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HUNDERTWASSER
WAIRAUMAOORI
● ART CENTRE
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An Exciting NEW Proposal:



HUNDERTWASSER WAIRAUMĀORI ART CENTRE (HWMAC)

Community driven

Iconic structure

Catalyst for jobs and growth

Fits 20/20 Vision

No Ratepayers money

Gift of \$10 million to our community

Sustainable

EXECUTIVE SUMMARY

Challenges, opportunities and crossroads.

The Whangarei District Council asked their community to come up with an iconic proposal for the old Harbour Board building in the Town Basin.

You set a high bar, we responded.

This proposal presents an entirely new project to build a Hundertwasser & Wairau Maori Art Centre in the existing Northland Harbour Board Building in the Town Basin, Whangarei.

These are the key points:

- a community-based organisation, the Prosper Northland Trust, has been formed to steer the project
- the building refurbishment is substantially the same as the existing consented plans
- there is a significantly smaller amount of ratepayer funding required
- the existing funding pledged to the former project has been retained
- a model for fundraising the remaining amount has been developed
- a new agreement has been forged with the Hundertwasser Non Profit Foundation in Vienna
- the existing Maori Advisory Panel endorse the new project fully
- the project is substantially supported by community groups and leaders in Whangarei, Northland and beyond

This is a game changer a “once in a lifetime” opportunity, we cannot afford to lose for current and future generations.

This is the biggest positive decision you can make for our community!

Some of our key supporters:

Hamish Keith OBE CNZM

Sir Bob Harvey KNZM - QSO

Sir Michael Hill

Elizabeth Ellis CNZM

- Chair of Maori Advisory Panel

Pita Tipene - Chair of Te Huinga

Kevin Bowler - Tourism NZ

Te Taitokerau Principals Association

Barnaby Bennett - Architect

(worked on Sagrada Familia Barcelona)

Deborah Geels – NZ Ambassador Vienna

and over 40 more community sector leaders and committed citizens

IN THIS SUBMISSION

Document 1:

The Hundertwasser & Wairau Maori Art Centre Proposal

Document 2:

Submissions of Support

Document 3:

Supporting Documentation



WHANGAREI'S GAME-CHANGER

This new proposal to create a Hundertwasser & Wairau Maori Art Centre in the former Northland Harbour Board building is the economic game-changer Whangarei needs and a concept all councillors will be able to support.

It is the one project which precisely matches WDC's criteria for the site. Each of the headings in your Assessment Matrix is addressed in the body of the submission.

Councillors should bear in mind that this is a new proposal.

The HWMAC is a community-driven initiative investing \$10 million of private funding in a Council-owned community asset. for an iconic attraction to make Whangarei a destination and to act as a catalyst for significant and identifiable growth in employment and a variety of new business opportunities.

It is not the previous Hundertwasser Art Centre proposal rejected by WDC in June this year. We ask that WDC consider it as a new proposal – a community-driven initiative investing \$10 million of private funding in a Council-owned community asset.

This project will establish a significant museum of Maori art – the sole, curated gallery in New Zealand dedicated to Maori fine art – and Hundertwasser art.

It has come from the community in response to Whangarei's desperate need for a project to kick start a brighter and healthier future for Whangarei economically and socially.

Whangarei is struggling. Our unemployment rate is 50 percent greater than the national average. Efforts by your Council and others to attract new businesses are struggling against competing areas.

Our community and our ratepayers also struggle, and constantly call upon you to tighten your belts, while also seeking that you provide an increased level of service. Without economic growth, however, the rating base cannot increase and you and the community are equally frustrated that not all needs can be met.

Whangarei needs a unique attraction to bring spending into the District, increase its profile nationally and internationally and act as a catalyst for its economic and social development.

You have referred to the Whangarei 20/20 Plus Living the Vision, and asked the community for development proposals for the former Northland Harbour Board building to meet that vision and be a catalyst for growth.





Prosper Northland Trust, formed through community interest to specifically address these challenges, submits that the Hundertwasser & Wairau Maori Art will be the project that will satisfy all your criteria for development, particularly meeting the 20/20 Vision.

Councillors can be assured that the Hundertwasser Non Profit Foundation in Vienna (HNPF), which maintains control over many Hundertwasser artworks and all intellectual property, will again commit to a licence agreement to exhibit Hundertwasser original works without fee or royalty in the facility.

The building itself will be remodelled to a design by Hundertwasser, whose architecture is world renowned and a magnet for tourists, as the toilets he designed in Kawakawa attest.

