

BEFORE THE TIMARU DISTRICT COUNCIL

IN THE MATTER OF

the Resource Management Act 1991

AND

IN THE MATTER OF

An application for Resource Consent
by Bayhill Developments Limited

STATEMENT OF EVIDENCE OF ROSS DAVIDSON

Dated: 23 November 2016

GREENWOOD ROCHE
LAWYERS
CHRISTCHURCH
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INTRODUCTION

- 1 My name is Ross Davidson. I am a Technical Director practising with AECOM in Christchurch. AECOM is a global multi-disciplinary consultancy practice.
- 2 I am a Registered Quantity Surveyor (Reg.QS) and an Associate of the New Zealand Institute of Quantity Surveyors (ANZIQS).
- 3 I have 36 years of experience as a Quantity Surveyor and have been a Director or Technical Director for the past 23 years.
- 4 I have particular experience in Local Authority, Central Government, Tertiary Education, Sport and Leisure, and Commercial projects.
- 5 My specific experience relevant to this evidence includes the estimating and cost management of the strengthening, repair and refurbishment of numerous buildings in Christchurch post-earthquake. Some examples of these are:
 - School of Medicine building at Christchurch Hospital (seven storeys);
 - Christchurch Polytechnic city campus comprising 40 buildings in total;
 - Northwood Supa Centa retail centre comprising 10 buildings in total including 30 tenancies;
 - Public Trust office building including façade retention (four storeys);
 - Anglican Churches (St Paul's, St Bartholomew's, St Michael's and St Peter's); and
 - Christchurch Girls' High School Acland House heritage building.
- 6 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.

SCOPE OF EVIDENCE

- 7 My evidence provides a peer review of the cost estimates for various seismic strengthening and renovation options for the Hydro Grand building. The original cost estimates were undertaken by Dave Bufton and David Frusher, who are members of my team at AECOM and set out in the report attached to the AEE dated 21 April 2016 (the AECOM report).

METHODOLOGY

- 8 I have reviewed each of the cost estimates contained in the AECOM report in order to confirm the inputs into the elemental estimates and the high level estimates.
- 9 I have satisfied myself that the findings of each of these estimates have been accurately represented within the cost estimate, as can be reasonably determined.

EXECUTIVE SUMMARY

- 8 AECOM was engaged to provide elemental cost estimates for the seismic strengthening and renovation work to bring the current Hydro Grand building up to 34%, 67% and 100% of New Building Standard (NBS).
- 9 High level estimates were also requested in relation to a range of possible uses for the existing building, including:
 - (a) Offices;
 - (b) Residential Apartments;
 - (c) Hotel;
 - (d) Retail; and
 - (e) Combinations of the above uses.

ELEMENTAL ESTIMATES

10 Elemental estimates were compiled for the 34%, 67% and 100% NBS options by measuring and pricing approximate quantities based on information provided by the consultant team as follows:-

- (a) The Buchan Group Architectural drawings dated 6 April 2016;
- (b) Powell Fenwick Structural, Building Services and Fire report dated 6 April 2016;
- (c) Powell Fenwick Structural drawings dated 6 April 2016;
- (d) Powell Fenwick Structural details dated 17 December 2015;
- (e) Marked up Fire Safety drawings dated 3 February 2009.

11 The elemental estimates were as follows:

Strengthen to 34% NBS

Building Works	10,476,000
Construction Contingency (10%)	1,048,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	11,724,000
Building Consent	<u>70,000</u>
	11,794,000
Professional Fees (15%)	<u>1,769,000</u>
	<u>\$13,563,000</u>

Strengthen to 67% NBS

Building Works	10,954,000
Construction Contingency (10%)	1,095,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	12,249,000
Building Consent	<u>70,000</u>
	12,319,000
Professional Fees (15%)	<u>1,848,000</u>
	<u>\$14,167,000</u>

Strengthen to 100% NBS

Building Works	11,828,000
Construction Contingency (10%)	1,183,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	13,215,000
Building Consent	<u>70,000</u>
	13,285,000
Professional Fees (15%)	<u>1,993,000</u>
	<u>\$15,278,000</u>

HIGH LEVEL ESTIMATES

12 High level estimates were compiled for a range of possible uses of the existing building. The elemental estimates were utilised as the basis and a factor was applied to selected structural components appropriate to the proposed new use as per Powell Fenwick's Preliminary Design Report.

