

**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 DR HAYDEN CAWTE  
ON BEHALF OF HWCP MANAGEMENT LTD**

**HERITAGE**

**11 March 2019**

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## 1 Introduction

- 1.1 My name is Dr Hayden Cawte. I am the managing director of New Zealand Heritage Properties Limited, a cultural heritage management consultancy firm.
- 1.2 I have over 15 years' experience in national and international heritage and archaeological consulting, cultural resource management, heritage resource management, heritage building and structure identification, recording and analysis, preservation and conservation, research design and material culture analysis.
- 1.3 I have lectured in archaeology, anthropology and cultural resource management at the University of Otago and James Cook University, Australia.
- 1.4 I have a first class honours degree in Anthropology, a post-graduate diploma in commerce and a doctorate in archaeology from the University of Otago.
- 1.5 I have attended University College London as a Marie Curie Fellow and the University of Cambridge post-doctorally as an Evans Fellow.
- 1.6 I work on built heritage projects across the country including their survey, recording, analysis, and reporting including primarily those that are also archaeological sites (pre-1900).
- 1.7 Furthermore, I am directly involved in the reuse and redevelopment of heritage buildings, heritage and archaeological precincts and landscapes including their conservation and restoration.
- 1.8 I am also a Member of the New Zealand Archaeological Association as well as a member of the Association of Architectural Historians.

## **2 Code of Conduct for Expert Witnesses**

- 2.1 I have read the Code of Conduct for Expert Witnesses issued as part of the Environment Court Practice Notes. I agree to comply with the code and am satisfied the matters I address in my evidence are within my expertise. I am not aware of any material facts that I have omitted that might alter or detract from the opinions I express in my evidence.

## **3 Scope of evidence**

- 3.1 My evidence relates to the proposed redevelopment of the city block bounded by Tay, Dee, Esk and Kelvin Streets, known as Block II, in the central business district of Invercargill, and the potential effects to heritage values.
- 3.2 The proposed works will see the demolition of 14 buildings scheduled on the Invercargill City Council District Plan.
- 3.3 Proposed works will affect four buildings included on the Heritage New Zealand Pouhere Taonga List. Of those;
- a) The Bank of New South Wales (1 Dee Street) will be retained in full and incorporated into the development;
  - b) The Southland Times building (67 Esk St) will be affected, with the retention of façade and removal of the building behind;
  - c) The Lewis and Co. (29 Esk St) and Newburgh (33 Dee St) buildings will be demolished.
- 3.4 The façades of three buildings to Esk Street will be retained and include;
- a) The Southland Times Building at 67 Esk St;
  - b) The Cambridge Arcade building façade at 59-61 Esk St; and
  - c) The Coxhead building façade at 31-35 Esk St.

3.5 16 buildings are considered archaeological, and 20 sites meet the definition of an archaeological site under the Heritage New Zealand Pouhere Taonga Act 2014 (HNZPTA).

3.6 In preparing this evidence I have reviewed the following material:

- a) Original Heritage Impact Assessment “Invercargill Central Redevelopment” prepared by Woods, Cropper, Mearns, Mitchell, McStay and Cawte (2018);
- b) Heritage Impact Assessment addendum report – “Invercargill Central Redevelopment Addendum to Woods, *et al.* - Prepared by Woods, Cropper and Cawte (2019);
- c) Council’s Consultant Planner’s Report by Johnathan Clease;
- d) Public submissions on the resource consent application.

3.7 The consultant planner’s report by Clease is largely in agreement with the assessment carried out by NZHP, and therefore I do not comment on it except to the extent that it seeks clarification.

## **4 Summary**

4.1 New Zealand Heritage Properties Ltd was commissioned in 2018 to provide heritage advice and undertake a Heritage Impact Assessment for the proposed redevelopment of the Invercargill Central block bound by Tay, Dee, Esk and Kelvin Streets.

4.2 Initial proposals included the complete redevelopment of the site as essentially a cleared, brownfield site. However, through consultation, the proposal that was submitted included the retention of heritage elements throughout.

4.3 The proposal for which consent is now sought includes the redevelopment of the block with the retention of three heritage facades (Coxhead, Southland

Times and Cambridge Arcade) and incorporation of the Bank of New South Wales into the project.