A key part of the HWMAC will be a fully accredited education centre which will become a recognised learning centre for the study of Maori fine art and designated international art, together with Hundertwassers environmental legacies and philosophy. This will establish Whangarei as an acknowledged study centre and generate educational links with leading institutions both in New Zealand and internationally.

The Kawakawa trust which maintains the toilets and other Hundertwasser memorabilia at Kaurinui in Kawakawa enthusiastically supports the establishment of a major Hundertwasser-inspired building in Whangarei as a boost to the economy of Kawakawa, by enhancing the Hundertwasser experience in Northland.

HNPF has acknowledged that Hundertwasser, who maintained a home in Northland for most of the last 30 years of his life and who was a New Zealand citizen, left behind no other building designs, so an iconic Hundertwasser building at the Town Basin will be internationally and historically significant as the very last of its kind.





The inclusion of the Wairau Maori Art Centre adds even greater status to this proposal. An advisory panel of nationally and internationally recognised Maori artists and art historians has been working since November 2012 on establishing an exhibition of traditional and modern Maori fine art unrivalled even by Te Papa.

This group has gained the unconditional support of Maoridom within Whangarei District, and in particular the support of the Hihiaua Cultural Centre Trust, whose members recognise that their own development's success is greatly improved by HWMAC and indeed complement each other.

HWMAC has unqualified support from Maoridom, while the HAC proposal rejected by WDC in June did not. This is one of the major differences between the two projects.

The other is that ratepayers are no longer asked to make a large contribution to the proposal. PNT's proposal lays out that WDC contributes only the cost of seismic strengthening necessary for the development of the building, and meets some of the fees and ancillary items associated with it.

In addition to the \$4.5 million raised already from outside sources, PNT undertakes to raise a further \$5.5 million to construct HWMAC. This submission asks that WDC grant PNT up to 12 months to arrange this extra funding, although it is expected it can be achieved in a shorter time frame.

PNT submits this contribution of \$10 million from outside sources negates the public opposition on which the rejection of the earlier proposal was based. Our submission contains the Funding Model to complete the development and many letters from the community and business sectors in support.

PNT believes it would be remiss not to address briefly the opposition which influenced WDC to reject the previous proposal for this building.

That proposal came forward, like Whangarei 20/20 Plus, at the height of the economic cycle when all things seemed possible – in this case, that a central government with available surpluses would fund it completely.

Along with that belief came the ultimately destructive decision not to enter into a transparent Council process and allow the community to have its say; no ratepayer funding meant no community involvement. WDC set itself as leader on the project but made no effort to gain support for the direction chosen.

As the Global Financial Crisis took effect, WDC's overtures to Wellington were ignored. These approaches were also begun before there were any costings, plans or feasibility studies completed, and central government's reluctance to commit is therefore understandable. By the time this preliminary work was finally completed by the 2010 – 2013 Council, there were indications that the proposal was not a priority with central government. Worse, the Whangarei community had become alienated. The proposal was much too late in being discussed openly at Council meetings, which engendered the 'they think they know best' feeling which rankles so deeply with the community, and then the 'no ratepayer funding' promise became an \$8 million pricetag.

It is no wonder that the vocal critics – who angrily opposed the new library, the upgraded aquatic centre, the Northland Events Centre and even your award-winning new bridge – hit full stride in their opposition.





Had there been a survey on each of those projects, for how many would WDC have earned a mandate to build for the benefit of the District?

The major concern of those opposed was the ratepayer contribution – not only was it considerable, it also represented a broken promise.

The actions of previous Councils were to blame for community suspicion and ultimate opposition by failing to include the community and for a failure to educate the community about the project. The feasibility report was widely misquoted or ignored. There was scaremongering over the cost and parking concerns.

There was even a claim that Hundertwasser’s daughter was going to cause financial strain to HNPf – another claim made without proper investigation and which is totally incorrect.

All this resulted in widespread ignorance and mistrust about the project. This showed up in your survey, where people admitting no knowledge of it were also pressed for an opinion.

We do not think that any community, even in the best of economic times, would turn its back on \$10 million of private funding in a Council-owned asset in its town centre – especially as an underwriter for any unlikely operating losses has been secured.

We submit sincerely that the removal of the major burden on ratepayers will satisfy the majority of the community concern and leave only the objections of those who oppose all development, including libraries and bridges, and those whose artistic judgment deem the building ‘ugly’.

The latter group were preceded in Paris by those who called the Eiffel Tower a ‘blot’ and those in Sydney who violently rejected the Sydney Opera House’s startling architecture. Today almost 250 million people have visited the Eiffel Tower, and 7 million annually visit the Opera House, and both structures identify not only their host cities, but even their countries. Those structures are truly iconic – just as HWMAC will be truly iconic to Whangarei and Northland.

