



Hearing Panel: Independent Hearing **Hearing Date:** 3 December 2020
Commissioners - Richard Knott (Chairperson) and Bill Wasley

Report Name: Supplementary s42A **Author:** Lana Gooderham
Planning Report on Publicly Notified Resource Consent Application to Demolish a B-ranked Heritage Building, being the Temple View Block Plant (H135).

1 INTRODUCTION

1. This report constitutes a supplementary s42A Report to accompany my original S42a Report dated 2 September 2020 prepared under the Resource Management Act 1991, which provides my advice and recommendations as an independent planner. This report must be read in conjunction with the original S42A Report and all other technical evidence and submissions received on the resource consent application.
2. My original s42A Report was issued on 2 September 2020 and made publicly available. The report provided a comprehensive assessment of heritage effects of the proposal, as well as consideration of the proposal against the Objectives and Policies and Assessment Criteria listed in the Operative District Plan.
3. The report found that, while the applicant had thoroughly considered potential office and residential re-use of the building and determined these uses to be economically unfeasible, due consideration was not given to other reasonable uses for the Block Plant building as an alternative to demolition of the building. The s42A Report specifically identified 'Places of Assembly' uses as potential, non-fanciful uses that required further consideration. As a consequence, the report considered that the proposal did not fully align with the Objectives & Policies of the Operative District Plan (Paragraph 101-114), nor was the relevant Assessment Criteria met by the proposal (Paragraphs 115-121).

4. I concluded in my original s42A report that, on balance, I was unable to support the current application. As such, my recommendation was that the resource consent for demolition be **declined**.
5. Following the issuing of this report, the applicant sought deferment of the hearing for the purposes of addressing the matters raised in my s42A Report. This deferment was formally requested in a memorandum from the Applicant’s legal counsel, Mr Nolan and Mr Cameron, dated 7 September 2020, and was agreed to by Commissioners Knott and Wasley.
6. Following the request for deferment, the applicant submitted further information to Council on 9 October 2020 in response to the matters raised in my s42A Report. Specifically, this information related to further exploration of the option of adapting the Block Plant building for use as a gymnasium and ‘men’s shed’, in line with the definition of ‘Places of Assembly’ as outlined in the District Plan. This information also provided high-level commentary on other potential Places of Assembly uses, including a theatre, museum/art gallery and an educational building. The information is supported by a set of architectural plans developed by Walker Architects (dated 8 October 2020), as well as the following specialist information:
 - Structural Concept Design – Beca, dated 7 October 2020
 - Quantity Surveyor costings – CJM Consultants, dated 30 September 2020
 - Market Valuation – Telfer Young, dated 8 October 2020
 - Further Adaptive Reuse Option Memo – Adam Wild (Archifact) dated 8 October 2020
7. The applicant has further provided comments on the draft conditions appended to my s42A report in a memo dated 8 October 2020.

2 PURPOSE

8. The purpose of this supplementary report is to consider the additional information and assessment provided by the applicant in relation to the Places of Assembly adaptive re-use option. In addition, I seek to provide a revised set of draft conditions, based on the comments provided by the applicant.
9. My original S42A Report covers off the introduction, application timeline, site description, application, submissions and notification matters, and I do not seek to repeat these matters. This report will therefore only provide further assessment in respect of heritage effects, and any changes to my assessment in respect of the Objectives and Policies, Assessment Criteria, and s104 overall conclusion and recommendation in light of the submitted further information.

10. The information provided by the applicant was circulated to Ms Wendy Turvey (Opus), and Ms Turvey has provided supplementary evidence dated 20 October 2020 which addresses the heritage matters in response to the further information. I have relied on the supplementary evidence provided by Ms Turvey in consideration of the heritage matters of this application (refer Appendix A). Council has further commissioned a review of the quantity surveying information supplied by the applicant. This review was undertaken by quantity surveyors Rider Levett Bucknall (RLB) (refer Appendix B), and I rely on this assessment where appropriate.

3 HERITAGE EFFECTS

11. Section 6 of my original s42a Report considered the heritage effects of the proposal. Firstly, it assessed the context of the historic building and its immediate environment, and the effect of the demolition on the values or attributes of the building that contributes to its historical significance. Secondly, the assessment considered the structural integrity and current condition of the building. Finally, it assessed opportunities and constraints associated with potential alternative uses for the building.

