

## 1. RETENTION OF WARNERS HOTEL

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Corporate Plan Output: Heritage Building Retention	

The purpose of this report is to consider the Council's proposed financial and heritage commitment to the retention and re-use of Warners Hotel and the development of the Savoy site in Cathedral Square.

### INTRODUCTION

The Projects and Property Committee presented a report on the retention of Warners to the Council on 16 December 1999. The Council endorsed the retention of Warners and the provision of heritage funding for the project. Further confirmation is now required due to later deliberation by a combined meeting of the Environment and Projects and Property Committees in March 2000.

### BACKGROUND

Warners Hotel is a Group 3 heritage building which, together with the former Star, Lyttelton Times and Coachman Inn, forms a comprehensive group of adjoining sites and heritage buildings. (A summary of Warner's heritage is [attached](#)). Unfortunately, the former Savoy building site has been cleared leaving an incomplete building frontage to Cathedral Square. Historically this frontage was part of the original facade of Warners Hotel. While the Warners building has been subject to a number of inappropriate additions, alterations, removal of the parapet and an unsympathetic colour scheme, the original building is largely intact. Restoration, in particular of the exterior, can be readily achieved, including the replication of the original facade across the Savoy site to complete the original design intention.

Warners Hotel has been the subject of an application for demolition to the Environment Court. The City Council has proceeded with an extended Court case since 1998 to ensure the protection of the Warners, Lyttelton Times and the Star heritage buildings. The Court however has issued a decision which provides consent for the demolition of Warners Hotel (subject to some conditions) to take effect in July 2000. Warners Hotel can therefore be regarded as a listed heritage building at a high risk of loss in the immediate future. Warners has a maximum Heritage Risk priority as shown in the accompanying Heritage Risk Report and table for July 2000. Warners Hotel, through its City Plan heritage value and risk of demolition, therefore merits a very high priority for retention and the use of Council heritage retention funds to achieve its protection.

A proposal to buy the Warners and Savoy sites and to retain and restore the Warners building was presented to the Council in December 1999. This proposal by the present licensee of Baillies Bar in Warners Hotel, Mr S O'Keefe, required additional funding from the Council to ensure commercial viability for the project. The Council considered the request for assistance of \$1M spread over five years for the seismic, fire, maintenance and restoration of the heritage building.

The Council resolved:

- “1. That the Council indicate its serious desire to preserve the Warners building.*
- 2. That a joint meeting of the Environment and Projects and Property Committees be held to consider the financial implications of this for both parties involved, and report back to the February Council meeting.*
- 3. That the Council resolve that the cost of preservation be met from the Council’s budgeted heritage funds.”*

A brief report by the Property and Projects Manager Angus Smith was considered by the March 2000 meeting of the combined committees. This report raised a number of issues to be addressed. However, another developer obtained an option for sale and purchase on the whole site in the interim and the combined committees let the O’Keefe request lie on the table. The alternative proposed development and the Sale and Purchase agreement did not proceed.

#### **CURRENT SITUATION**

Mr O’Keefe has now presented a new Warners/Savoy acquisition and re-development strategy. This provides for Mr O’Keefe to purchase both the Warners and Savoy properties subject to a Sale and Purchase Agreement with the owner. Mr O’Keefe has secured full funding for the project subject to a Council commitment of \$750,000 over five years. The intention is to use the hotel with bars and retail on the ground floor and accommodation on the upper floors. The Savoy site would be used as a Bier Garten in conjunction with the bars. Subject to commercial viability the intention would be to complete the Warners façade across the Savoy site in the future. Mr O’Keefe has been the lessee of Ballies Bar for 15 years and his intention is to maintain the present uses associated with the Warners site since 1863.

Mr O’Keefe has provided a timetable and costing of works for the project (attached) with the intention of meeting fire and seismic requirements as well as improvements to the exterior in approximately two years. The total development cost is estimated at \$1.681M. The majority of the items contribute directly to the retention and re-use of the heritage building for which a funding grant of \$750,000 is requested. There appears to be no other immediate possibility of protecting and retaining Warners Hotel other than Mr O’Keefe’s present proposal.

The Council has included in its 2000/2001 budget an Emergency Heritage Fund of \$200,000 in addition to the Heritage Incentive Fund.

The commitment to a heritage grant would be conditional on a heritage covenant and on the payment of yearly grant funds on the basis of retention work completed to that time. The Council's financial commitment is protected through these provisions. Previous Council conservation covenants have been in perpetuity. Mr O'Keefe has advised that he would consider a covenant which applied for a period of twenty years. There will be sufficient heritage grant funding available to meet the Warners requirement, provided there is a continuation by the Council of at least the present level of heritage funding.

The Property Manager and the Property Projects Manager have reviewed this O'Keefe proposal for a heritage grant.

### **CONCLUSION**

The proposal by Mr O'Keefe for the ownership of the Warners and Savoy properties and the retention, upgrading and restoration of Warners Hotel appears to be the only immediate possibility to meet the Council's resolution to save the building. The retention and upgrading of the building is of a very high heritage priority. The project will have a marked improvement on both the heritage precinct and amenity of the north east quadrant of Cathedral Square. While the proposal is subject to a Sale and Purchase agreement it is also conditional on the commitment of Council heritage funding on this project.

*A site visit of the Warners Hotel building commenced at 2pm, and was undertaken prior to the meeting. The present licensee of Baillies Bar in Warners Hotel, Mr S O'Keefe, accompanied by Mrs O'Keefe, conducted the tour and outlined the refurbishing proposals (details [attached](#)).*

*During the course of the meeting, it was noted that funding of \$328,000 from the Council had been approved and committed over the next two years.*

**Recommendation:** That approval be given to the provision of a heritage grant of \$150,000 per annum for five years for the retention, upgrading and restoration of Warners Hotel, subject to the following conditions:

- 1 That there be confirmation of land ownership by Mr O'Keefe and of his intention to proceed with the retention of Warners Hotel and the activities described in this report.
- 2 That a conservation covenant be placed on the land titles ensuring the retention of the building in perpetuity.

- 3 That a conservation plan be immediately undertaken to identify conservation strategies and significant heritage fabric for retention.
- 4 That all planned work be carried out to conservation standards approved by the Council to meet the requirements of the conservation covenant and of resource consents for heritage.
- 5 That the structural, fire, and maintenance upgrades be carried out to a timetable and to a compliance standard approved by the Council.
- 6 That the Warners facade be extended across the Savoy site to a design approved by the Council with the intention to generally complete the original form of Warners Hotel within a period of three years from the commencement of the restoration project.
- 7 That Council funding for the retention of the Warners Hotel building be capped at \$750,000.
8. That a business plan be developed for the Council's approval.

(Note: Councillors Erin Baker, Robin Booth, Barry Corbett and Gail Sheriff requested that their vote against this recommendation be recorded.)