

## ATTACHMENT A

### METEOROLOGICAL SERVICE OF NEW ZEALAND LIMITED, TE RATONGA TIRORANGI

#### CONCESSION APPLICATION FOR 30 - 36 SALAMANCA ROAD, KELBURN

#### FURTHER DETAILS

27 September 2021

#### The Applicant: MetService<sup>1</sup>

1. The Meteorological Service of New Zealand Limited, Te Ratonga Tirorangi, (**MetService**) is a State Owned Enterprise and is New Zealand's national weather authority.
2. MetService provides comprehensive weather services, which help New Zealanders to stay safe and make informed decisions based on the weather. As the only authorised provider of 'severe weather warnings' in New Zealand, and the key provider of weather information to the aviation industry, MetService requires offices and facilities to ensure the provision of accurate and comprehensive weather forecasts.
3. The contact details for the applicant in relation to this application are:

C/- Paul Beverley

Buddle Findlay

[Paul.beverley@buddlefindlay.com](mailto:Paul.beverley@buddlefindlay.com)

(04) 462 0406

021 276 9322

#### The reserve<sup>2</sup>

4. The head office of MetService is located on a reserve at 30–36 Salamanca Road (**Kelburn Site**).
5. The Kelburn Site is a local purpose reserve administered by the Department of Conservation (**DOC**) (**reserve**).
6. The Kelburn Site is legally described as Section 1231, Town of Wellington and Section 1223, Town of Wellington and is further identified as being "Local Purpose Reserve – Community and Administrative Buildings".

---

<sup>1</sup> Section 17S(f) of the Conservation Act 1987.

<sup>2</sup> Section 17S(b) of the Conservation Act 1987.

**The proposed activity: lease for the building and ancillary structures and areas<sup>3</sup>**

7. MetService's head office building (**building**), and ancillary structures and areas are located on the Kelburn Site. MetService has occupied the Kelburn Site since 1 July 1992.
8. The current lease for the Kelburn Site was granted to MetService in 1992 pursuant to section 23(1)(c) of the State Owned-Enterprises Act 1986, and that lease expires on 29 June 2027. A peppercorn rental is payable under the current lease.
9. The building is 5 stories high and has a base floor area of approximately 911m<sup>2</sup>. The building is located near the north-eastern corner of the site on a narrow ridge rising from the top of Salamanca Road. In addition, the current lease covers car park areas, an instrument enclosure site and a mast site.
10. Following discussions with Treasury, the decision has been made that MetService must apply for a concession under the Reserves Act 1977 and Part 3B of the Conservation Act 1987 for ongoing occupation of the Kelburn Site following expiry of the current lease.
11. MetService is therefore applying for a concession from the Minister of Conservation under section 59A of the Reserves Act 1977 and section 17R of the Conservation Act 1987, for a new lease<sup>4</sup> of the Kelburn Site over the following areas marked on the plan attached as **Appendix One** (these are the existing areas that are leased under the current lease):

(a) **Lease Area 1:** building and car parks (~1675m<sup>2</sup>):

This area contains the building and a number of car parks

(b) **Lease Area 2A:** Car parks (~90m<sup>2</sup>):

This area includes a number of car parks

(c) **Lease Area 2B:** Car parks (~60m<sup>2</sup>):

This area includes a number of car parks

(d) **Lease Area 2C:** Car parks (~115m<sup>2</sup>):

This area includes a number of car parks

(e) **Lease Area 3:** Instrument enclosure site (~200m<sup>2</sup>):

This area is situated approximately 60 metres southwest of the building. This enclosure covers an area of approximately 200 m<sup>2</sup>, including electric power cables, and cables to remote instruments. The purpose of the instruments is to measure temperature, rainfall, sunshine duration and solar radiation for weather forecasting and climatological purposes.

---

<sup>3</sup> Section 17S(a) of the Conservation Act 1987.

<sup>4</sup> Section 17S(d) of the Conservation Act 1987.

(f) **Lease Area 4:** Mast Site (~1m<sup>2</sup>):

This area is situated approximately 40 metres south of the building. This site contains an anemometer and wind vane for remote measurement of wind speed and direction.