3.1 HISTORIC VALUES

12. My assessment in relation to the effect of the demolition on the historic values and attributes of the building as outlined in Paragraphs 39-53 of the original s42a report remains unchanged by the further information submitted, and I do not seek to expand further on this assessment.

3.2 STRUCTURAL INTEGRITY AND SEISMIC STRENGTHENING

13. In respect of the structural integrity and seismic strengthening of the building, my original s42A report concluded that, while the structural integrity and seismic performance of the Block Plant is a consideration, it is not the primary consideration in respect of the application. Rather, the primary consideration is the economic implications of undertaking strengthening in conjunction with the cost of establishing an alternative use (Paragraph 59). I maintain this view in this supplementary report.
14. Further information has been provided by the applicant in relation to seismic strengthening requirements for an alternative Places of Assembly use, being a gym/men's shed (Structural Concept Design – Beca, dated 7 October 2020). This information is to be read in conjunction with the original structural/seismic reporting prepared by Beca.
15. Ms Turvey has commented on the seismic/structural information supplied by the applicant, noting that:

The scheme proposed is intended to strengthen the building to 67% NBS. Nowhere in the documentation is the statutory Importance Level (IL) of the building noted. The IL will impact on the structural calculations and the NBS percentage ratings for the strengthening options being proposed. Under the existing definitions (given in Clause A3 of the Building Code), I would consider this to be an IL2 building as it is unlikely, if

not impossible, to accommodate 300 people in one area at any one time. [Paragraph 2.3]

16. Following the receipt of Ms Turvey’s evidence, I have sought to clarify this information with the applicant. The author of the Beca report provided further clarification via email on 30 October 2020. This email confirms that the building if redeveloped will have an IL2 classification. It was noted that this has been accounted for in the %NBS calculation, including the existing state.
17. The seismic strengthening requirements as it relates to the potential use of the building as a Place of Assembly is discussed in the section below.

3.3 POTENTIAL ALTERNATIVE USES

18. The primary matter for further consideration is therefore the opportunities and constraints associated with potential alternative uses for the building. The original s42a Report carefully considered the information provided by the applicant in respect of office and residential use and agreed with the applicant that the refurbishment of the Block Plant building for either of these uses would not be economically feasible. In addition, it was considered that the modifications to the building required to accommodate these uses are likely to significantly erode the physical/aesthetic heritage values that the building may hold.
19. Notwithstanding the conclusions drawn above, the S42A Report emphasised the importance of consideration of reasonable/non-fanciful uses for the Block Plant building, given its status as a B-ranked heritage building. Using the District Plan provisions as a guideline, the report was able to discount a range of uses on the basis of the information already provided by the applicant. However, the report identified that potential Places of Assembly uses had not been fully explored by the applicant, and that the information already provided by the applicant did not serve to either confirm or discount the feasibility of a potential Places of Assembly use.
20. In light of this assessment, the applicant has chosen to provide further information and assessment regarding potential Places of Assembly uses. Specifically, the applicant has considered the use of the building as a gym and men’s shed; with the gym being accommodated in two-thirds of the building and the men’s shed being in the other third, as shown on the Walker Architects floor plans (Ref: A04, dated 7/10/2020). These plans illustrate some modification to the external facades of the building with the introduction of additional glazing.
21. The applicant has also considered other potential Places of Assembly uses, including a theatre or cinema, a display gallery and museum, a public hall and education facilities. Mr Dawson (BBO) prepared a high-level narrative for each of these uses; drawing from existing information, advice from experts, and knowledge of the existing services and facilities provided in the Temple View area. No architectural plans or specialist reports were prepared for these proposed uses. The information provided by the applicant in respect of

these uses conclude that none of the proposed uses are suitable alternative uses for the Block Plant building. These conclusions are based on the likely degree of structural and physical interventions required that are likely to result in the loss of heritage; the general incompatibility of the type of use with the future surrounding consented residential environment; and finally, the demand for these additional facilities, given the location of the Mendenhall Building (museum and archive) and the Kai Hall (public hall).