“WHANGAREI DOESN'T LACK POTENTIAL”

But while WDC made some mistakes, in other areas of the project it did extremely well.

WDC signed a licence agreement with HNPf, consulted the community and included the project in its LTP, established the Maori Advisory Panel, set Whangarei Art Museum Trust a target of \$5 million to raise, prepared costings and car parking reports, commissioned engineering studies and architectural drawings and obtained a Resource Consent for the project.

Approving the new Hundertwasser & Wairau Maori Art Centre will both build on the positive work by WDC and rectify mistakes made by previous Councils.

PNT’s proposal particularly addresses community concern by reducing WDC’s contribution to only that which would be expected of any property owner – the seismic strengthening and a contribution toward refurbishment and other ancillary items.

And, as you will see from our submission, the economic growth it will catalyse cannot be matched by any other development. Its effect on the tourism industry, the industry with the most potential for growth in Northland, will be dramatic.

Whangarei does not lack potential; it brims with it. It needs to be unlocked, and only the Hundertwasser & Wairau Maori Art Centre has the impact to do this.

We are certain that as you go through our submission and the detail with which it addresses each of the criteria in your Assessment Matrix, you will agree with us that Hundertwasser & Wairau Maori Art Centre represents the most exciting and feasible development proposal for the site, one poised to make an extraordinary, wide-reaching and long-term contribution to the economic, social and cultural health of our community.





MEETS 20-20 VISION

Prosper Northland Trust submits that the proposed Hundertwasser & Wairau Maori Art Centre (HWMAC) not only meets but exceeds 20/20 Vision.

From its outset, 20/20 Vision intended to include championing the arts and creating a globally outstanding city (Introduction 01). Among its Development Devices under destinations/ iconic facilities are 'museums such as the Bilbao Guggenheim Museum' (Analysis 02) and consistent in the options considered for the Town Basin is an 'iconic museum' (Development Proposal 04).

The projects in 20/20 include private development, joint ventures and Council projects (Development Programme 05).

Prosper Northland Trust submits that the HWMAC proposal which will be a game-changer for Whangarei, kick starts the realisation of the wider 20/20 Vision for the precincts adjacent to the Town Basin and which will satisfy all your criteria for development.

HWMAC is a community-driven initiative offering majority private funding to establish an internationally-significant museum of Maori art – the sole, curated gallery in New Zealand dedicated to Maori fine art – and Hundertwasser art. It will be owned by WDC and managed by WDC CCO Whangarei Art Museum Trust.

The history of this project will be well known by Councillors, as WDC has itself produced considerable information establishing its provenance and authenticity. In short, the internationally-acclaimed Northland and Austrian artist Frederick Hundertwasser in 1993 nominated the former Northland Harbour Board building as ideal for his famous 'architectural doctoring' and designed a brilliantly unique transformation of the building to house galleries of fine Maori art as well as his own.

Hundertwasser's architecture in Europe and Japan is world renowned and a magnet for tourists, as the toilets he designed in Kawakawa attest.

The Hundertwasser Non Profit Foundation in Vienna (HNPF) has acknowledged that Hundertwasser, who maintained a home in Northland for most of the last 30 years of his life and who was a New Zealand citizen, left behind no

other building designs, so an iconic Hundertwasser building at the Town Basin would be internationally and historically significant as the very last of its kind. HNPF has committed to a licence agreement to exhibit Hundertwasser original works without fee or royalty in the facility.

These works, together with the Wairau Maori Art Centre, create a dual attraction which is exactly the iconic development envisaged in 20/20 – indeed, NPT believes that such is the significance of HWMAC to Whangarei that had the authors of 20/20 been made aware of its potential, they would have constructed 20/20 around it. Its potential is colossal. Significantly, in terms of current community desires, Whangarei 20/20 Plus has little focus on economic development. WDC is currently operating under a Long Term Plan which specifically sought, and obtained, approval from the community to attach great importance to promoting economic growth within the District. This direction from the community was not prevailing during consideration of Whangarei 20/20 Plus.

The 'Seven Cs' of Whangarei 20/20 Plus would certainly rank below an additional requirement of 'employment opportunities' were the community to revisit a vision for central Whangarei city, particularly in light of the alarm now being shown at the proliferation of empty shops in the heart of our CBD.

Prosper Northland Trust submits that there is no other potential development of this site which can meet and exceed not only the aims of 20/20, but also current community concerns.

