

Memorandum

10 September 2018

To: Devonport-Takapuna Local Board
Subject: Update on 3 Victoria Road, Devonport
From: Eric Perry – Relationship Manager, Local Board Services

Purpose

1. The purpose of this memo is to respond to Devonport-Takapuna Local Board resolution number DT/2018/41, which was passed at the local board's Community Forum meeting on 4 September 2018.
2. The local board resolved as follows:
'That the Devonport-Takapuna Local Board Community Forum:
 - b) *request an update from relevant staff on 3 Victoria Road, Devonport to be reported back by Chairperson G Wood at the September 2018 business meeting.'*

Summary

- 3 Victoria Road, Devonport is a 468m² site comprising the former Devonport Borough Council chambers and offices. The building was originally built as a post office and subsequently converted to municipal offices. It is a two-storey brick and plaster building of approximately 490m² and occupies 52% of the site with a large (17m x 12m) rear courtyard. It has a current capital value of approximately \$3.5 million.
- In September 2017, council's Corporate Property department and Panuku Development Auckland (Panuku) advised the local board that the property was not required for delivery of council services, and would therefore be subject to rationalisation.
- At its meeting on 20 March 2018, the local board allocated \$10,000 of its locally driven initiatives (LDI) operational budget to develop advice around the potential future use of council-owned properties at 3 Victoria Road, Devonport and 2 The Strand, Takapuna (resolution number DT/2018/31).
- Following presentation of this advice at the local board's June 2018 business meeting, Panuku agreed to look into the feasibility of a number of options suggested by the report for future use and upgrading of the building. The results of this work will be incorporated into a discussion with the local board about options for the future of the building, which is scheduled as part of the board's workshop on Tuesday 9 October.

Context/Background

3. 3 Victoria Road, Devonport is a 468m² site comprising the former Devonport Borough Council chambers and offices. The building was originally built as a post office and subsequently converted to municipal offices. It is a two-storey brick and plaster building of approximately 490m² and occupies 52% of the site with a large (17m x 12m) rear courtyard. It has a current capital value of approximately \$3.5 million.
4. The building at 3 Victoria Road is a Category A heritage building scheduled by the Auckland Unitary Plan and registered by the New Zealand Historic Places Trust. The heritage importance of the building is enhanced by its group association with the Category A esplanade reserve immediately to the south and other heritage buildings within the Devonport village centre.

Discussion

5. Panuku Development Auckland (Panuku) is required to undertake ongoing rationalisation of council's non-service assets. The building at 3 Victoria Road is currently under review through this process.
6. In September 2017, council's Corporate Property department and Panuku Development Auckland (Panuku) advised the local board that the property was considered a non-service asset and would therefore be subject to rationalisation. As part of its rationalisation process, Panuku carried out consultation with council departments to determine whether an alternate service need could be found for the building. No specific service need was identified at the time.
7. At its meeting on 20 March 2018, the local board allocated \$10,000 of its locally driven initiatives (LDI) operational budget to develop advice around the potential future use of council-owned properties at 3 Victoria Road, Devonport and 2 The Strand, Takapuna (resolution number DT/2018/31). Panuku agreed to pause progression of the rationalisation exercise for 3 Victoria Road until completion of its LDI-funded future use assessment. This assessment was completed by Tattico Limited and reported to the local board at its June 2018 meeting.
8. In short, the advice provided by Tattico in the June 2018 report recommended that the local board:
 - State its support for the seismic upgrade and adaptive re-use of the building at 3 Victoria Road, and request that council retain a property interest in the site.
 - Request council to partner with a suitable company that can successfully deliver the adaptive re-use of the building. The report concludes that council does not have the budget available to undertake a seismic upgrade and heritage restoration of 3 Victoria Road, so consequently there is minimal prospect that council could undertake development of the site on its own and create financially sustainable income streams.
 - Acknowledge that to achieve an economically sustainable future, the first floor of 3 Victoria Road should be targeted for successful adaptive re-use that will maximise return to offset the costs of seismic upgrade and restoration. Such a use should ensure that the activities are consistent with the conservation plan for the building.
 - Recommend that the vacant rear of the building be utilised for activities consistent with the zoning of the area, and which provide a high return to offset the cost of adaptive re-use of the building. The report concludes that the ground floor of 3 Victoria Road be developed for a mix of community and retail activities which can successfully co-locate, and which reflect the unique location and character of Devonport.
 - Request Panuku Development Auckland (Panuku) work with the local board to agree any proposal for a partner organisation to undertake adaptive re-use of 3 Victoria Road and new development.
9. In addition to receiving the report from Tattico, the Devonport-Takapuna Local Board passed additional resolutions regarding the building at 3 Victoria Road, namely (resolution number DT/2018/84):
 - that staff advise the local board on the status of the budget to undertake earthquake strengthening at 3 Victoria Road, and clarification on the governance role of local boards during the process to transfer an asset from the service to non-service portfolio;
 - that the local board re-state its support for the seismic upgrade and continued community use of the building at 3 Victoria Road;
 - that Auckland Council retain a property interest in the site at 3 Victoria Road;
 - that Panuku work with the local board on the future of the building at 3 Victoria Road;
 - that relevant staff provide information on the process used to transfer the building at 3 Victoria Road from service to non-service;

- that the local board note concern around the lack of maintenance undertaken to date on the building at 3 Victoria Road, given it is a Category A listed heritage building.
10. Following the presentation of the Tattico report to the local board in June, Panuku agreed to look into the feasibility of a number of the options suggested within the report for future use and upgrading of the building. The results of this work will be incorporated into a workshop discussion with the local board about options for the future of the building. This discussion is scheduled as part of the local board's workshop on Tuesday 9 October.
 11. Any future plan for the property at 3 Victoria Road will need to consider a range of factors, including the property's seismic performance, whilst also taking into account its heritage and financial feasibility and sustainability of the plan.