22. The option for a gym and men's shed could not be immediately discounted. As such, these uses are explored in further depth by the applicant, and is supported by a number of specialist reports, including a Structural Concept Design (Beca, dated 7 October 2020), Quantity Surveyor costings (CJM Consultants, dated 30 September 2020), a Market Valuation report (Telfer Young, dated 8 October 2020) and Heritage Effects Memo, (Adam Wild (Archifact), dated 8 October 2020).
23. The Telfer Young report provides an assessment of the economic feasibility of the proposed gym/men's shed building; drawing on the architectural plans and the Quantity Surveyor costings. This report firstly provides a market rental evaluation, noting that:

“The proposal is for a gym to occupy a larger area to the southern side of the building and the first floor area. The ground floor space will be fitted out with change amenity [sic] and toilets, have floor coverings, air conditioning and acoustic insulation. Despite the location being suburban without significant profile, it will service a growing local market and based on the “new” quality proposed and with the fitout to be provided by the owner, we have adopted rental rates at the top end of the range that support the purpose built retrofit of the space for a gym.

The men's shed will occupy the northern part of the building. We have determined a potential cashflow from this use however are mindful that this type of use is typically community based and occupies space that does not have demand for alternative use. The level of rental income is constrained by limited funding (if any) for the groups that occupy and therefore the level of rental is constrained” (p. 3-4).

24. The report also provides a market valuation using an Income Capitalisation Approach, a Discounted Cashflow Approach and a Sales Comparison Approach. From this data, the report derives a market value of \$2,100,00 for the building. This cost is then off-set by the development cost estimate of \$3,642,511.99 plus GST as prepared by CJM consultants. The comparison of these costs results in a negative value of -\$1,981,512. The report concludes as follows:

“We would determine that the option of repurposing the Block Plant building with the Places of Assembly definition as a gymnasium and Men's Shed would be economically unfeasible” (p. 9)

25. The Heritage Memo prepared by Mr Wild considers the proposal from a heritage perspective, with reference to other expert reporting provided by the applicant. This memo states:

“That analysis has recognised that the degree of intervention required to ensure the structural resilience of the building, the compliance with provisions of the Building Act, the consented surrounding context, the relevance of the adaptation in the current market, and the place of this adaptation within the wider Temple View Envisaging Project context results in degrees of physical intervention to the heritage fabric that adversely affects the historic heritage values for which the Block Plant was originally included in the ODP” (p. 4).

26. The Memo then concludes as follows:

“In this instance this option is no more appropriate than demolition given the significant further alterations to and resulting loss of heritage building fabric that would be involved beyond what has already occurred over many years, and the incompatibility of the adaptation and the activities supported in the consented residential context” (p.4).

27. Ms Turvey has reviewed the further information provided by the applicant in respect of the Places of Assembly uses and has provided supplementary evidence in respect of this information (refer Appendix A). Ms Turvey concurs with the applicants’ assessment that a theatre/cinema, museum, display gallery, public hall and education facilities are unlikely to be appropriate uses for the building, as these uses would affect heritage values due to the physical changes required to the building. In addition, Ms Turvey acknowledges in paragraph 2.1 of her evidence that some of these uses are already accommodated elsewhere on site (Mendenhall Building, GR Biesinger Building and Kai Hall).
28. In respect of the gym and men’s shed use proposed, Ms Turvey makes the following comments in her evidence:

“As pointed out in the Archifact memorandum of 8 October 2020 the structural analysis undertaken by Beca shows that the building meets minimum standards for occupation in its current form. While the applicant has explored uses for the building, all of the options explored, assume extensive modification to the building fabric with consequential change in use implications. Less economically attractive options where minimal modification is required and where the change in use is driven by the need to retain fabric are less well canvassed. Storage facilities for local community use, storage of maintenance equipment for the site, are probably not an economically attractive option to the applicant but would require minimal intervention. The Mens’ Shed/gymnasium option explored has been examined from the perspective of a high value refit and not from the perspective of minimum fabric intervention.” [para 2.2]

29. Ms Turvey also notes that *“the proposed strengthening scheme has not been peer reviewed nor has the budget cost estimate”* (paragraph 2.4). Further commentary is provided in relation to the anticipated cost for redevelopment as follows:

