

Before the Timaru District Council
Independent Hearing Commissioner

Under the Resource Management Act 1991
In the matter of an application for resource consent by Bayhill Developments Limited

Statement of evidence of Nigel Gilkison on behalf of Timaru Civic Trust

1 December 2016

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**anderson
lloyd.**

Introduction

- 1 My full name is Nigel Jason Gilkison. I am a self-employed Urban Design and Architecture consultant based in Timaru.

Qualifications and experience

- 2 I hold the qualifications of NZ Certificate in Architectural Draughting (Christchurch Polytechnic, 1990), Bachelor of Architectural Studies (University of Auckland, 1998) and Master of Arts in Urban Design (Distinction), (2013, University of Portsmouth, UK). I am an Affiliated Member of the NZIA, a member of the NZ Urban Design Forum, Deputy Chairman of Historic Places Mid Canterbury and a current board member of the Timaru Civic Trust.
- 3 I have over 20 years' experience in the fields of Architecture and Urban Design, including 15 years' experience based in the UK. My specific experience relevant to this evidence includes designing large scale, mixed used developments and masterplans with particular emphasis on incorporating and retaining heritage, including: a competition winning design for new mixed use residential development in Glasgow's historic West End; a masterplan for the redevelopment of the Oval Cricket Ground (including Hotel); new mixed used masterplans for Aldershot Urban Extension (ex-Ministry of Defence land - home of the British Army) and Leith Docks (Edinburgh's historic dockland); masterplan for the redevelopment of John O'Groats; and a new residential development located within the UNESCO World Heritage Site, in the centre of Bath.
- 4 13 years of my UK experience was as an Associate with Adam Architecture & Urbanism (formerly Robert Adam Architects). Professor Robert Adam is well known in the UK and internationally as a major figure in the development of traditional and classical architecture, as a pioneer of contextual urban design and he is a prolific author on the theory and practice of traditional architecture and urbanism.
- 5 I have also recently worked as an Urban Design Specialist for Auckland Council (2015), which involved providing expert urban design advice and input to major Resource Consent applications within the Auckland region, preparing Urban Design assessments for the reporting Planners and participation in the Auckland Urban Design Panel process.
- 6 I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014. I have complied with it in preparing this evidence and I agree to comply with it in presenting evidence at this hearing. The evidence that I give is within my area of expertise except where I state that my evidence is given in reliance on another person's evidence. I have considered

all material facts that are known to me that might alter or detract from the opinions that I express in this evidence.

- 7 I have prepared this evidence on behalf of the Timaru Civic Trust and in support of their submission.

Scope of evidence

- 8 My evidence relates to the architectural and urban design principles and assessment of effects of the proposed Bayhill development on The Bay Hill, Timaru.
- 9 My evidence also addresses issues relating to the potential loss of an existing protected heritage building which forms a prominent historic landmark within the Timaru CBD.
- 10 My evidence also addresses the feasibility studies carried out in relation to the decision as to whether the Hydro Grand Hotel could be retained or adaptively re-used from an urban design and architectural perspective.

Executive summary

- 11 It is my opinion that the **loss of the Hydro Grand will have a significant negative effect** on the urban streetscape, character and identity of the Timaru CBD.
- 12 The arrangement of the proposed buildings on site, in particular, the siting of the proposed hotel, present significant **reverse sensitivity issues** due to having single aspect units which are directly facing and in close proximity to a neighbouring property boundary, meaning that these units would become uninhabitable in the future, should that neighbouring properties be developed to their full potential, at some stage in the future.
- 13 I do not believe that **options for retention and reuse** of the existing protected building (including earthquake strengthening) have been adequately explored by the Applicant.
- 14 The **comparative cost analysis** of the refurbished Hydro Grand Hotel against the cost of a replacement office building is not an appropriate 'like-for-like' comparison.
- 15 I believe the Applicant's submitted design proposals represent an **over development** of the Site, evidenced by the proposal's necessity to exceed the maximum permitted height and the inability to accommodate the required minimum parking numbers on site.