- 4.4 A Heritage Impact Assessment was completed by Woods, Cropper, Mearns, Mitchell, McStay and Cawte (2018). As well as assessing the effects of the proposal as submitted, this assessment also provides the basis of the background research, site histories, and evaluation of heritage and archaeological values. It has subsequently been replaced in light of changes to the application, and is referred to as both the 'addendum' and Woods, Cropper and Cawte (2019) which I will discuss in more detail shortly.
- 4.5 The original assessment (Woods *et al* 2018) has identified that the project area (Block II) is the longest continuously occupied area in Invercargill and has been witness to a palimpsest of structures and construction episodes to meet the needs of the city and its residents. However, much of the current building stock has fallen into disrepair, and/or has experienced difficulty in attracting tenants, with many remaining vacant often for considerable periods of time.
- 4.6 A key finding from this assessment is the level, and often duration, to which buildings in this block have been unoccupied. Some buildings have sections that have been sealed off for several decades suggesting that they have not been fit for purpose for an extended period of time. 31 Dee Street (Smith's building) has had its first floor sealed off since 1929 (Woods *et al* 2018). At the time of site visit (between March and June 2018), nine buildings were fully occupied, 11 fully unoccupied, and a further 12 partially occupied to ground floor only.
- 4.7 Block II is the longest continuously occupied area of Invercargill, and 20 sites have been occupied prior to the year 1900. 16 of these still include in situ pre-1900 structures. Given the pre-1900 status of these structures, this means that demolition of the buildings requires an archaeological authority from Heritage New Zealand Pouhere Taonga. This process also considers mitigation for loss of

values. An authority is also required in order to affect subsurface archaeological sites.

- 4.8 Woods et al 2018 have provided a systematic methodology defining the heritage and archaeological values of each building and site, as well as an overall consideration of the site as a 'complex'.
- 4.9 The assessment of individual values has shown that the majority of buildings are considered to have low significance (Woods *et al* 2018) with the Newburgh, Coxhead, Cambridge Arcade, Southland Times, Fairweather being of medium significance. Bank of New South Wales, and the Lewis and Co buildings have "high" significance (*ibid*). As a complex, the site has a *moderate to high value*.
- 4.10 These elements have not changed between the original resource consent proposal (as lodged with the Council) and the changes to the proposal, and so the original assessment methodology forms the basis of the addendum report.
- 4.11 The Woods *et al.* (2018) assessment of effects identified the level of significance and magnitude of the impact of this proposal. That assessment determined that the merits of the project and quality of design are considered high. Furthermore, the redevelopment is consistent with the goals of the Southland Regional Development Strategy (SORDS).
- 4.12 The original assessment of effects undertaken by Woods *et al* (2018) recommended, on balance, that consent was appropriate subject to mitigation.
- 4.13 As a consequence of the request for further information (RFI) process and the submissions received, further consideration has been given to heritage values. This has resulted in changes to the design. For consistency, NZHP have reassessed the effects to heritage of this proposal (Woods, Cropper and Cawte (2019)).

4.14 The following reflect the changes (as they relate to heritage) between the proposal submitted for resource consent, and that provided as part of the RFI process, for which NZHP has reconsidered the effect;

- a) Removal of heritage façade on Kelvin Street (Thomson's Building, 18 Kelvin Street);
- b) Removal of heritage façade on Tay Street (Fairweather's Building, 58 Tay Street);
- c) Removal of mitigation with the use of historic building facsimile on Tay Street;
- d) Retention of Cambridge Arcade façade (59-61 Esk Street);
- e) Inclusion of recycled heritage building fabric (bricks) in food precinct design;
- f) Changes to mass of buildings either side of Southland Times building;
- g) Increase in scale of buildings to either side of the BNSW.

4.15 Retention of additional facades to Esk Street have now been proposed, and provide the added benefit of maintaining greater contextual value and enabling ongoing interpretation of Esk St as a heritage streetscape. Furthermore, the facades selected for retention are of higher heritage values than those included in the initial proposal.

4.16 Additionally, in selecting the facades of the Southland Times, Coxhead, and Cambridge Arcade buildings, a proportionate range of building styles will be maintained within Esk Street.