12. In addition to with the leased areas, MetService is seeking non-exclusive rights (e.g. together with public access) to use the 'common areas' being the formed and paved areas from Salamanca Road to the Kelburn site, together with reasonable foot access to the mast and instruments enclosure. MetService is required to, as part of its outgoing payments, contribute a proportionate share of repairs and maintenance of all driveway and other sealed and surfaced areas serving the Kelburn Site. MetService is not aware of underground services within the common areas.
13. MetService is also required to keep and maintain curtilage areas (being the land surrounding the building and instrument / mast enclosure areas, and including the retaining wall adjoining the carparks) in a clean and tidy condition. MetService contracts a lawn care company to maintain the grass within the instrument enclosure area, but this work is otherwise carried out by the Wellington City Council parks team (this is not a contractual arrangement).
14. While the current lease does not expire until 2027, MetService requires certainty in terms of its future tenure on the site. This is because MetService is required to invest significant capital, estimated currently at \$16.7 million, to carry out necessary seismic strengthening and other works to the building. The seismic rating of the building is currently 34% New Building Standard (NBS) Importance Level 2 (IL2), which elevates the urgency of the strengthening works.
15. MetService has a planned programme of upgrades to modernise and earthquake strengthen the building including:
  - (a) structurally strengthening the building to be 100% of the NBS for an Importance Level 3 (**IL3**) structure;
  - (b) significantly upgrading building services to achieve wellbeing, compliance and future proofing improvements; and
  - (c) fitting out of the interior of the building to create a contemporary work environment.
16. It is anticipated that this upgrade work will be undertaken over the next 2 year period and will be undertaken under the current lease (as opposed to under the new concession which is proposed to take effect in 2027).

**Need for a lease**

17. In terms of section 17S and 17U of the Conservation Act 1987, it is both necessary and appropriate for the concession in the form of a lease to be granted.
18. In terms of section 17U(5) and 17U(6) a lease is necessary because:
  - (a) the lease relates to an existing fixed structure which is the existing building and related facilities (section 17U(5)(a));

- (b) it is necessary for the purposes of safety or security of the building and facilities site, structure, or facility to include any area or areas (including any security fence) around the structure or facility (section 17U(5)(b)(i)(A));
- (c) to the extent there are car park and other areas included, these are necessary as they are an integral part of MetService's operations (section 17U(5)(b)(i)(B));
- (d) the grant of the lease is essential to enable MetService's operations (section 17U(5)(b)(ii)); and
- (e) exclusive possession is necessary for the physical security and competent operation of MetService's operations ((section 17U(6)(b) and (c)).

### **Iwi interests and views**

- 19. Recognising and respecting Māori interests and views has been an important principle for MetService throughout this process.
- 20. MetService have worked with Taranaki Whānui ki Te Upoko o Te Ika (**Taranaki Whānui**) regarding the future occupation of the Kelburn Site. MetService has met with Taranaki Whānui on numerous occasions, and the parties have formed a 'Mana Whenua Kaitiaki Advisory Forum' to support MetService's upgrade project at the Kelburn Site.
- 21. Relevant correspondence is attached as **Appendix Two**.

### **Assessment of effects<sup>5</sup>**

- 22. As the concession sought for the Kelburn Site relates to an existing building, the effects of granting the concession are considered to be minimal as it is continuing an existing activity. The effects of the building and other activities on the reserve are existing.
- 23. The reserve is a local purpose reserve for the purpose of 'community and administrative buildings', and therefore the proposed concession aligns with that purpose, and the effects of the ongoing presence of the building on the reserve are anticipated in the reserve purpose.
- 24. A decision not to grant this concession for a 60 year term would result in MetService having to vacate the building (which would revert to the Crown), the building not being upgraded and potentially having to be demolished. This would result in far greater effects on the reserve as opposed to granting the concession and providing for MetService's ongoing occupation.

### **Concession term**

- 25. MetService is seeking a 60 year term for the concession, from 2027, on the basis that exceptional circumstances exist under section 17Z(1) of the Conservation Act 1987.
- 26. Those exceptional circumstances exist due to:

---

5

- (a) the significance of MetService's operations as New Zealand's national weather authority;
- (b) the significant investment required from Met Service to upgrade the building and the need for a 60 year term on the Kelburn Site to reflect and justify that level of investment (currently estimated to be \$16.7 million);
- (c) in the form of lease that was agreed with DOC during the recent negotiations in relation to a proposed lease under the State Owned Enterprises Act 1986, a 99 year lease term was agreed; and
- (d) if a 60 year term is not granted, that would result in MetService having to vacate the building (which would revert to the Crown), the building not being upgraded and potentially having to be demolished. This would result in far greater effects on the reserve as opposed to granting the 60 year concession and providing for MetService's ongoing occupation.

### **Rental**

- 27. MetService is only required to pay a peppercorn rental under both the current lease and under the form of lease agreed with DOC during the recent negotiations in relation to a proposed lease under the State Owned Enterprises Act 1986. That reflects the critical public service provided by MetService and MetService's ownership of the building (the lease being a ground lease).
- 28. Consequently, MetService requests that under section 17Y(2)(a), the concession rent continue at a peppercorn level.

### **Subleasing and other dispositions of interest**

- 29. MetService requests that, in terms of section 17ZE(1) of the Conservation Act 1987, the concession document provides for MetService to be able to transfer, sublease, assign, mortgage, or otherwise dispose of the concessionaire's interest in the concession, subject to the consent of the Minister of Conservation.
- 30. MetService also requests that the provisions identified in section 17ZE(3) of the Conservation Act 1987 do not apply to a decision by MetService to transfer, sublease, assign, mortgage, or otherwise dispose of its interest under the concession.