- 16 I believe that there are **alternate architectural design solutions** available which would help to mitigate the potential loss of the heritage building, should further detailed investigation and analysis confirm that the existing building is beyond sensible economical reuse.

Analysis of the application and the assessment of effects

Effect on the urban streetscape, character and identity of the Timaru CBD

- 17 I will not go into a detailed analysis of the history of the existing Hydro Grand building, as I believe this is well established and acknowledged by the Applicant and by other submitters. Mr McBride has also described the history in his evidence for the Timaru Civic Trust.
- 18 In my opinion, the Hydro Grand is perhaps Timaru's most iconic building and it has extremely high social, cultural and heritage values, locally, which contribute significantly to the City's identity, character and visual appeal. This much loved building is also a distinctive and prominent part of the identifiable skyline of Timaru.
- 19 The Timaru District Council (**TDC**) Long Term Plan promotes 'Identity' as one of the four key Strategic Directions for the future vision of the district (along with Lifestyle, Economy and Leadership), stating that '*We respect and honour our heritage and individuality*' and '*We celebrate and sell our story*. Given that the existing Hydro Grand is perhaps Timaru's most iconic building and an important piece of the story of the formation of this City, its proposed demolition is likely to undermine the Council's stated Strategic Direction as well as the City's established character and identity.
- 20 The highly prominent location of this building means its loss will have a significant effect on many of the City's existing views, adversely impacting both the on character of the local streetscape and local views, as well as the existing skyline and wider views from across the City.
- 21 I would therefore have expected that a detailed Visual Impact Assessment should have been provided by the Applicant, in order to determine both the impact of the loss of this prominent building and to illustrate the extent of the potential visual impact of this proposed development on the existing local and distant views within the City.

The arrangement of the proposed buildings on site and the effects on neighbouring properties

- 22 The proposed arrangement of 'Buildings 2 & 3' on the Site is likely to give rise to reverse sensitivity issues in relation to potential loss of outlook, privacy, access to lights and ventilation, should the neighbouring properties to the north of the Site

(Caroline Courts, 48 The Bay Hill and The Sea Breeze Motel, 28 The Bay Hill) be developed to their full potential, within the permitted 20m height limit, at some stage in the future.

- 23 As can be seen from the Applicant's plans, the north-facing hotel rooms of Building 3 are located very close to these neighbouring boundaries, are single-aspect and are totally dependent on light and outlook acquired from the across the neighbouring properties airspace (see **Appendix 1**). Should the neighbouring properties decide to redevelop these sites to the full extent of the development envelope for their property, it is possible that these north-facing hotel rooms, within this application Site, would become completely uninhabitable and redundant.
- 24 If the proposed hotel (Building 3) is permitted to be built in the currently proposed location, this could feasibly impinge upon the rights of the neighbouring property to develop their property and potentially give rise to objections to future development by the eventual owners or operators of the proposed hotel on the application Site. I note that the report prepared by Mr Andrew Henderson, Consultant Planner for Timaru District Council, does not address this issue.
- 25 In my opinion, the western part of the application Site would be better suited to an office building use, which would not necessarily be dependent on future access to light and outlook on the northern side of this part of the Site, across the neighbouring property.
- 26 In relation to the above, it would also seem more sensible and logical to utilise the corner Site (where the Hydro Grand currently stands) to accommodate either a hotel or apartments, where there are unrestricted views, outlook and access to light across Sefton Street and The Bay Hill, towards Caroline Bay.
- 27 There are also similar potential reverse sensitivity issues with the siting and layout of the proposed apartment building (Building 2) in relation to the single-aspect apartments which face west, overlooking the neighbouring property of 28 The Bay Hill (Sea Breeze Motel).