We ask that Councillors look upon this proposal as a revised development option for the site. It is not the proposal rejected by you in June as too expensive for the ratepayers. We ask that WDC consider it as a new proposal.

It is a development bringing \$10 million of private funding to the city, a joint venture with WDC and a Council-owned asset hugely enhancing Whangarei and its CBD – the very focus of Whangarei 20/20 Plus Living the Vision.





COMPLIES WITH PRESENT ZONING

HWMAC has already obtained Resource Consent (attached). The Resource Consent, granted by an Independent Commissioner states that pursuant to Section 104D (1) (b): 'It is considered that the proposal will not be contrary to the relevant objectives and policies of the operative District Plan because a new arts centre in the Town Centre Basin will assist with providing a diverse range of land use activities in this area which will assist with creating additional vibrancy and will provide a community based facility that will attract visitors to this part of Whangarei.

Furthermore the overall design will create a unique building which at the same time is of a scale, intensity and character that is compatible with surrounding activities and the maritime setting of the Town Basin Environment.

'The proposed building will not adversely affect the open space character of the Town Basin Environment . . . it is considered the site will retain an overall sense of spaciousness, and provide appropriate areas for future landscaping.

'It is considered that the overall scale and bulk of the building will be compatible with other existing buildings and future buildings on adjacent sites and the proposal will provide visual interest to the site in a manner that is consistent with the Town Basin Environment.'

ICONIC STATUS

A building designed by Hundertwasser containing many millions of dollars of his original artworks and also containing New Zealand's only curated gallery dedicated to priceless Maori fine art will be truly iconic.

It represents the coming together of European and Maori cultures in New Zealand, and the influences each had on the other.

The building will be one of the three most easily recognised buildings in New Zealand, along with the Beehive and the Sky Tower. It will put Whangarei on the map as a destination, not merely a city to be by-passed.

It champions the arts as demanded by 20/20. It will change the perception of Whangarei and will become Whangarei's icon as a centre of creativity and multi-culturalism.

Its education centre will draw students from locally and elsewhere to study art and sustainability and establish a profile for Whangarei as a centre of learning and inspiration in the art world.

Like the Guggenheim Museum in Bilbao, the Eiffel Tower in Paris and the Sydney Opera House, it will be a unique attraction, a must-see for visitors as an unforgettable experience.





SUITABILITY OF SITE

We quote again from the Resource Consent already granted for the proposed HWMAC development: Under Section 104 (1) (c), the following matters were considered relevant: 'Council endorses the precinct concept outlined in Tapapa Toi and supports the Town Basin as a heritage and culture experience precinct. Council fully supports development of the Town Basin as an experience precinct.

'The Town Basin should become a "must see" component of the City, creating a big draw card both for the community and visitors. A significant building such as the proposed Hundertwasser Museum could be a compelling experiential building, supported by other Town Basin attractions. Tangata Whenua also plan a presence in this area.

'It is considered that the proposed arts centre within a building designed by Hundertwasser will be entirely consistent with the goals of the Whangarei District Council's Arts, Culture and Heritage Policy April 2009 as this will provide a community arts centre/facility in the Town Basin Environment and will assist with the Town Basin becoming an important attraction for the community and visitors.'

Elsewhere in this submission are addressed Tangata Whenua's desires for this site.





CATALYST FOR GROWTH

Hundertwasser & Wairau Maori Art Centre is an unprecedented catalyst for growth in Whangarei District.

The Deloitte Feasibility Study and Economic Impact Assessment have been reviewed and updated by leading Wellington-based consultants Crowe Horwarth, engaged by Prosper Northland Trust and this work is attached. This review confirms the Deloitte report as being conservative.

Remember that the Deloitte work, which has sadly been misquoted and even misunderstood, was completed in 2011 during depressed economic activity and during a slump in tourism numbers. It was consequently a very conservative look at the projects effects. Deloitte's representatives stood in WDC's Council Chamber in 2011 and expressed the utmost confidence that their findings would be vindicated.

They found that even in the prevailing circumstances some 150,000 people would visit the art centre annually and there was a \$3.5 million a year net benefit to the Northland economy (chiefly in Whangarei). Some 32 jobs would be created in the art centre, and it is estimated the visitors would spend an additional \$10 million per annum in our CBD.

Hotel operators, who depend on visitor numbers, became interested in Whangarei. Two potential operators have stated their intention to investigate the establishment of an 80-room+ 4-star hotel in Whangarei should HWMAC proceed. Such a hotel would provide 64 fulltime, permanent jobs or more.