“The per square metre floor area cost of \$4,681.89 is above what I would expect, based on the current standard industry rates and recent research conducted by the University of Auckland and Victoria University of Wellington (Filippova and Noy 2019, <https://onlinelibrary.wiley.com/doi/pdf/10.1111/disa.12360>). Other areas worthy of review by a suitably qualified structural engineer and quantity surveyor include the P&G percentage, the margin percentage, the number of allowances made on a per item basis and the per square metre rates for some trades. Whether a peer review of these aspects is justified is a matter for the Hamilton City Council to determine, with the information available to them.” (para 2.5)

30. In conclusion, Ms Turvey confirms that her conclusion in her original evidence (paragraphs 56-63) stand. That is, based on the information provided to date, Ms Turvey seeks that the Block Plant building be retained and the application for demolition be declined.
31. I have considered the information provided by the applicant and the supplementary evidence presented by Ms Turvey. In respect of adaptive re-use of the building as a theatre/cinema, art gallery/museum, public hall or education facilities, I concur with both the applicant and Ms Turvey. That is, based on the information presented to date, it is likely that these uses will require substantial modification to the building that would erode any physical/aesthetic historical values that the building may hold. In addition, I concur that some of these uses are already well catered for in the locality, and in some cases, within historic heritage buildings that have been adapted for these purposes. As such, I am of the view that the applicant has given due regard to these Places of Assembly uses, and do not consider that any further exploration of these uses is reasonable or necessary.
32. In respect of the gym/men’s shed adaptive re-use option, based on the information provided, my assessment focuses on three key considerations. Firstly, I consider the extent to which reuse of the building as a gym/men’s shed will affect the historic values of the building and the reasons it is included as a B-ranked historic heritage building in the Operative District Plan. Secondly, my assessment will focus on the economic feasibility of the gym/men’s shed option. Finally, I consider whether the applicant has adequately considered reasonable and non-fanciful uses for the Block Plant building.
33. I note that the Memo provided by Mr Wild highlights the range of structural, ventilation and glazing changes that are required to be made to the building to accommodate the proposed gym/men’s shed use. I have reviewed the architectural plans and Structural Concept Design prepared by Beca. It is clear that the re-use of this building will require modifications to the exterior facades of the building, as well as the immediate surrounds to incorporate carparking and service area requirements. However, in my opinion, the submitted plans illustrate that the building lends itself more to gym/men’s shed use than the other uses put forward by the applicant previously, being office and residential use. In

other words, I acknowledge that the adaptive re-use of the building for this purpose will result in physical changes to the existing built form, however I do not consider that the scope of change proposed will necessarily erode the historic values of the building to such an extent that they are destroyed. As such, it is my view that the physical and structural alterations required to the building are not in and of themselves a reason to prefer demolition above that of adaptive re-use of the building, as Mr Wild concludes on p. 4 of his memo.

34. With that in mind, I now turn to the economic feasibility of the gym/men's shed option. As discussed within my original s42a Report, the economic feasibility of re-use is a key consideration in any application for the demolition of a heritage building. The applicant has provided a Market Valuation report by Telfer Young that discusses the economic feasibility of the proposal and concludes that the proposal is economically unfeasible; resulting in an overall current value of -\$1,981,512. This assessment takes into account the quantity surveying costings provided by CJM consultants.
35. As noted above, in her evidence, Ms Turvey noted that the structural information and the quantity surveying costings had not been peer reviewed. In particular, Ms Turvey considered that some of the quantity surveying costings may have been overestimated by the applicant.
36. In respect of peer reviewing of the structural/seismic information, in my view, the conclusions outlined in my original s42a stand. That is, the primary consideration is the economic implications of undertaking strengthening in conjunction with the cost of establishing an alternative use, rather than the seismic strengthening itself. Council has therefore not sought further expert review and advice on the structural/seismic information provided by the applicant, and accepts the information provided by the applicant to date.
37. With reference to the quantity surveying information, I agree that a robust understanding of this information is necessary in coming to a view on the application. In cases where costs of undertaking work have been overestimated, this will affect the overall economic feasibility of the adaptive re-use option. As such, Council commissioned a peer review of this information by Rider Levett Bucknall (RLB) (a cost management and quantity surveying company) (refer Appendix B). The information provided to RLB included the architectural drawings by Walker Architects, the Structural Drawings by Beca and the Budget Cost Estimate prepared by CJM Consultants. The review included a review of m² rates for different building elements, individual rates, and spot-checking detailed measures.
38. The memo provides comments where RLB believe that the costs provided by the applicant differ from fair and reasonable market rates. The review found that "*Rates used in the estimate are generally in line with current market value and only a few instances found to be different. Some of the trade items are over measured*" (p. 3). The report identifies a total variance in cost of \$101,663. Comparing this to the total cost provided by CJM, being \$3,642,511.99 (excluding GST), this means that the costs are overestimated by 2.79%. The

report concludes that *“We find the estimate to be \$101,663 over estimated and would consider this to be of minor significance in relation to the overall budget estimate”* (p.4).