Analysis of options for retention and reuse of the existing protected building

Earthquake Strengthening Analysis

- 28 In the Assessment of Environmental Effects (**AEE**), the conclusion states that *'The Applicant has therefore fully explored options for the retention, strengthening and repurposing of the Hydro Grand'*. However, it is clear from the Powell Fenwick Seismic Strengthening reports submitted with the application that there has only ever been a preliminary estimate of the expected seismic strength

of the building and a detailed investigation of the structural capacity of the building has not yet been undertaken.

- 29 Within the application material, there are several references to the estimated strength of the building being less than 10% NBS. However, the Powell Fenwick Preliminary Design Report (Issue C 13 April 2016) identifies that, "*We have estimated the strength of the existing building to be as low as approximately 10% NBS.*" (my emphasis). However, the term 'as low as' implies that the quoted figure of 10% NBS is the **minimum** estimated assessment figure, meaning that the actual figure may well be higher than this.
- 30 The earlier (2009) Powell Fenwick Report identified the building as being 'earthquake prone', but does not estimate an actual figure for the earthquake resistance as a percentage of NBS.
- 31 The letter from Brian Schimke of Powell Fenwick (dated 9 November, 2015) identifies the building as having an 'earthquake resistance of less than 33% New Building Standard.
- 32 Therefore it would appear that the estimated earthquake resistance of the building is somewhere between 10-33% NBS.
- 33 I note that the submitted Assessment of Environmental Effects (PLANZ report dated July, 2016) incorrectly states in its conclusion (Section 9, page 23) that '*The building is currently at no more than 10%NBS*'.
- 34 I also note that the Council's consultant reporting officer, Mr Andrew Henderson also incorrectly states in his report that the '*seismic strength having been assessed at no more than 10% New Building Standard (NBS)*.' (Item 3.1, page 6)
- 35 I note the Powell Fenwick Structural Reports are based on an assumed nominal load-bearing brick wall and not on a detailed investigation and analysis of the actual brickwork construction of the building. It is assumed that there are no headers connecting the brick wythes and that there is no structural steelwork in the external walls. There has also been no on-site testing of the actual mortar strength of the brickwork. As Heritage New Zealand point out in their submission (Sheila Watson, dated 1 September), it is possible that there is significantly more strength in these external walls than has been assumed in Powell Fenwick's preliminary structural analysis.
- 36 In order to gain a better understanding of the structural strength of the existing building, I would request that a more detailed seismic assessment be carried out to determine a more accurate assessment of the actual earthquake resistance of the building. This may result in a higher percentage NBS rating than has currently been assumed and could enable a more cost effective seismic strengthening

solution to be designed, which may make the retention and reuse of this important heritage building commercially viable.

- 37 The Applicant has set out possible options for reuse in Section 6.1 of the AEE. Their analysis of the various reuse options (and consequent cost analysis) indicates that the removal of internal wall partitions is necessary to achieve an appropriate floor plan for an acceptable modern use. I do not accept this point, as the building was designed as a Hotel, and, in my opinion, could easily be refurbished as a hotel, without the necessity to remove internal partitions. The Applicant's drawings show that this is achievable.
- 38 I note that the Timaru Civic Trust had previously (2013) engaged Structural Engineer (Lou Robinson of Hadley & Robinson) to design a structural strengthening proposal to strengthen the Hydro Grand building to 100% NBS. This alternative proposed scheme illustrates that it is not necessary to remove internal partitions in order to strengthen the existing building to 100% NBS. I understand that this structural report was given to the Applicant by the Civic Trust, shortly after the Applicant purchased the building.
- 39 The Hadley & Robinson seismic strengthening scheme design has recently been costed by a registered Quantity Surveyor (Brian Le Fevre of Harrison Quantity Surveyors), with a price tag for the structural works (only) of \$980,000. I will not comment on this further, as Mr McBride discusses this further in his evidence - other than to say that this is clearly a hugely different value than the Applicant's quoted figure of \$15.2 million for structural strengthening to the same percentage of NBS.
- 40 My colleague Mr McBride's evidence also covers his discussions with a hotel operator who has indicated that the Hydro Grand could relatively easily be fitted out to achieve a modern standard for a boutique Hotel operation. There are also plenty of examples, throughout New Zealand, and the world of heritage buildings being successfully adapted for reuse as a Hotel. I also note that adaptive reuse is commented on in Mr Margett's evidence.