4.17 The original application offered the added heritage building facsimile screen to Tay St as a mitigation measure. What this mitigation option was endeavouring to do for Tay Street, the greater retention of Heritage on Esk Street is achieving by maintaining a greater connection to the historic streetscape.

4.18 The merits of the project continue to be high, as does the quality of the architecture proposed. There is further benefit in the reflection of building heights adjacent to the Southland Times Building.

4.19 Thus, in consideration of the overall values and significance of effects, the merits of the project and the quality of the design, NZHP has recommended that the project should proceed and consent be given, subject to mitigation.

4.20 Mitigation measures proposed for the redevelopment of Block II of Invercargill, the area bound by Dee, Esk, Kelvin and Tay Streets include (from Woods, Cropper and Cawte 2019) ;

a) Considerations for Redevelopment Design. Heritage has been further considered both prior to the original application for resource consent, and then as a consequence of the RFI process after that. Heritage elements have been further considered at each stage of the design, and this has evolved to now incorporate three heritage façades, the Southland Times, Coxhead's Building and the Cambridge Arcade. The design also follows the lines and mass of the historic buildings, to provide a sympathetic overall design.

b) Mitigation of the Effects of Demolition and Rebuild. From a heritage perspective, greatest consideration should be given to the effects that demolition and rebuild activity might have on the remaining heritage assets, being the Bank of New South Wales and the retained façades, and how secondary impacts will be minimised. Mitigation will include operation under specific plans such as methods for proposed façade retention. In addition, installation of class B hoardings can be customised to share with the public the story of the redevelopment and the history of key buildings and identities.



- c) Building Recording. NZHP recommends that scheduled buildings proposed for demolition or façade alteration be recorded, prior to demolition or commencement of works.
- d) Reuse of Building Material. NZHP recommends that building materials be salvaged for reuse in the redevelopment or made available to other heritage building owners. The design team have taken these recommendations into consideration and plan to use bricks salvaged from the demolished heritage buildings for panels and low level interventions in the food precinct.
- e) Public Interpretation. NZHP recommends that the information gathered during the historical research, archaeological investigations and recording of buildings is disseminated to the public. Consideration should be given to installation of interpretive panels, displays of archaeological material and/or interactive installations in public areas such as the food court or courtyards.
- f) Strengthening of Existing Heritage Resources. Incorporating the Bank of New South Wales building into the development ensures its ongoing relevance and success; however, the ways and means of doing so, should be guided by a conservation or maintenance plan as noted in the covenant.
- g) In Situ Preservation of Archaeological Materials. Where possible consideration be given to preservation of historical or archaeological features in situ. Incorporating extant archaeological and historic features is dependent on what is identified, their location, and the flexibility of the design team.

## 5 Council Planner's Report

5.1 The Council's consultant planner, Jonathan Clease has identified that *Heritage effects are among the most significant matters raised by the application and in submissions opposing the application*. Clease further identifies that he has based his assessment on the plans and information provided in the February RFI response.

5.2 Section 6(f) of the Resource Management Act 1991 (RMA) requires that historic heritage be protected from inappropriate subdivision, use, and development. Clease notes that, *The assessment of heritage effects therefore rests on a determination as to whether the proposed demolition and replacement of a significant number of heritage buildings is 'inappropriate'* and provides a list of considerations (s. 7.17) that include;

- a) The heritage values of the buildings;
- b) The current condition of the buildings;
- c) The extent of works necessary to bring the buildings up to an appropriate standard;
- d) The costs of such works and the effects of them on heritage fabric and values;
- e) The availability of grants or alternative funding sources;
- f) The rate of return/ economic viability of the required investment;
- g) Alternatives such as retention of just the façades;
- h) The effectiveness of mitigation measures;
- i) The urban regeneration and economic and social benefits to the community of the proposed replacement buildings.

5.3 Clease in his considerations reviews each of the Heritage New Zealand listed buildings individually, the kerbstone and verandah posts separately, and then the buildings of local significance (scheduled buildings) collectively.