39. I have carefully considered the implications of this overestimation, and in my view, it does not in my opinion change the economic feasibility of the proposal. Taking into account this estimation, the adaptive re-use proposal would still result in a current value of - \$1 879 849. Based on this figure and relying on the expert information provided by the applicant and the expert review commissioned by Council, I concur that the adaptive re-use of Block Plant as a gym and men’s shed would be economically unfeasible.
40. Ms Turvey in her evidence also commented on the value of the retrofit of the building, noting that *“the Mens’ Shed/gymnasium option explored has been examined from the perspective of a high value refit and not from the perspective of minimum fabric intervention”* (Paragraph 2.2). I agree that, from my understanding of the information provided, the option put forward by the applicant represents a higher end facility with modern conveniences. Notwithstanding this, I note that allowances for a higher end facility has been made by Telfer Young, who has adopted a rent valuation that reflects the quality retrofit of the building. I therefore consider that this factor has been taken into account in the overall economic feasibility of the proposal.
41. In light of the assessment above, I now turn my mind as to whether the applicant has sufficiently addressed the matters raised in my original s42a Report. In this report, I concluded that, while a range of options were considered by the applicant, and additional options were able to be discounted based on the existing information, further consideration of potential Places of Assembly uses for the Block Plant was warranted. The applicant has now provided further information in this respect, with one of the options, being the gym/men’s shed, being explored in depth. It is noted that Ms Turvey in her evidence has put forward additional options that have not been explored by the applicant, such as storage facilities for residents or storage of maintenance equipment for the area.
42. While I acknowledge that the range of uses that have been explored by the applicant is not exhaustive and does not include every potential use for the building, in my view, the applicant has provided information in respect of a wide range reasonable and non-fanciful uses for the building. I further consider it reasonable that the applicant is able to expect a level of economic return on the potential re-use of the building in order to cover the costs of upgrades and continued maintenance. As such, while strict community use for the building may be structurally possible, it is necessary to factor in the economic repercussions of a strict non-profit use of a building within private ownership.
43. For the abovementioned reasons, I am able to conclude that the applicant has now provided me with adequate and robust information on the potential use of the building as a Place of Assembly, and that, based on this information, the re-use of the building for these types of activities would be economically unfeasible.

3.4 MITIGATION MEASURES

44. I provided a comprehensive overview of mitigation measures in Section 6.5 of the original S42a Report, and as such, I will not repeat this information here. Proposed conditions of consent, should the Commissioners be of mind to grant the resource consent, were appended to my report as Attachment 1.
45. As part of the further information submitted by the applicant on 9 October 2020, the applicant also provided commentary on the draft conditions in a memo prepared by BBO. This also included a track changes version of my recommended draft conditions. The proposed changes to the conditions have been reviewed by myself and Ms Turvey in her supplementary evidence.
46. The main conditions for discussion include proposed Condition 3, Condition 4, Condition 5 and Condition 7. In respect of Condition 3, the applicant seeks deletion of this condition as it is not considered that there is a practicable and accessible location for a sign to be displayed on Tuhikaramea Road. In consideration of this request, I have amended Condition 2 to provide additional flexibility for the applicant on where the commemorative plinth is to be located. In my view, it is appropriate that a commemorative plinth be provided in addition to a display in the future Rose Garden, given the ranking of the building. Condition 3 has been deleted.
47. In respect of Condition 4 (now Condition 3), I do not agree with the changes proposed by the applicant, for the reasons set out above. My recommended condition therefore retains Condition 4 (now Condition 3) as in, except for reference to a plan showing the location of the Rose Garden to be provided by the applicant. In my view, this changes provides additional clarity for future parties reading or monitoring this consent, if granted.
48. The applicant has sought deletion of Condition 5 (now Condition 4), stating the impracticalities of having a permanent museum display for a particular subject. I agree with the deletion of Condition 5 (now Condition 4), however, I have put forward another condition which ensures that the building record required by Condition 6 (now Condition 5) be permanently stored in the Mendenhall Museum Archive. This reflects the request by Ms Turvey in her evidence. Finally, I accept the proposed amendments to Condition 7 (now Condition 6). No changes are proposed to Conditions 7-10 inclusive.
49. A revised set of conditions are appended as Attachment 1 to this report. In my view, these conditions accurately reflect the importance of the Block Plant building as a B-ranked Heritage Building in the Operative District Plan, once again noting that these measures are not able to fully mitigate the permanent loss of a heritage building.