Construction of the two projects would create more than 150 jobs for two years, contributing several million dollars to local spending. But that is only the start of the growth.

The cruise ship industry eyes new and point-of-difference attractions to draw additional clients. The industry, in letters attached, estimates some 80 ships a year could drop anchor at Marsden Point and, if the result mirrors Tauranga's experience, this would inject \$38 million more into the local economy.

Businesses surrounding HWMAC will gain tremendous benefit. WDC has acknowledged that the Town Basin is dying and it is now trying to rejuvenate the CBD. Whangarei should have been the hub of the North, where visitors stopped and stayed before exploring the rest of the region. It has failed in this and offers only a stopping place for some and not a destination for many.

HWMAC will make Whangarei a destination, bring the tourist visits and stays we need, and reward WDC for its investment in the Town Basin and its CBD rejuvenation programme.

Other tourism operators will significantly benefit from HWMAC. It is situated next to WDC's Tourist Information Centre, and there the visitors will learn about our other attractions.

Tourism is the industry with the most growth potential within Whangarei and Northland. No other proposal for the Town Basin will match its pulling power for tourists.

But it is not just economic growth that will be enhanced by HWMAC. WDC's excellent Sustainable Futures 30/50 growth study recognises that Whangarei competes with the rest of the world for the graduates and their families that we must attract to provide the level of service our community wants in health services, education and infrastructure management. These graduates want to live and work in environments which are stimulating for them and for their children. Cultural attractions are fundamental in their decisions on where to locate. HWMAC's role in promoting Whangarei District as a centre of creativity, multi-culturalism and art education – and one with a growing economy – is signalled in Sustainable Futures 30/50.





SUPPORTS MAORI ASPIRATIONS

It is a weakness that 20/20 states 'little material is readily available about current tangata whenua associations and aspirations' without making effort to discover what the associations and aspirations might be.

PNT has consulted local Maori about their associations and aspirations for the Town Basin area, and a letter setting out iwi endorsement of HWMAC is attached.

The project is both aspirational and inspirational to Maori in its promotion of Maori culture and creativity.

The only curated gallery dedicated to Maori fine art will be a source of pride to local Maori and to the entire community.

HWMAC will be one of the two legs, the other being the Hihiaua Cultural Centre, on which Maori art will stand proudly in the Town Basin precinct. The drivers of the Hihiaua development recognise that HWMAC will hugely benefit their cultural centre by bringing visitors to the city and introducing them to the finest examples of traditional and modern Maori art.

Hihiaua will emphasise the traditional, from which all Maori art springs, and offer visitors an experiential attraction unique to Northland.

Maoridom sees HWMAC as inspiring its young people to emulate the creativity on display in the Maori gallery and is greatly excited that the HWMAC learning centre will enable the study of Maori art by primary, secondary and tertiary students.

HWMAC has been acknowledged as being of great significance and importance to Maori aspirations in broadening the visibility and understanding of Maori art and cultural values.

PNT is undertaking to swing its resources and energies behind the Hihiaua Cultural Centre development once the HWMAC development

is under way, and will similarly support other community-based projects. Statements with a Maori focus, by representatives of the Wairau Maori Art Gallery Board, in support of the HWMAC Trust.

12 September 2014.

PNT asked Elizabeth Ellis and Patu Hohepa of the Maori Advisory Panel to speak to the new HWMAC project from the perspective of iwi engagement and involvement, and the significance to Maoridom generally.

Patu Hohepa:

"Hundertwasser is buried in my Taumōrere tribal territory of my maternal grandfather Te Taurangatira Werekake of Te Kapotai, Ngati Wai, Ngati Hine linkages. His art in Kawakawa was supported by my relatives when he was living with them, and also to this day. Dotty Hohepa, my grandniece of Moerewa, now living in my father's home in Waima would love to help. She designed and built the tourist chair in the Hundertwasser style in Kawakawa. Her brother is a well known artist (his daughter is Willow Jean Prime) - they will all help also because they are Te Kapotai / Ngati Wai / Ngapuhi. So has Te Warihi Hetaraka, master carver of Hihiaua and Ngati Wai, who has always expressed his support for both the Hihiaua and Hundertwasser projects. He is also Ngati Wai. And you also Lizaroha because of that ancestral linkages.

Hundertwasser designs mark the artistic nature of Kawakawa which all Whangarei District and Northland Regional Council members should view and understand its link to the Maori hapu groupings there. The prize winning underground building for their children is a prototype that could be replicated in Whangarei, Ngati Hine should be consulted and I am pretty sure they will assist. Of course Ngati Hine would prefer it in Kawakawa given the inexplicably strange antihundertwasser attitude of the majority of Whangarei District Councillors. Ngati Hine does have traditional territorial connections with Whangarei, the father of their founding ancestor Hineamaru is in the burial caves adjacent to the quarries south of Whangarei - Te Poukō o Torongare."