Decay due to neglected maintenance

- 41 This proposed demolition sets a very dangerous precedent for heritage protected buildings in Timaru. This building has not been damaged by an earthquake, it has been degraded by the neglect of its owners, since the building has been vacant. If this application to demolish an important element of our local heritage is approved on the basis that the building is beyond economic repair (due to the decay caused by neglect of proper maintenance), then we may find that more and more building owners will resort to this approach, wilfully, in order to gain approval to demolish other protected heritage buildings in the district.

- 42 For the current building owners to blame previous owners (or anyone else) for the decay is irrelevant. The Applicant went into the purchase agreement in full knowledge of what state the building was in and should have been aware of how much it would cost to repair in order to bring it up to currently acceptable operating standards, including the cost of earthquake strengthening, structural repair and maintenance, fire protection. They were also aware that the building was protected from demolition by the District Plan, due to its heritage listed status. If they did not know all of this before they brought the property, then they clearly did not do an adequate amount of 'due diligence' before purchase, and they were therefore exposing themselves to the very real risk that they would not be able to demolish this building.
- 43 I also assume that all these actual and potential issues and risks would have been factored into the sale price that the current owner paid for the building. For the Applicant to now use the excuse of the poor condition of the building (and resultant cost to repair it) as the principal reason for seeking to demolish it, is not, in my view, an acceptable excuse for demolishing a protected building.
- 44 Despite repeated claims within the application documentation that the Applicant sees demolition as a last resort, I have seen no evidence that the Applicant, since the building was purchased, has done anything tangible to protect the building from further decay or deterioration, such as fixing windows, making the building weathertight and preventing birds and other animals from entering it.
- 45 Therefore, responsibility for the poor state of the current building and the fact that it is not currently occupied rests entirely with building owners. Why should the people of Timaru be forced to lose one of their most iconic and important heritage assets, solely due to the neglect of the building owners?

Comparative Cost Analysis - Refurbishment v New Build

- 46 The submitted application compares the costs of a fully refurbished and strengthened Hydro Grand Hotel with a replacement office building. I believe that this is an inappropriate comparative analysis. The stated proposal for upgrading the existing building to 100% NBS - at a cost of \$15.27 million - also includes a full refurbishment and complete fitout of the existing building as an operational hotel - including reinstating the roof gables and providing additional rooms in the roofspace as well as all new services, facilities, enhanced fire protection and earthquake strengthening required for operation as a hotel. It also includes for the replacement of much of the building's structural timbers, which have decayed over the years due to lack of appropriate weather protection of the building.
- 47 The quoted \$9 million comparison for a replacement new build on this part of the Site is for a new office building on this corner - not a new hotel. Clearly the cost of providing a hotel is a much more expensive exercise than providing an equivalent

sized office block. If this was to be an accurate economic comparison of like-for-like replacement value, the Applicant should be comparing the cost of the refurbished hotel with the comparative cost of a new hotel - not a new office block. For this reason, the Applicant should provide a commercial viability analysis which provides a 'like-for-like' comparison.

