

Further submission by Gaire Thompson in respect to Resource Consent by HWCP Management Ltd.

Further submission to the Commissioner hearing the application by HWCP Management Ltd for Resource Consent for a non complying activity to demolish and re develop the land and buildings in Invercargill CBD on the block between Esk and Tay Streets and Dee and Kelvin Streets in response to the material produced at the hearing.

I wish to make the following comments:

I challenge Mr Clease's comment "that none of the previous owners were willing or able to make the financial commitment necessary to undertake the required strengthening" as previous owners of 42 Tay Street we have spent a considerable amount on improving that building and would have upgraded its earthquake rating as required.

We lobbied the previous Government to make this tax deductible as it should be in my opinion. In provincial towns because of the level of rents it makes it hard to complete such work and receive a return.

Points to consider:

1. Extremely large scale project with significant effect on prime retail area of Invercargill and doesn't comply, with a number of planning rules
2. Significant cost to all Invercargill ratepayers through their 49.9% stake with losses already mounting up as evidenced by the recent statement by Holdco – Council's investment arm their dividend to ICC will be \$2million short this financial year. This equates to an increase in rates of 4%.
3. Significant admission by HWC Director that "this would be the worst investment he has ever made". That maybe OK for him but does reflect badly on the Ratepayers involvement.
4. HWCP's submission that retailers etc. would require 100% NBS rating is misleading. Banks tend to require over 70%.
National retailers tend to require 67% or higher
Local retailers are usually content with 34% and many happy to operate under this level, the risk of earthquakes has been over stated by the applicants as Invercargill is not in a high risk zone. The effects of the Kaikoura earthquake in Wellington was that a number of buildings around 10 years old had to be demolished whereas those categorised as earthquake prone hadn't been effected.
5. Although the most recent plans are a vast improvement to the appearance along Esk Street this development is a major alteration to the inner city landscape with loss of much character including the Cambridge Archade, and attractive connection between Esk and Tay Streets. All the historic verandahs and posts look to be lost and those proposed look to provide inadequate protection for pedestrians.
6. In my view it is essential that before any demolition is undertaken that the proposed development has gained all its consents and has the backing of all parties involved so as to ensure that it will be completed and not left half done as this would be a disaster for the Invercargill CBD.
7. Apart from unsubstantiated estimates from consultants I don't believe that anything was produced at the hearing to support how the 42 shops, 15 food outlets and large areas of office space will be filled. Nothing was produced to show the effect on the rest of the CBD.
8. I find it hard to believe that the anchor tenant will sign an unconditional lease prior to the consents being granted and the appeal period finished. Nor was there any indication as to the number of the premises that are under offer to future tenants.
9. The proposal indicates that the maximum 10 meter height allowed will be breached over most of the site and in a large area in excess of 100%

10. Pedestrian friendly frontages require verandahs which protect the pedestrians and interesting shop fronts along the way to attract the movement of pedestrians.
11. All the extra office and retail spaces being created, which has been further increased in the most recent plans provided, will be very hard to fill apart from the Richardson Group occupying their own building. This is clearly demonstrated by the fact that despite “sweet deals” being offered by the Council to fill the remaining space in its Don Street development, a considerable area still remains vacant. Who is going to occupy the Civic area as if either Council moves its ratepayers will pay higher rentals and leave behind more vacant office space in an already over supplied market.
12. The application wasn't fully thought out prior to the original submission requiring a number of alterations to both design, composition and size of what is proposed to be built.
13. This significant loss of heritage values from the central city area has only been compensated for in a minor way with the retention of the Cambridge Court and Southland Times facades.
14. This would have to be the largest and most risky investment of ratepayers' funds and because of the structure has not been subject to the normal scrutiny that such a commitment would require of Council
15. The applicants have clearly demonstrated its disregard for the resource consent process:
 - a. By applying before the application was fully thought out and detailed, eg an Auckland demolition application
 - b. By over emphasising problems such as current earthquake status and required levels
 - c. By acting as if they are going to automatically have their consents approved prior to the hearing by removing as many tenants as they could regardless of the risk to that area of the CBD should they fail to get a consent or the project becomes economically unviable in its current form.

Conclusion

1. The amended plans show an improved appearance and frontage to Esk Street
2. They also add more space to the already intensive development which at the cost of doing so I believe will be far too expensive to lease for a city the size of Invercargill which already has a surplus of office and retail space. Unlike the major centres will not attract head offices with large numbers of staff which add vibrancy and potential customers to the CBD.
3. The exception to this is the local Richardson Group, and I fully support their office block with ground floor retail as if information supplied is accurate the current buildings on the proposed site although attractive in appearance, have significant structural issues.
4. We have tried numerous agents to try and attract Call Centres to Invercargill believing them to be an ideal use of surplus office space and employer of a number of people so far without success. The applicants have not provided any further information re tenancy uptake
5. Similarly we regularly try to have agents fill retail space in Invercargill with national and international brands but find that primarily they are interested in the Auckland markets and then Wellington with Invercargill far from a priority. This is not helped by the rapid expansion of Queenstown which has now an all year tourist season and great air service including directly to Australia.
6. This is such a massive development proposal for a city the size of Invercargill. That if granted in its current form could well result in a half occupied far from vibrant area which would result in reducing rentals to well below cost to fill the area. This would result in large vacancies within the inner city and in this case a very large cost to the Invercargill ratepayers. There has been no further data that I can see regarding how many of the 42 retail stores and 15 food premises that are subject to lease offers.

Suggested conditions:

Should the commissioners approve the application in full I would like to see the following conditions:

1. No demolition until all consents are granted. I.e. resource and building.
2. A rating differential introduced to cover the development of the area to a level that ensures other ratepayers are not subsidising this development through their rates.
3. Insistence on full verandahs that provide protection for pedestrians where practically possible.
4. Strict provisions requiring the minimal disturbance to the businesses in the surrounding area.
5. That the I.C.C give ratepayers the chance to submit for or against after having been give the full economic facts and the likely effect on their rates and the rest of the C.B.D.