Elizabeth Ellis:

“The Hundertwasser and Wairau Maori Arts Centre will provide Maori throughout Aotearoa, with a permanent place to view and experience the best of Maori art. This will be a unique Arts Centre with two galleries, one permanently displaying the vibrant work of Hundertwasser and the other exhibiting contemporary and traditional arts of Maori.

Maori artists of the highest standing, recognized by their peers in national and international forums, will exhibit their work. Imagine how exciting it will be to know that there is one place in Aotearoa New Zealand where Maori artwork will always, permanently, be able to be seen by the people of Te Taitokerau, of Aotearoa and the world beyond.

The HWMAC Maori artists will be registered to use the trademark, Toi Iho, denoting high quality and authentic Maori art.



It is envisaged that art students and developing artists will benefit from exhibitions by exemplary the Maori role models who are experienced art practitioners in HWMAC.

Indigenous communities from other countries will be able to engage with the indigenous artists of this country through the HWMAC. From time to time it is hoped that the best artists belonging to those indigenous communities will have work on exhibition in the Wairau Maori Art Gallery alongside Maori.”

REQUIRES

**RATEPAYER
FINANCIAL
SUPPORT**

FROM COUNCIL

PNT proposes a Funding Model in which more than 75 percent of the capital cost of HWMAC is raised privately, with its WDC partner owner of the asset and junior funding partner.

PNT has rigorously reviewed the centre’s costings. WDC’s new capital contribution of \$2.8 million is for earthquake strengthening, new foundations, refurbishment and the access road to the commercial fishing wharf, which are all reasonable costs to expect of the owners of the property.

PNT has moved to ensure the \$4.5 million already promised to the project by Lotteries, charitable trusts and other pledges is secure if WDC gives the timely go ahead to HWMAC.

PNT undertakes to raise an additional \$5.5 million, and has already had discussions with both government and private sources which indicate it can be confident it will reach its target.





CLEARLY INDICATES

MANAGEMENT AND GOVERNANCE STRUCTURE AND VIABILITY

The management and governance structure is attached. It shows WDC as the owner of the building, leasing it to WDC's CCO, Whangarei Art Museum Trust, which manages the facility. WDC is firmly in control.

Similarly, the project organisation chart indicates that WDC controls the construction of HWMAC.

The updating of the Deloitte Feasibility Study by Crowe Horwath (attached) shows HWMAC is on an exceptionally sound financial footing. Admission prices remain extremely affordable, the tourism industry is on an upswing so the Deloitte visitor numbers are rendered even more conservative than when estimated in 2011, and WAMT management have stated that there is ample scope to reduce Deloitte's projected operating costs.

The Deloitte report (P29) sets out that the centre more than pays its way, including maintenance costs and the costs of insurance and transportation of artworks internationally – in fact, Deloitte calculated that surpluses in excess of \$500,000 annually would be generated before depreciation.

PNT is confident that operating losses are extremely unlikely – but in order to allay the negativity of those who distrust the viability of the centre, no matter how high-powered the consultants, PNT has successfully negotiated with a very significant organisation to cover any and all operating losses for the first four years.

This period gives Whangarei Art Museum Trust time to optimise the operation and returns from HWMAC and to give time for the full effects of marketing to take effect. All risks to the ratepayer have been removed for this period, by which time HWMAC will have proved itself not only a viable attraction, but also the catalyst for growth which WDC and this community so desperately need.

PNT has had the entire building project professional scoped and re-costed, based on the existing plans and current building costs. The final budget has come in at \$13,500,000, with a further \$500,000 added to ensure effective pre-opening and start-up activities are properly budgeted for. Total HWMAC budget is therefore \$14,000,000.

PNT underlines that the asset and benefits go to the community, with WDC in hands-on control of the operation of HWMAC.

FUNDING MODEL OUTLINE

\$5 million has already been secured and pledged from various sources, as called for in the current Long Term Plan. PNT has secured this promised funding in the interim until WDC makes its decision on HWMAC in late October.

Some of the Lotteries funding is dependent on the project timeline and may have to be re-applied for, but PNT is confident that should re-application be necessary, the funds will continue to be available. PNT acknowledges that some of the Lotteries funding will be at risk if WDC does not enable the HWMAC proposal to progress as outlined by WDC.