Analysis of design proposals

Development capacity of the Site

- 48 In my view, the current proposal represents an over-development of the Site capacity anticipated by the provisions of the District Plan.
- 49 This is evidenced by the fact that the proposed height of all three buildings extend well beyond the maximum allowable height limit and by the fact that the minimum car parking requirement cannot be accommodated on site.
- 50 The height limit specified for the Commercial 1A Zone is set at 20 metres. The Timaru District Plan defines building height as follows (Part D8 - Appendices, pg 7): *“For the purpose of determining the height of any part of any building or structure, means the vertical height of that part of the building above the point on the existing ground level immediately below that point. Provided that this shall not apply to chimneys, ventilator shafts and equipment, skylights, spires, radio and television aerials, flagpoles, masts, poles, rods, antennae, mounting fixtures, mast caps or similar appendages and other purely decorative features not exceeding 2m² in area (measured horizontally). The existing ground level is that occurring before the commencement of a proposed development.”*
- 51 The application drawings do not clearly illustrate the existing ground lines from which a height limit should be measured, however, it is clear that there is significant penetration of all three buildings through this maximum height plane, which indicate that the building height is considerably taller than what is anticipated for this Site, by the District Plan and is therefore not consistent with the outcomes anticipated by the District Plan.
- 52 My analysis of the expected height of the proposed building, using the Applicant's own drawing section, indicates that the Applicant's stated height penetrations through the maximum height plane limit are taken from proposed ground floor level and not existing ground level (see **Appendix 2**).
- 53 The evidence by Mr Burgess for the Applicant discusses the issue of the height of the proposed buildings and states that **‘The height component over 20m is driven by the varied roofline’** (item 82). However, it would be possible to have the same varied roofline, which was below the level of the 20m height limit, if one or more of the lower stories were omitted from the proposal. I believe that the

penetration through the height limit is instead driven by the desire to inject more built volume and saleable floor area into the scheme, which, in my opinion, is indicative of an over-development of the scheme, beyond what is anticipated by the District Plan.

- 54 As I stated earlier in my evidence (at [22-24] above) the layout of Buildings 2 & 3 within the Site rely on achieving light and outlook acquired from the across the neighbouring properties airspace and this cannot be guaranteed in perpetuity, unless an easement is sought and acquired over the neighbouring properties (28 & 48 The Bay Hill) which ensured that the single aspect hotel rooms and single aspect apartments facing onto these properties maintained adequate access to daylight and outlook into the future. This is also indicative of an over-development of the expected capacity of the Site.
- 55 In relation to car parking capacity, I note that the Applicant has recently purchased a local car park from Timaru District Council and proposes to use this as part of the parking component for this application. Whilst this may go some way to making up the parking shortfall, it illustrates my point that the original application Site cannot accommodate the required parking amenity within its own boundary, and is further evidence of the over-developed Site capacity.

Possible alternate architectural design solutions - Building 1

- 56 Several of the Applicant's reports refer to the potential option of retaining only the external facade of the Hydro Grand (referred to as 'facadism') and infer that this would be an undesirable solution, from a heritage preservation perspective. In my opinion, the retention of just the building facade is still a much better outcome than total demolition of the Hydro Grand.
- 57 It is interesting to note that the Urban Design Panel (**UDP**) were "*specifically asked by the Council not to consider the merit (or not) of demolishing the site's listed heritage building*". I find this odd, as I would consider the importance of the existing building to the local urban and wider City context, and the effective heritage loss caused by the proposed demolition, to be a very important urban design issue that should be taken into account in any urban design assessment.
- 58 However, the UDP does discuss the bulk and massing of the existing Hydro Grand, highlighting the relationship of the elevations to the street, the "*good balance of solid and void*" on the elevations and the corner treatment topped by the dome, as being important and positive Site elements in urban design terms. They also discuss the significance of the existing local and distant views to the Site and refer to the prominence of the property's location and how the existing building "*makes best use of this prominent piece of land*".