12 The high level estimates were as follows:

Option 1C – Strengthen building to 100% NBS and allow for change of use to Retail on the ground floor with Offices above

Building Works	12,148,000
Construction Contingency (10%)	1,215,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
Building Consent	13,563,000
	<u>70,000</u>
	13,633,000
Professional Fees (15%)	<u>2,045,000</u>
	<u>\$15,678,000</u>

Option 2A – Retain entire exterior façade, demolish roof and interior and rebuild to match existing building envelope with building's primary use being a Hotel

Building Works (Existing Building)	7,337,000
Building Works (New Building)	<u>10,639,000</u>
	17,976,000
Construction Contingency (10%)	1,798,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	19,974,000

Building Consent	<u>80,000</u>
	20,054,000
Professional Fees (15%)	<u>3,008,000</u>
	<u>\$23,062,000</u>

Option 3A – Retain entire exterior façade, demolish remaining building and rebuild to a new height of 20m with the building’s primary use being a Hotel

Building Works (Existing Building)	7,337,000
Building Works (New Building)	<u>16,807,000</u>
	24,144,000
Construction Contingency (10%)	2,414,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	26,758,000
Building Consent	<u>100,000</u>
	26,858,000
Professional Fees (15%)	<u>4,028,000</u>
	<u>\$30,886,000</u>

Option 2B – Retain roadside exterior façade, demolish remaining building and rebuild to match existing building envelope with building’s primary use being Retail on ground floor with Offices above

Building Works (Existing Building)	5,786,000
Building Works (New Building)	<u>10,676,000</u>
	16,462,000
Construction Contingency (10%)	1,646,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	18,308,000
Building Consent	<u>80,000</u>
	18,388,000
Professional Fees (15%)	<u>2,758,000</u>
	<u>\$21,146,000</u>

Option 3B – Retain roadside exterior façade, demolish remaining building and rebuild to a new height of 20m with building’s primary use being Retail on ground floor with Offices above

Building Works (Existing Building)	7,247,000
Building Works (New Building)	<u>16,843,000</u>
	24,090,000
Construction Contingency (10%)	2,409,000

Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	26,699,000
Building Consent	<u>100,000</u>
	26,799,000
Professional Fees (15%)	<u>4,020,000</u>
	<u>\$30,819,000</u>

Option 2C – Retain roadside exterior façade, demolish remaining building and rebuild to match existing building envelope with building’s primary use being Residential Apartments

Building Works (Existing Building)	5,786,000
Building Works (New Building)	<u>10,676,000</u>
	16,462,000
Construction Contingency (10%)	1,646,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	18,308,000
Building Consent	<u>80,000</u>
	18,388,000
Professional Fees (15%)	<u>2,758,000</u>
	<u>\$21,146,000</u>

Option 3C – Retain roadside exterior façade, demolish remaining building and rebuild to a new height of 20m with building’s primary use being Residential Apartments

Building Works (Existing Building)	5,786,000
Building Works (New Building)	<u>16,843,000</u>
	22,629,000
Construction Contingency (10%)	2,263,000
Asbestos Removal (Provisional Allowance)	<u>200,000</u>
	25,092,000
Building Consent	<u>100,000</u>
	25,192,000
Professional Fees (15%)	<u>3,778,000</u>
	<u>\$28,970,000</u>

INCLUSIONS / EXCLUSIONS

14 The items specifically ***included*** in the estimates were:

- (a) Demolition;

(b) Professional Fees.

15 The items specifically **excluded** from the estimates were:

(a) Escalation Provision beyond the Date of this Estimate;

(b) Land Remediation;

(c) Public Realm;

(d) Tenant Fitout;

(e) Furniture and Equipment;

(f) Legal and Financing Costs;

(g) Development Levies;

(h) Land Cost;

(i) Insurances;

(j) GST.

RISKS

16 The major cost risks to this preliminary estimate are:

(a) Design Development;

(b) Latent site conditions (ground, existing building and existing services);

(c) Identification and Removal of Hazardous Materials.

17 Items a) and b) are covered by an allowance of 18% total, comprising Design Contingency of 8% and Construction Contingency of 10%. Aecom would typically recommend a Construction Contingency of 15% for a project of this nature, however we have allowed a Construction Contingency of 10% assuming a best case scenario.

18 Item c) The full extent of the asbestos within the building is currently unknown and a provisional allowance of \$200,000 has been allowed for asbestos removal.

Ross Davidson

23 November 2016