To raise the additional \$5.5 million called for in the Funding Model, PNT has already had extensive discussions with philanthropic organisations and with central government, finding each to be fully supportive of the proposal now that significant due diligence has been completed.

The costings of the project have been fully reviewed and the latest costings can be accommodated within the current project budget.

PNT believes WDC will not want to turn its back on outside investment of \$10 million in an asset it will own and control.





REQUIRES GIFTING OF BUILDING

No, this proposal doesn't. All that is sought is that WDC lease its building to its own CCO, Whangarei Art Museum Trust, at a peppercorn rental for a period to be negotiated with Council.

The remodelled building will be a gift to the District as a result of the funding and management structure.

It is a gift of \$10 million in investment in a public building; it is a gift of an iconic, significant cultural and architectural attraction; HNPF's contribution of priceless Hundertwasser originals for exhibition is a gift of economic assets; the Maori fine art is a cultural gift of immense value and of great pride to the District, and HWMAC is a gift to all those seeking a catalyst for further investment in Whangarei.

It is a gift WDC cannot turn down.

CLEARLY SHOWS OPERATION AND MAINTENANCE COSTS

Operation and maintenance costs are attached. The basis for these is the reviewed Deloitte report, which concisely identifies all costs and the rationale for their establishment.

WDC should remain mindful that the initial Deloitte report was prepared at a time of economic downturn and low tourism activity. The Deloitte predictions are confirmed by the Crowe Horwath review.

Tourism is now predicted to rise dramatically, with outbound tourism from China, for one, to increase four-fold from 100 million people annually to 400 million. Prime Minister John Key signalled that the tourism industry needed to gear up significantly and quickly to meet the anticipated demand from that quarter.

In the unlikely event of operating deficits in the first four years while operator Whangarei Art Museum Trust fine tunes its operation and marketing of the centre, PNT has successfully arranged for an underwrite to cover any deficits for this period.

(Note final discussions of the underwrite terms can be only be concluded through negotiation with WAMT as operators)

Ratepayers can have confidence that it will not have any ongoing contribution to make to the operation of HWMAC.





PARKING

A parking report has been prepared by NCC Consulting Engineers Ltd and is attached. HWMAC will have limited effect on parking to begin with as there is an identified over-supply of parking in the environs of the CBD and Town Basin, as the report confirms.

Visitors to tourist attractions are not like provincial shoppers, who demand a park right outside their destination. The Eiffel Tower, for example, has only a handful of parks, and the seven million who visit the Sydney Opera House annually certainly don't park at the door.

Tourists do not have an expectation of adjacent parking, and WDC's Parking Management Strategy 2011 signals that the establishment of parking beyond the fringes of the CBD and instituting park-and-ride are future considerations.

WDC prepared its own report on parking demand for the previous Hundertwasser proposal for this site, and this concluded that parking was not going to form any stumbling block to the successful operation of the centre, or to the availability of parking to central city commuters based on existing parking over-supply.

INDICATIVE TIMELINE

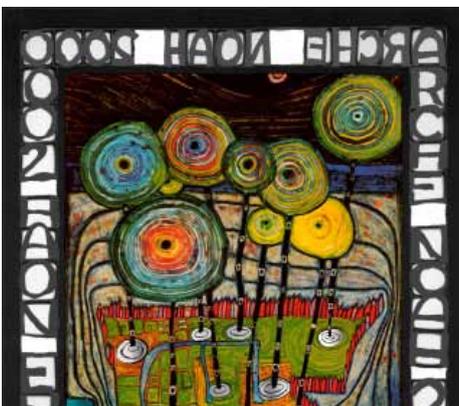
PNT seeks a maximum 12-month period in which to raise the additional \$5.5 million to construct HWMAC, but expects it to be a shorter period.

The project already has Resource Consent, the design work has been completed, its engineering work has been done and it has reached the stage where a Building Consent application can be lodged. It is already in the LTP.

The first spade will be in the ground no later than November 2015.

The project has a two-year build and would open in November 2017.

That two years will also likely feature the building of a 4-star hotel consequent on WDC's decision to allow PNT to proceed with the Hundertwasser & Wairau Maori Art Centre project.





PROSPER NORTHLAND TRUST

The proposal to construct the Hundertwasser & Wairau Maori Art Centre (HWMAC) at the former Northland Harbour Board building has been prepared by Prosper Northland Trust (PNT).

PNT is a registered charitable trust formed by members of the Whangarei community determined to assist Whangarei District Council to create an international cultural attraction for the District which will catalyse economic growth and build opportunities for our young people. PNT's Trust Deed and certificate of registration are attached.

