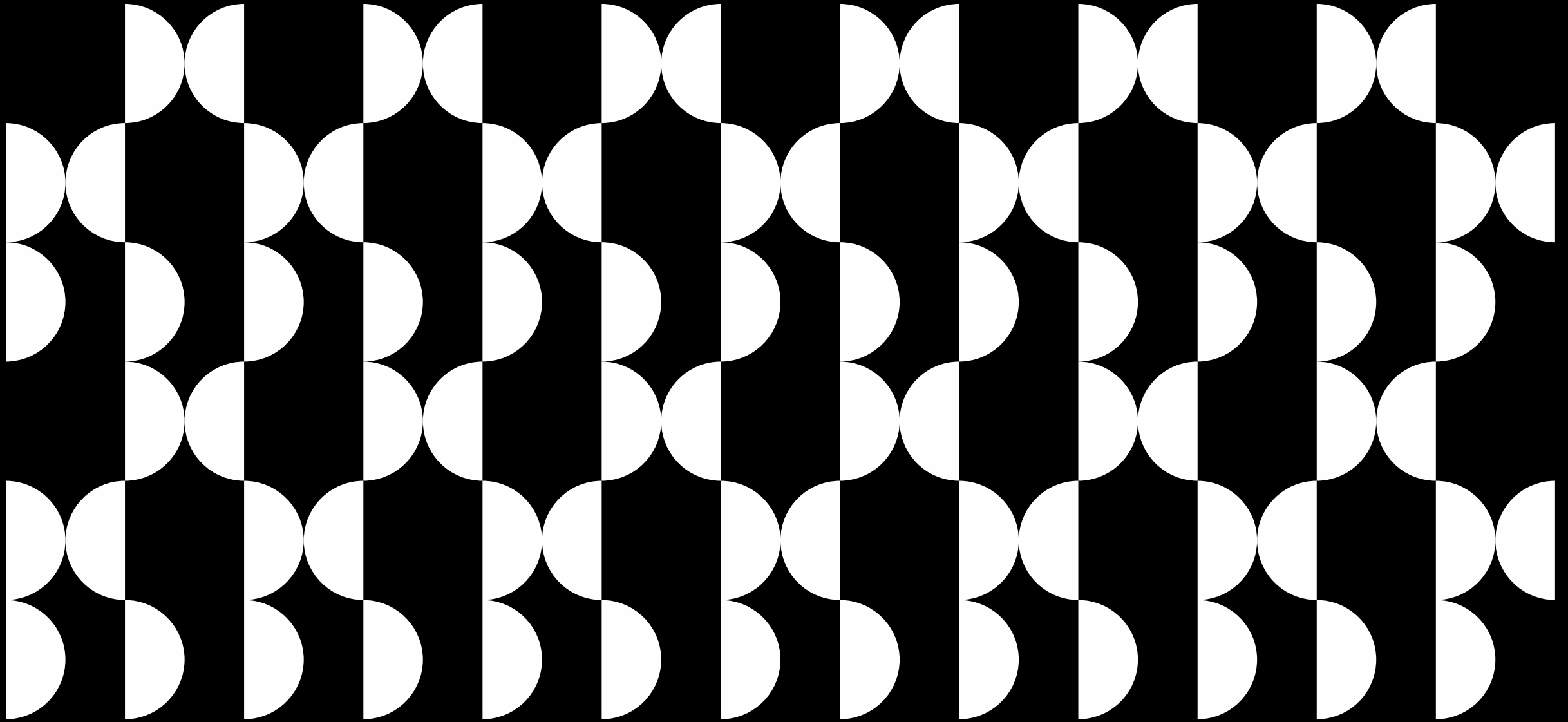


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