4 ASSESSMENT OF RELEVANT PLANNING INSTRUMENTS – S104(1)(b) RMA

50. In my original s42a Report, I provided commentary on the align of the proposal with the Waikato Regional Policy Statement. I do not have any further commentary to add to this section. National Policy Statements or Standards which are relevant or have any particular bearing on the application.

4.1 OPERATIVE DISTRICT PLAN

51. Section 7.3 of the original s42a Report provided a comprehensive overview of the relevant provisions of the Operative District Plan, as well as an overview of how Historic Heritage buildings are ranked under the Operative District Plan. I also provided a detailed assessment of the proposal against the relevant Objectives and Policies of the Special Character Zone and the Historic Heritage Chapter. In my opinion, it is necessary to revisit each of these Objectives and their associated policies, based on the further information that has now been provided by the applicant.
52. In the interest of clarity, I repeat these Objectives and Policies below, and provide a summary of my previous assessment before re-assessing the proposal against these provisions.

All Special Character Zones

Objective 5.2.1 *The Special Character Zones retain and enhance their identified values.*

Policy 5.2.1a *Cumulative adverse effects on the character of the area are avoided wherever practicable.*

Policy 5.2.1b *Development is consistent with the reasons for the site being included within a Special Character Zone.*

Policy 5.2.1d *Buildings are designed so they do not physically dominate or adversely affect the residential character of the neighbourhood.*

Temple View Zone

Objective 5.2.7 *To ensure development within the Temple View Character Area maintains and enhances its special character.*

Policy 5.2.7a *Development maintains the character, appearance and relationship to Tuhikaramea Road and the Temple View Village.*

Policy 5.2.7b *The design of new buildings and structures in terms of their height, materials, scale and form is in keeping with the scale and character of the area.*

Policy 5.2.7i *The heritage buildings in Volume 2, Appendix 8, Schedule 8A: Built Heritage are used and developed in a manner that maintains their distinctive heritage values.*

Comment

53. As noted in my original assessment, these provisions provide a strong direction to ensure that any development positively responds to the Temple View landscape in which it sits. The Block Plant building is identified as a heritage building within the Operative District Plan; and as such, I consider that the building in its current form and location forms part of the identified character in the Temple View Character Area.
54. I considered that Objective 5.2.7 and its associated policies identify that the Temple View Character Area is sensitive to any changes, both in terms of built form as well as types of activities in the area. The applicant considers that the demolition of the Block Plant will enable the subject area to be developed for residential purposes in accordance with the provisions of the Operative District Plan, and as such, the character of the area will be maintained by the current proposal.

55. However, in my original S42a Report, I concluded that it is likely that a stronger alignment with these Objectives and Policies are able to be achieved by the re-use of the Block Plant, given that Policy 5.2.7a specifically requires heritage buildings to be used and developed in a manner that maintains their heritage value. I concluded that due consideration should be given to a 'low level' alternative use of the building that will enable the proposal to more strongly align with Objective 5.2.7.
56. As discussed in this supplementary report, the applicant has now provided further information in respect of potential 'Places of Assembly' uses for the building. This includes an in-depth assessment of a proposed use of the building as a gym/men's shed, as well as a high-level consideration of uses such as a theatre/cinema, museum/art gallery, public hall and education facilities. While I disagree with the applicant that the use of the building for a gym/men's shed would necessarily erode the heritage values of the item, it is necessary for me to take a measured and reasonable approach that also takes into account the economic implications of adaptive re-use.
57. The applicant has demonstrated, by way of a robust economic assessment, that the use of the building for a gym/men's shed would result in a substantial economic loss. The costing information provided by the applicant has been reviewed on behalf of Council, and while it is considered that the cost has been over-estimated, it is not considered that this over-estimation is significant, nor does it alter my opinion that the re-use of the building for this purpose would be economically unfeasible. In addition, the applicant has also provided information on other potential Places of Assembly uses that indicate that these uses are likely to result in extensive external modifications of the building as well as being economically unfeasible.
58. For these reasons, I am able to conclude that, while re-use of the building would more strongly align with these objectives, the proposal in its current form is not contrary to the Objectives and Policies of the Special Character Zones.

