

BEFORE THE INVERCARGILL CITY COUNCIL

IN THE MATTER OF

the Resource Management Act 1991

AND

an application to the Invercargill City Council by HWCP Management Ltd for resource consent to demolish, alter and redevelop land and buildings in the Central Business District on a block bound by the east side of Dee Street, the south side of Esk Street, the west side of Kelvin Street and the north side of Tay Street

**STATEMENT OF EVIDENCE OF SCOTT O'DONNELL
ON BEHALF OF HWCP MANAGEMENT LTD**

11 March 2019

Introduction

1. My name is Scott O'Donnell and I am a director of HWR Property Limited and the Chair of HWCP Management Limited ("HWCP"). I commenced as a director of HWCP on its incorporation in March 2017. During HWCP's first board meeting I was elected Chair.
2. By way of background, I am born and bred in Invercargill. After gaining a Bachelor of Commerce degree from the University of Otago in 1987, I worked for a Dunedin accounting firm, Arthur Young, and completed a marketing course while working full time for Arthur Young. Shortly after completing this course I moved to Wellington and worked for New Zealand Post briefly before it morphed into Telecom New Zealand. After a further five years gaining accounting and management experience I commenced my overseas experience working in the banking and telecommunications sector in the UK.
3. In 1995, at the request of my father in law I returned to Invercargill following the death of my brother-in-law Harold Richardson. I fulfilled a wide range of managerial roles within the H W Richardson Group between 1996 and 2005.
4. Shortly after the death of my father in law, I took on the role of Managing Director of the H W Richardson Group. During my 10 year tenure in that role, the group doubled in size, and became a national player in the petroleum, rural transport and waste sectors.
5. Since retiring from the Managing Director role of the H W Richardson Group, I have taken the role of CEO of the HWR Property ("HWRP") company. I oversee all projects completed by HWRP and plan the strategic direction of HWRP.
6. In addition to being a director of a number of companies associated with H W Richardson Group (over 30 directorships), I also now serve on the boards of Blue Sky Meats (as Chair), Invercargill City Airport and Motorsport New Zealand and I am a Fellow of the Institute of Directors.

SoRDs

7. During 2015 I was asked to be part of the Vibrant Urban Centres Team for the Southland Regional Development Strategy (SoRDS). As discussed in the evidence of Tom Campbell, SoRDS is a region-wide initiative focused on building a thriving and prosperous future for Southland. To avoid repetition I will not repeat what Tom Campbell has already said, but I fully endorse his sentiments about SoRDs and what this development means to Invercargill and greater Southland.

Roles and responsibilities

8. My role with HWCP has been as a Director/Chairman. In keeping with this role I have had the day to day governance and oversight of the project from its inception. I have been intimately involved in discussions with and appointment of:

- (a) Legal advisers;
- (b) funding providers,
- (c) architects and design consultants;
- (d) retail leasing experts;
- (e) project directors;
- (f) engineering consultants;
- (g) planners;
- (h) heritage advisers;
- (i) infrastructure providers (such as Powernet).

9. I have also actively participated in many site visits with my fellow board members and various consultants including engineers and heritage experts. I am also the media contact person for the company, and have participated in a number of interviews to raise awareness around the project and the benefits I believe it will bring to the region.

HW Richardson Group and HWR Property's involvement

10. HWRP, which is the 50% shareholder in HWCP Management Limited, is a subsidiary of HW Richardson Group. HW Richardson Group has a long and proud association with Southland with the Richardson Family starting in the carriage business in 1878 and moving through construction and now into transport. The 5th and 6th generation are actively involved in the business and its tourism assets.
11. HWR Property has been involved in the early purchases of many of the properties which are now part of HWCP's portfolio.
12. To further assist the Company with securing ownership of the remaining properties, HWR Property has contributed \$650k to purchase properties that HWCP could not settle within the development block, plus between 50-75% of my time (\$1m cost to HWR) over the last 3 years to manage this project for HWCP.