PNT was formed as a reaction from many concerned community and business leaders to WDC's June decision to abandon the previous Hundertwasser Art Centre proposal, even though it was included in WDC's Long Term Plan after community consultation.

Those who recognised the importance to Whangarei of the project also recognise that a new proposal, one driven by the community with \$10 million of outside funding, will be required. As a consequence, NPT has been formed to marshal the community's support and resources to gain this extra funding.

As noted in our submission, PNT believes the reduction of the WDC contribution to a modest level only, to be reasonably expected of the property owner. The community will own this extraordinary asset debt-free. This clears the main hurdle WDC had to this project.

The Trustees of PNT have already made use of relationships with central government to confirm that there is strong support for the project in Wellington once the WDC uncertainty has been resolved.

“...OWN THIS EXTRAORDINARY ASSET DEBT-FREE”

That previous proposal, while the process may be criticised, was recognised by many as the single most significant opportunity Whangarei had to attract increased visitor spending and provide spin-off economic growth. Tourism is the industry with the most growth potential in Northland, and the Hundertwasser proposal had enormous power to release that potential.

Whangarei Art Museum Trust, as instructed by WDC, found \$4.5 million from outside sources.

PNT has also used its many commercial contacts to arrange for an underwrite for any unlikely operating losses in HWMAC's first four years. This is a period long enough for Whangarei Art Museum Trust, the WDC Council Controlled Organisation which will manage the centre, to refine its operation and also realise the full impact of its national and international marketing.

PNT trustees have travelled to Vienna to rebuild the relationship with the Hundertwasser Non Profit Foundation. The Foundation has expressed its full support for PNT's endeavours. HNPT Chair Mr Harel's letter of support is attached to our proposal. The New Zealand Embassy in Vienna, on behalf of the New Zealand Government, arranged an official





engagement with the Foundation's representatives and the PNT members at the embassy.

The ambassador expressed the desire of the New Zealand Government to encourage a beneficial relationship between Austria and New Zealand.

The cruise ship and hotel industries have also been approached. Attached letters show that Whangarei stands to benefit from their investment when HWMAC is given the go ahead.

WDC has long recognised and sought to satisfy Whangarei's need for a medium-sized (80 to 100-room) 4-star hotel to attract small conferences and build on the wonderful facilities already established at the Northland Events Centre.

We are within driving distance of New Zealand's largest population centre, which reduces the travel costs for conferences. A hotel catering for business visitors not only enhances conference growth but also contributes significantly to WDC's own Events Strategy.

PNT notes HWMAC fits perfectly into many WDC strategies and desires for the District, with the former Hundertwasser project strongly mentioned in your efforts to boost the night-time economy, for example.

Your Sustainable Futures 30/50 Growth Strategy identified the importance of the previous project's contribution to a stimulating cultural environment in Whangarei to attract the young graduates and their families which the community needs to drive high-performing health, education and infrastructure sectors.

HWMAC, then, addresses the needs of our community and has the strong backing of those who want to see community investment in the economic and cultural health of Whangarei.

WDC commits 80 percent of its spending to hard infrastructure, and great gains have been made in this area in the past five years. The remaining 20 percent goes mainly to parks, sportsfields and recreation. PNT submits that the modest WDC contribution to HWMAC will help balance the community's spending.

Submitters to your current LTP gave you a mandate to stress economic growth in your activities, so clearly HWMAC sits firmly at the centre of your efforts, and the community's wish, for a growing economy and a vibrant, prosperous Whangarei.

PNT has picked up the challenge to assist

Whangarei District Council in your expressed commitment to make this the ultimate living environment and the envy of the rest of New Zealand.

We ask that you grant PNT 12 months to put in place the additional \$5.5 million funding. We are completely confident that the money will be raised as a result of indications we have already obtained from central government, philanthropic organisations and charitable trusts.

This project not only meets and exceeds your wishes for the building and the contribution it can make to the community, it possesses engineering reports, architectural drawings and its Resource Consent. No other proposal is likely to have obtained these within 12 months.

WDC has before it the most important cultural and economic project within a generation, one which will change the perception of Whangarei, establish an international attraction which will put Whangarei firmly on the map and provide a springboard for other, significant investment and tourism initiatives in our District.

It will mark Whangarei District Council as visionary.

Prosper Northland Trust's aim is positive development and prosperity for Northland. Hundertwasser & Wairau Maori Art Centre achieves not only our aims, but enables the Trust to partner with Whangarei District Council to create a healthier and economically performing District which meets the aspirations of both Council and its community.





Prosper Northland Trust

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