- 59 I would like to see the UDP give their professional opinion on the appropriateness (or otherwise) of the proposal to demolish the existing heritage building, and comment on the proposed design in relation to its appropriateness (or otherwise) as a suitable replacement building, which adequately compensates for the loss of this important local heritage asset.
- 60 From my analysis of the architectural design approach, there has been no attempt whatsoever to compensate for the proposed loss of the Hydro Grand by incorporating aspects of its distinctive character into the new building design (Building 1).
- 61 The proposed modern aluminium clad concrete and glass design of the proposed office building replacing the Hydro Grand (Building 1) incorporates absolutely no reference to the local context and the existing character of the Edwardian main street or Caroline Bay, that is so aptly encapsulated in the architecture of the existing building.
- 62 As the renowned Architect and Urbanist Aldo Rossi postulated, 'A city remembers through its buildings'. The Hydro Grand is part of the narrative of the formation of City of Timaru and is one of the few remaining buildings which provides a tangible illustration of the Edwardian seaside culture that was such a distinctive and prominent part of the cultural identity of Timaru in the early 20th Century.
- 63 At the very least (and if the existing Listed Building is to be demolished), the new corner building (Building 1) could be designed with a similar curved corner treatment, topped by a dome, and incorporating more solid wall and less glazing in order to represent the memory of the old Hydro Grand and to fit in with the predominant solid walled rhythm of the local context of existing buildings in Stafford Street. In my opinion, any new building design for this Site which proposes the demolition of the existing listed building should be cognisant of its immediate historical architectural context and, in some way, should adequately compensate the public for the loss of the iconic heritage building it seeks to replace.
- 64 As an example of what might be possible, I attach an image of a recently constructed building designed by Buchan Group (the architects for the Applicant) in Melbourne, which shows a possible alternative design solution which is remarkably similar to the form of the Hydro Grand and which I would consider to be an appropriate aesthetic that could be employed for the design of Building 1 (see **Appendix 3**).
- 65 Such an alternative design solution could potentially be achieved at this location, including a redesign of the street-facing facades and corner feature of Building 1 to provide a building design which is: 1) more in keeping with the existing local

heritage context and, 2) visually references the architectural design of the existing Hydro Grand through the use of a predominantly solid walled facade with a curved corner feature topped by a dome or cupola - all in a manner which represents the memory of the former Hydro Grand Hotel.

Conclusion

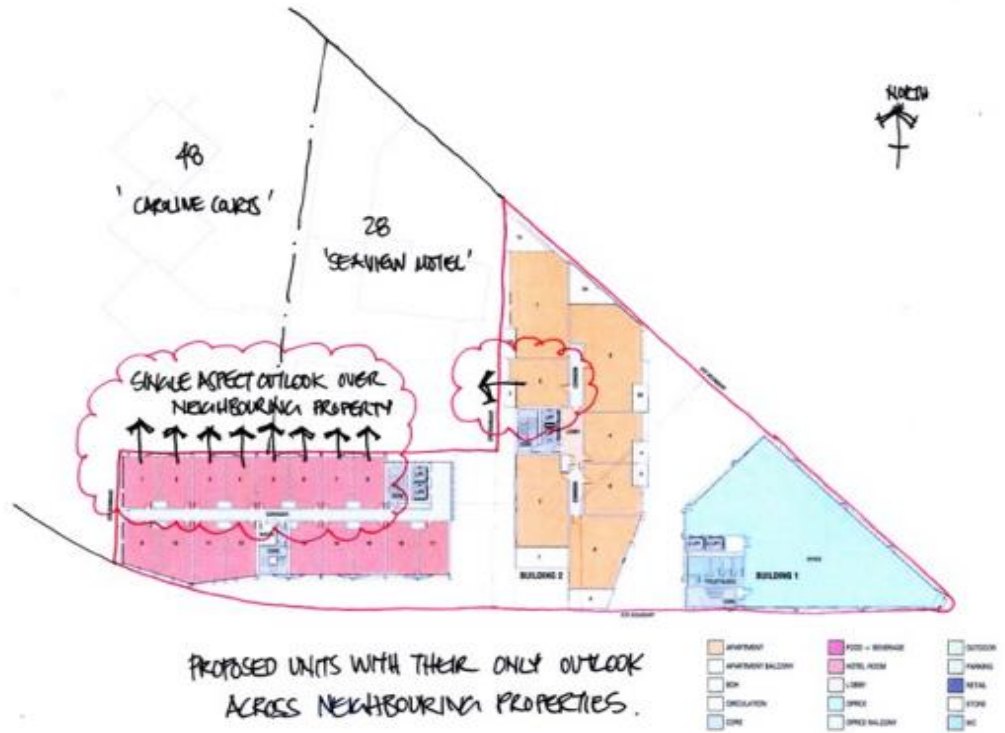
- 66 It is my opinion that the loss of the Hydro Grand will have a significant negative effect on the urban streetscape, character and identity of the Timaru CBD.
- 67 The arrangement of the proposed buildings on the Site, in particular, the siting of the proposed hotel, present potentially significant reverse sensitivity issues with neighbouring properties, that may impinge on the rights of those neighbouring properties and could limit their ability to redevelop their properties in the future.
- 68 I do not believe that options for retention and reuse of the existing protected building (including earthquake strengthening) have been adequately explored by the Applicant, nor do I accept that the resultant comparative cost analysis that the Applicant has undertaken represents the most economical reuse solutions for retention and reuse of the existing building. I believe that there are many more commercially viable options for reuse which have not been adequately explored by the Applicant. Furthermore, the comparative cost comparison between the refurbished Hydro Grand Hotel and the proposed new office building does not represent a valid 'like-for-like' cost comparison.
- 69 In my opinion, the Applicant's submitted design proposals contain more development capacity (built form) than the Site can reasonably accommodate, and are beyond what is anticipated in the District Plan. The development proposals represent an over-development of the expected capacity of the Site.
- 70 For the above reasons, it is my opinion that this application for demolition of the Hydro Grand should be declined.

