

**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

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**STATEMENT OF EVIDENCE OF GEOFFREY THOMSON  
ON BEHALF OF HWCP MANAGEMENT LTD**

**11 March 2019**

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## Introduction

1. My Name is Geoffrey Thomson I would call myself a proud and parochial Southlander with my core business now being Distinction Hotels, and I currently employ over 650 staff with my head office in Invercargill where I was born and raised.
2. By way of background I am an electronics technician by trade who started with nothing and over the last 40 years I have carried out a considerable amount of construction, both commercial and residential from Invercargill to Whangarei. In the Invercargill CBD alone I have owned 25 commercial buildings comprising 63 tenants and a further 220 car parks, demolished three buildings (myself) and carried out a number of refurbishments and a redevelopment.
3. In the process of deciding what buildings to purchase I have looked at a large number of other properties in the city and watched their gradual decline over the years. I have voiced my concerns about the state of the CBD for a long time, having first met with Richard King (then CEO of the Invercargill City Council) and Pam Gere (head planner) to do so about 15 years ago.
4. Our old heritage buildings are cold and often damp, expensive to heat, and very expensive to maintain with limited desirability and usually vacant above ground floor and rotting from the roof down.
5. While well-meaning people who want to save these buildings may think that it is easy to repair and tenant these spaces, as an experienced landlord I can state that in Invercargill this is not the case. Even if you were to bring a building up to %100 NBS without a tenant paying enough rent over the whole building in time it will deteriorate through a lack of reinvestment and then the rents will go down and the cycle starts again.

**HWCP**

6. HWCP is presently a 50 / 50 joint venture between the ICC (HOLCO) and HWR.
7. There are three Directors: Scott O'Donnell, HWR Group (who is also presenting evidence), Lindsay Thomas ICC, and myself.
8. The company (HWCP) was initially formed to acquire the land in the city block with the initial hope of finding someone who would take on the development and provide the city with what was required. As the returns are not there for a normal developer, and we wanted extra things like covered parking with areas that can be used for community events (eg car shows, farmers markets day care etc).
9. We are focused on keeping the opex costs down by looking at efficient design with one of the mandates going out to the design team to make the development as energy efficient and environmentally conscious as possible, and provide enough parks so locals who now drive around and around the block looking for a handy park can find adequate environment friendly parking with good isle widths and wide easily accessed parks.
10. HWCP's mandate has always been to fix the CBD so we will continue the development to provide the right outcome for the community.

**CBD revitalisation and Invercargill Central**

11. Back in March 2015 a Mayoral taskforce representing , ICC , SDC , ES , and GDC set up a Southland regional steering group which I sat on, tasked with looking at Southland as a whole, identifying opportunities for growth, both socially and financially, with an initial target growth in population of 10,000 people.

12. The CBD upgrade was considered so important because it had influence on growth over other sectors as many people were not proud of our City. It was considered old with limited national retailers, it makes it hard to attract staff, and no longer provided the retail or amenity value expected and available in other cities. Invercargill City is no longer the retail hub of choice for a lot of our region with most buildings being shabby below code and too expensive to upgrade.
13. To date many ideas have been looked at to improve our city but there has never been the commercial competency, linked with the financial ability, and desire to do what was really required, which historically often resulted in isolated upgrades that didn't achieve the long term impact required (eg Esk St, Wachner Place).
14. Invercargill City like a lot of regional cities has a lot of cheaply built beyond life cycle buildings that are now way below what is acceptable by tenants to operate out of and on the other hand far too expensive to bring up to code. With strip retail now days being replaced with malls that in our instance will give the people of Invercargill a recognisable city centre that they can enjoy in all weathers and create an amenity value beyond dollars.
15. The CBD team had reports from planners Kobus Mentz and Craig Pocock and it was decided that the best course of action was to secure land, with the intention of demolishing what was there and creating a modern vibrant space fit for purpose that everyone would be proud of. For the first time in Invercargill's history a large scale coordinated development could be built.
16. We (HWCP) have consulted with the Invercargill people with our website and our pop up shop in Esk St since July 2018 showing a video with commentary along with numerous articles in the media with a telephone poll showing %86 support for the development.
17. Our pop up shop also had survey forms available which recorded % 86 support also.

### **Consultation and submissions**

18. I have undertaken some of the consultation on the resource consent application personally, including consulting in depth with HNZ. I believe they understand why we are doing what we are, and like a development I did in Dunedin I believe we both expect to see through increased foot traffic around the block equating to better sales and better ability for landlords to reinvest and further protect other heritage buildings in the area.
19. For a couple of months now we have been meeting with the leaders of the CBD retailers group and working on their concerns which has been very beneficial for both sides and we expect to continue this throughout the project.
20. Because of this, we have undertaken to not allow contractors to park on the street or block out parks for staff parking and to contain our contractors on our own site or a minimum of outside the retail area (and I understand the planner for HWCP has recommended a new condition to address this). We will also allow and provide the infrastructure for mobile / temporary food retailers in Esk St, and mandate our consultant / contractor team to provide the minimum disruption to Esk St.
21. Most importantly, we will focus the design on enabling a short build time to create the minimum disruption to the CBD which the retailers group were very happy with. As such, I would not like to see any conditions imposed on us that would delay the development.
22. While there are empty shops in town now none of these are up to code. Our retail leasing consultant advises that over %50 of the tenants in the mall will be new to town, and based on their experience they assure us there will be no problem leasing all the space in the mall in time.

23. By now you will understand that this is not a commercial development for financial returns but one born out of necessity by people with the wider community first and foremost in our minds as the option of doing nothing doesn't bear thinking about.

Thank You

Geoffrey Thomson

11 March 2019