HWR Property Redevelopment of Classic Motorcycle Mecca

13. One of the submissions on the resource consent application, from Christine Henderson, notes that with the proposed resource consent application the opportunity to promote Invercargill as Classic will be missed, and that Motorcycle Mecca is an example of what can be achieved. I agree that Motorcycle Mecca is something which Invercargill and Southland can be proud of, but it was developed by HWRP and so the company has first-hand experience of the challenges in developing historic building stock.
14. In October 2015, HWR Property purchased a property located at 27 Tay Street. At the time of purchase, the property was empty as the previous tenant, H&J Smiths Outdoor World had relocated some years earlier.

15. In December 2015 HWR Property purchased a property located at 25 Tay Street. At the time of purchase the property was unused but it had been tenanted by a company running a nightclub.
16. Purchase price of these two buildings was \$830,000. The buildings were originally purchased in the hope that the Invercargill City would use the site for a museum or art gallery. Initial discussions were had with community art groups about leasing 27 Tay on this basis; sadly ICC funding was unavailable to help fund the rent.
17. In May 2016, Bill Richardson Transport World purchased a collection of some 300 classic motorcycles and motorcycle related artwork from Mr Tom Sturgess who was displaying the collection in Nelson. Once the collection had been purchased, the properties at 25 and 27 Tay Street were then earmarked as the location for Classic Motorcycle Mecca. The properties were chosen due to their proximity to the central city. Following my involvement on the Urban Renewal group of SoRDS, I recognised the benefit of being able to provide a “pull” or reason for visitors to Invercargill to go into the CBD.
18. The initial restoration of 25 and 27 Tay Streets occurred during 2016. Those restorations did not address the issue of bringing the buildings up to a suitable NBS standard as we were time constrained to open the Motorcycle Mecca for the summer Tourist season 2016/17.
19. The estimated cost of that initial restoration plus strengthening to 34% of NBS is in the region of \$2.5m.
20. Motorcycle Mecca is the second most popular attraction in Invercargill (behind Transport World) and attracts 30,000 visitors annually.

Central City Proposal

21. It will be evident from HWR Property's involvement in the project that it sees immense benefits from the redevelopment proposal. HWR is the biggest private employer in the Southern Region and hence wants to create a much more liveable city for its own staff but also the wider population in the region. We have invested heavily in tourism assets in Invercargill so that the town has a point of interest and becomes memorable for all the right reasons.
22. Our team of experts will deal with technical matters but I do wish to comment on one aspect of the officer's report from an applicant perspective. The officer has noted (paragraph 7.53(j)) that there is a risk that the buildings could be demolished, and then HWCP would not build what is being proposed through this process. As a proposed solution, the officer has suggested a condition that demolition of listed heritage buildings does not occur until building consent has been lodged for the replacement buildings (condition 7).
23. I cannot see a situation where HWCP demolishes the buildings and then does not proceed with the redevelopment, but to address the concern I have considered alternative means of dealing with the issue. The process of obtaining building consent is lengthy and I am concerned about the time lag if this has to occur before HWCP can proceed with demolition. As an alternative I would like to suggest that demolition does not occur until HWCP has confirmed in writing to the Council that an unconditional agreement for an anchor tenant has been entered into. This should give the Council sufficient confidence that HWCP is sufficiently invested in the project to proceed.

Summary

24. This CBD development is a turning point for the future of Invercargill. It will create a chain of positive effects for the region and give it a heart from which to grow. The lack of skilled people is the constraint on the Southland economy–

these skilled people want to have the right lifestyle. The new CBD is the cornerstone to that lifestyle.

25. The alternative of no redevelopment would almost certainly place the city into a dark downward spiral. The CBD developers would be left with little option but to look for a bulk retail option on the site to cover the cost of the land purchased. This level of development would leave the CBD without the offerings it needs to create a real city heart and would miss the liveability expectation of our future generations.

Scott O'Donnell

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