Nigel Gilkison

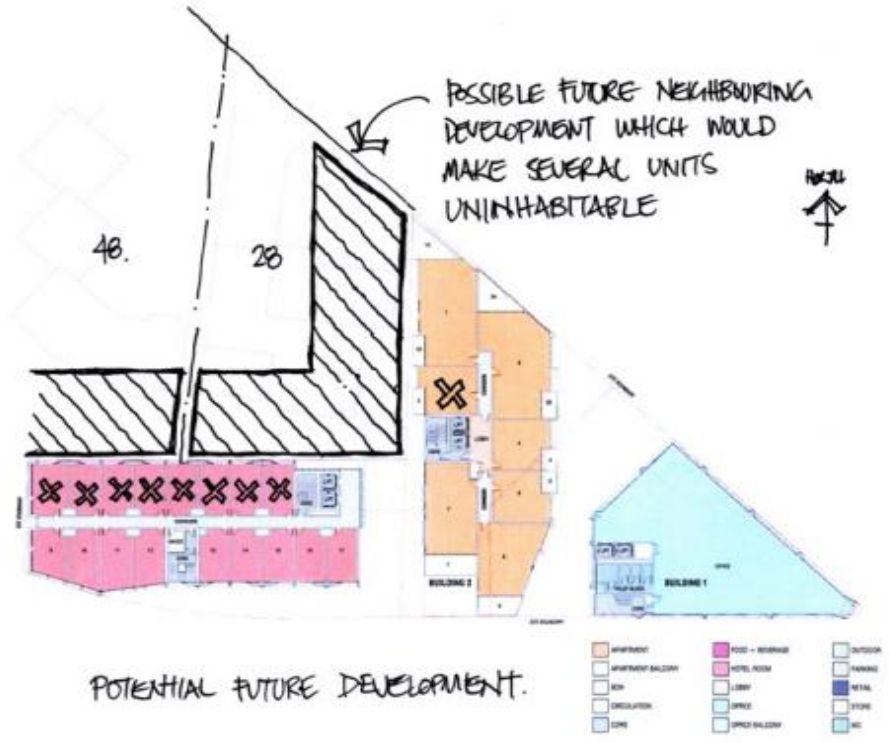
1 December 2016

Appendix 1

Illustration of potential 'reverse sensitivity' issues relating to neighbouring properties