5.4 As noted, the consultant planner's report is largely in agreement with the findings of the NZHP addendum assessment, however, clarification is sought on the following matters;

- a) The Treatment of the Southland Times Façade,
- b) Availability and suitability 'Heritage Equip' funding avenues

These points I address below.

5.5 In accepting the retention of the Southland Times' Façade only, Clease provides specific façade retention conditions in line with those offered by the applicant and presented in Woods, Cropper and Cawte (2019). But clarification is required with regard to the façade treatment, specifically the proposed alterations to existing plasterwork.

5.6 The applicant wishes to make some modifications to the historic façade. However, Mr Clease has identified that, *At the upper levels existing decorative plasterwork is proposed to be removed and the existing visible brickwork painted over* - modification which is not considered to have been addressed or justified by the applicant nor by way of assessment in Woods, Cropper and Cawte (2019). I can confirm that while modifications to the Southland Times Façade are proposed, those changes do not include removal of existing decorative plasterwork.

5.7 In his report, Clease has sought clarification on the availability and suitability of the "Heritage Equip" funding avenue for the redevelopment of Block II.

5.8 The Heritage Equip - Upgrade Works Grant was established in 2016. It is a national fund administered by the Government to support private heritage building owners, improve the seismic rating of their buildings. Thus, the fund is specifically for earthquake strengthening upgrades, and like other heritage funds, is on an incentive basis. Grants are provided either as "Upgrade Works Grants" or since 2019, "Professional Advice Grants". The Upgrade Works Grant

provides funds up to 50% of the cost of seismic strengthening up to \$400,000, for buildings that are 'earthquake prone'. The Government has, however, recently announced that for Regional Centres, they may extend the contribution up to 67% of the cost of upgrade. Professional Advice Grants provide for up to 50% of advice costs up to a maximum of \$50,000 (source: heritageequip.govt.nz).

- 5.9 The issues here is that the maximum funding limit is still considerably below the estimated costs provided by WT Partnerships (on behalf of applicant) for even the strengthening the Southland Times Building.
- 5.10 The Heritage Equip 'Upgrade Works Grant' is only available to buildings that are earthquake prone. With the majority of the buildings in this Block II falling into that category, they would be eligible for the funding, however, the grant only funds upgrades to 34% of New Building Standard. It is likely that market requirements are such that 34% would not be accepted by, tenants, owners, insurers and banks. Thus, there would still be a considerable costs borne solely by owners to achieve market appropriate building standards.
- 5.11 The fund is only available to cover seismic upgrade works, not fitout and other development costs, which can be and are, a considerable cost above simply upgrade costs. Furthermore, in my experience, more often than not, you must remove general fitout, wall and ceiling linings, floor coverings, partition walls, in order to complete engineering requirements. Therefore, there tends to always be an associated , and necessary, fitout cost to every seismic upgrade. Alternatively, you avoid removing fitout during upgrade, which ultimately results in a greater engineered and more costly solution.
- 5.12 Furthermore, the Heritage Equip fund prioritises Category I and Category II "historic places". It does allow for those on other 'registers' but an application must include an independent assessment of values. The fact that this priority is provided suggests that the fund focuses on high value heritage assets. Meaning, it is unlikely that the majority of buildings within Block II (being low and moderate in value) would meet this criteria. There is however, a funding option

which provides grants for applications that include multiple buildings that could be applicable, thus, could not be discounted as an option.

5.13 Thus, while the funding can be a useful incentive, it is unlikely to be an effective catalyst in this case.

## **6 Issues raised by submitters**

6.1 Six submitters have opposed the consent specifically referencing heritage matters in their opposition. Submissions that note heritage issues have been received from Rachael Egerton, Duncan McKenzie, Vicky Henry, The neighbouring retailers group (NRG), Murray Beck, and Christine Henderson. Heritage New Zealand Pouhere Taonga have provided a submission that both supports and opposes elements of the proposal on the basis of effects to heritage values.

6.2 All opposition generally falls into the following heritage matters;

- a) Considerable loss of heritage;
- b) Adherence to heritage policy in the plan;
- c) Insufficient mitigation;
- d) Façade retention detail;
- e) Insufficient feasibility studies for retention and development justification;
- f) Consideration of adjacent heritage and/or archaeological resources;  
and
- g) Lack of detail on archaeological requirements.