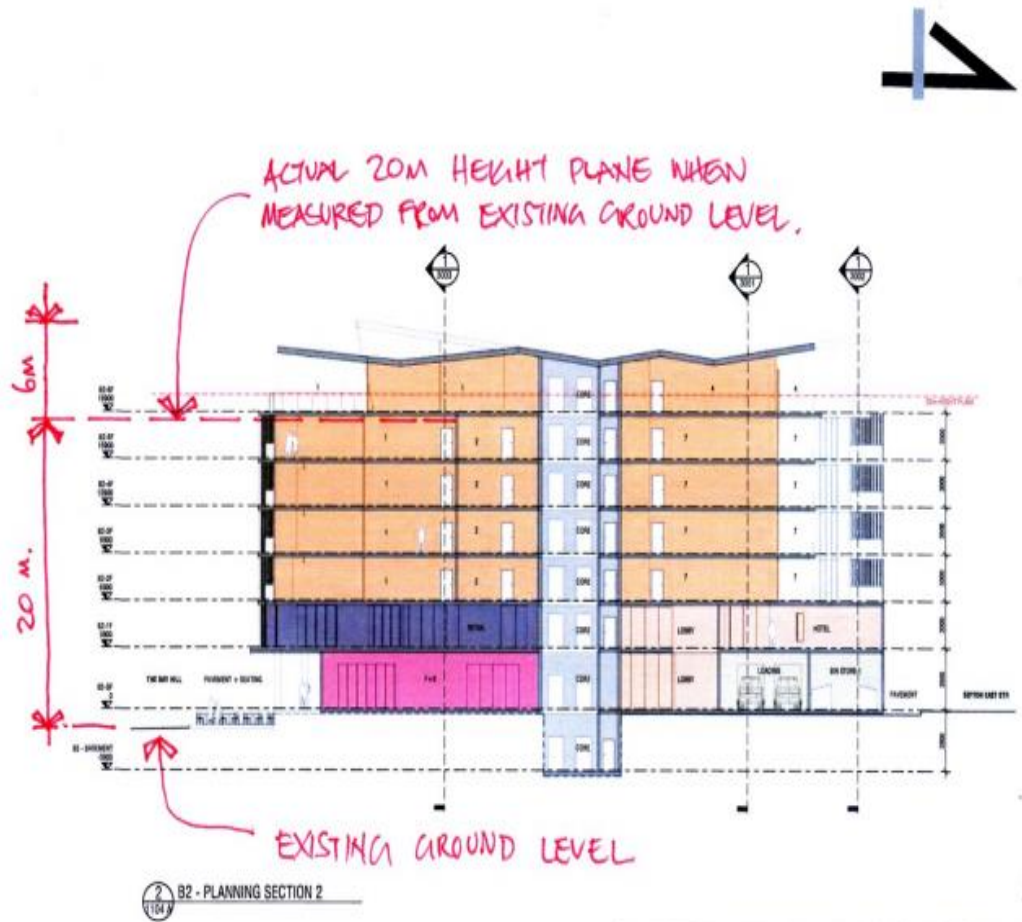


81 + 82 + 83 - 2F PLAN
 THE BAY HILL - MIXED USE DEVELOPMENT TOWN
 10/10/2014



Appendix 2

Illustration of incorrect analysis of proposed building height in relation to existing ground level



APARTMENT	FOOD + BEVERAGE	OUTDOOR
APARTMENT BALCONY	HOTEL ROOM	PARKING
BCH	LOBBY	RETAIL
CIRCULATION	OFFICE	STORE
CONC	OFFICE BALCONY	WC



BUILDING 2 SECTIONS

THE BAY HILL - MIXED USE DEVELOPMENT, TIMARU
THE BUCHANAN GROUP

3000

THE BUCHANAN GROUP

Appendix 3

Image of Park Hyatt Hotel, Melbourne (accessed from the Buchan Group website on 26/11/2106 <http://buchan.co.nz/projects/park-hyatt-hotel-melbourne>)