## **7 Analysis of submitter issues**

7.1 It is worth noting here that the submissions received are in reference to the initial application and that through the RFI process, the applicant has undertaken further consultation and feasibility studies and given consideration

to the submissions making design adjustments accordingly. The modifications go some way to addressing heritage elements of those oppositions. Only those elements that have not been addressed or, not adequately been addressed are considered further here.

- 7.2 Both Council consultant planner Clease and in the submission of Egerton, make note of the effects to heritage character of this building by painting the façade. While it is not necessarily desirable to paint unpainted brick work, it is considered to be a reversible treatment.
- 7.3 Furthermore, Woods et al 2018 identify that the current Southland Times façade has witnessed other modifications overtime, to suit changing needs.
- 7.4 I do however, note that Woods, Cropper and Cawte 2019, propose as mitigation, a plan is developed for ensuring effective retention and conservation of both this façade as well as the others being retained. Clease has further recommended this as a condition of consent.
- 7.5 Heritage New Zealand, in its submission requested that if consent was to be given, that the 1908 portion of the Southland Times Building also be retained. As well as further engaging with Heritage New Zealand at this time, the applicant, has, as Clease too has pointed out, identified the lack of feasibility as well as restrictions to the overall design of doing so. It is my view that the 1908 portion of this structure is largely devoid of heritage fabric, and that the benefit of retaining it would not be commensurate with the restrictions it would place on the overall design proposal.
- 7.6 In Duncan McKenzie's submission, he suggests that there should be further economic feasibility studies undertaken in order to justify destruction of heritage at the scale proposed and that the applicant should provide for a higher level of retention.

- 7.7 Throughout the RFI process, the applicant has undertaken further feasibility and economic studies and has presented its findings, both in the RFI and in other's evidence here. Studies should be considered in the context of the status quo, in that these heritage buildings have fared poorly in the current market with high rates of vacancy, decline and often dilapidation.
- 7.8 There is, however, undoubtedly an adverse effect to heritage values with the proposed redevelopment of Block II. It is this fact that represents the majority of opposing submissions that mention heritage matters. Either submitters discuss the magnitude of loss, or make requests for greater retention similar to that of McKenzie above. This includes submissions by Heritage New Zealand, Vicky Henry, Murray Beck and Christine Henderson.
- 7.9 Henderson goes further to suggest that removing the buildings will affect the *cohesiveness of the inner city* and believes that the loss of buildings is unnecessary with proposed operations able to be incorporated into existing buildings. Believing also that this redevelopment will affect the ability for Invercargill to present itself as a "*Classic city*".
- 7.10 Egerton, in her submission suggested that heritage retention would be better served by retaining further elements within Esk Street. The applicant and architect have adopted this suggestion, creating a "heritage Precinct" of sorts by retaining three heritage facades within this street.
- 7.11 I believe that the architects have considered cohesiveness in their modern design and in terms of the heritage elements, retention of further facades to Esk street means areas of higher heritage values are incorporated into the new development, ensuring consistency and cohesiveness of the streetscape in this area.
- 7.12 The considerable lack of occupancy and poor condition of much of the heritage stock in the block suggests that the buildings have not been fit for purpose for a

considerable time and thus, it is difficult to reconcile the suggestion that what is proposed could be incorporated into existing buildings or that time will ensure a better fortune. If so, why has it not occurred before now? A number of the buildings have had sections deliberately sealed off decades ago, the earliest of which occurred in 1926.

7.13 Thus, I have to consider the effects of the proposed development against the status quo, a situation which includes gradual decline.

7.14 In terms of understanding the levels of mitigation in relation to the magnitude of impact, it is important to understand the context, broader outlook in terms of merits of a project, quality of replacement, and broader heritage benefits across an area.

7.15 In this context, of the 14 scheduled buildings (non-HNZ listed) proposed for demolition, all but one have been determined to have low heritage values. Furthermore, Farminer and Miller (2016) in their report *“Invercargill City: Central City Area Heritage Buildings Reassessment”* determined that a number of buildings currently scheduled on the district plan, do not meet the criteria for protection. Of the same 14 buildings on the District Plan schedule within the project area, seven were proposed by Farminer and Miller (2016) to be removed from the District Plan leaving seven worthy of protection, albeit mostly with low values.

7.16 Egerton notes that the retention of the BNSW building should not be considered mitigation for loss of heritage values elsewhere in the project. I am however, of the view that the greatest risk to heritage buildings is irrelevance, inoccupation, and ultimately dereliction. The incorporation of the BNSW building into the project provides that relevance, reuse and longevity which is akin to protection. I don't believe that the applicant has any obligation to include this building in their plans, thus, providing that reuse and relevance, I believe does constitute mitigation and should be considered in the overall merits of the project.



7.17 Further issues presented by Egerton include;

- a) Clarification around historic kerbstones adjacent to the project area;
- b) Clarification of archaeological process.

7.18 These elements have largely been clarified during the RFI process whereby it was confirmed that the kerbstones are to remain *in situ* and will not be modified. The archaeological requirements, including any *in situ* preservation of materials, are to be considered in an application to Heritage New Zealand for an archaeological authority under the Heritage New Zealand Pouhere Taonga Act 2014. All works are governed by the conditions of this authority. An archaeological management plan will guide works throughout this process.

7.19 It is worth noting here that the 'information potential' from these archaeological investigations is considered high and will provide a considerable contribution to scientific research into the history of region. In my view, this is a value also contributing to the merits of the project.

7.20 Lastly, the Neighbouring Retailers Group identify a lack of adherence to policy in their opposition to consent stating that *The proposal will have adverse effects on historic heritage and is contrary to policy 3* (Policy 3 Effects on heritage: To avoid, remedy or mitigate the potential adverse effects of subdivision, use and development on heritage).

7.21 I contend that the proposal is not contrary to this policy in that mitigation of effects to historic heritage is provided for. In my opinion, effects to heritage are not such that they cannot be mitigated thus adhering to this policy.

## **8 Conditions**

8.1 The mitigation measures presented in Woods, Cropper and Cawte 2019 and offered by the applicant, align with proposed conditions reported by consultant planner Clease and thus, do not require further discussion here. The applicant

has, however, proposed an amendment to condition 3 which is in reference to the Façade Retention Plan.

- 8.2 It is proposed that the specific engineering and treatment requirements be removed. Given the assessments that have already been carried out, and given that the FRP must provide council with confidence that the facades will survive, and that they will require this to be satisfied prior to works, I see no issue with the proposed changes.

## **9 Conclusion**

- 9.1 The applicant's proposal is to redevelop an inner city block bound by Tay, Dee, Esk and Kelvin Streets which also contains numerous extant heritage buildings the majority of which are proposed for demolition
- 9.2 It is proposed that the Category I Heritage New Zealand Listed, Bank of New South Wales building will be retained and incorporated into the development. One Category II listed building, The Southland Times, will have its façade retained and integrated into the redevelopment. Two further facades, Coxhead and Cambridge Arcade will be retained both of which are ICC scheduled buildings. The remaining buildings will be demolished including two Heritage New Zealand listed Category II buildings, and 14 ICC Scheduled buildings.
- 9.3 Of the 14 scheduled buildings to be demolished (that are not also HNZ listed), seven were previously recommended for removal from the District Plan leaving seven which were recommended for protection, of which all but 1, the Fairweather building, were determined to have low heritage value.
- 9.4 The majority of the buildings in poor condition and are considered earthquake prone. There are low levels of occupancy throughout and often for considerable time periods meaning the make-up of buildings in this block has not been fit for purpose for some time. Thus, the status quo is not providing a positive outlook in itself for heritage buildings within this block

- 9.5 External funding elements that could provide for seismic upgrades, are unlikely to meet a meaningful proportion of any overall upgrade or fitout costs.
- 9.6 The merits of the project are considered high, as is the quality of the design and there is high 'information potential' in undertaking the archaeological investigations.
- 9.7 It is my view that the proposed redevelopment of the block bound by Tay, Dee, Esk and Kelvin Streets does not constitute an inappropriate activity in relation to heritage matters.

DR HAYDEN CAWTE

Heritage Expert

New Zealand Heritage Properties Ltd

11 March 2019