Objectives and Policies – Chapter 19: Historic Heritage

All Historic Heritage

Objective 9.2.1 *Significant buildings, structures, sites and items that define the City's historic heritage are identified and protected.*

Policy 19.2.1a *The City's historic heritage shall be protected from the adverse effects of subdivision, use and development.*

Policy 19.2.1b *Ensuring that where features have been destroyed or damaged, the historical heritage values of these sites are recorded and recognised to ensure the historical legibility of Hamilton City.*

Policy 19.2.1c *Subdivision and development shall adhere to the conservation principles of International Council on Monuments and Sites (ICOMOS) being the New Zealand Charter (2010) for the Conservation of Places of Cultural Heritage Value where applicable.*

Objective 19.2.1 *The heritage values of a diverse and representative range of natural, physical and cultural resources are protected.*

Policy 19.2.2a *Items of significant heritage value (buildings, objects,*

areas, trees and sites) shall be scheduled.

Policy 19.2.2b *The loss of heritage values associated with scheduled items shall be avoided.*

Policy 19.2.2c *Outstanding examples of a particular type of site, or sites that are highly significant to the community shall be scheduled*

Buildings and Structures

Objective 19.2.1 *The heritage values of significant buildings, structures and their immediate surroundings are protected.*

Policy 19.2.3a *Demolition or relocation of buildings and structures ranked A in Schedule 8A shall be avoided.*

Policy 19.2.3b *Demolition or relocation of buildings and structures ranked B in Schedule 8A should be discouraged.*

Policy 19.2.3c *Subdivision and development shall retain, protect and enhance the heritage values of any building or structure listed within Schedule 8A.*

Policy 19.2.3d *Subdivision and development avoid any potential cumulative adverse effects on any building or structure listed in Schedule 8A*

Policy 19.2.3e *Heritage buildings and structures shall be used in a manner that ensures essential heritage qualities are not damaged or destroyed.*

Policy 19.2.3f *The design, materials and finish of any development shall be consistent with heritage values.*

Policy 19.2.3g *The continued use or adaptive reuse of any building or structure of identified heritage value shall be encouraged.*

Policy 19.2.3h *The site surrounding the heritage building or structure shall be protected to the extent that it contributes to the heritage value.*

Policy 19.2.3i *Encourage the strengthening of buildings in Schedule 8A to increase their ability to withstand future earthquakes while minimising the significant loss of associated heritage values.*

Comment

59. As noted in my original S42a Report, it is evident from an overall review of the objectives and policies associated with heritage that there is a broad emphasis on the protection of heritage values in Hamilton City. However, the objectives and policies recognise that adaptive re-use may be required to ensure that heritage values are protected. In addition, the Operative District Plan does provide for a distinction between A ranked and B ranked buildings. I emphasised the importance of reading these provisions in conjunction with the explanatory notes. It is noted that these explanations clarify that applications that result in a loss of heritage are able to be considered through the consenting process. Accordingly, and re-iterating from my original report, while the provisions contain a strong direction in terms of retention of heritage, the District Plan does provide a mechanism for an assessment and overall weighting of heritage loss within the consenting process.
60. I further considered Policy 19.2.3a and 19.2.3b, which provide some more specific direction particularly with regard to providing a distinction between building ranked A and buildings ranked B. Policy 19.2.3a states that demolition and relocation of A ranked buildings *shall be avoided*; whereas, for B ranked buildings Policy 19.2.3b states that demolition and relocation *shall be discouraged*. I considered that Policy 19.2.3b adopts a less onerous position for B-ranked buildings; indicating that a loss of heritage may be anticipated for B-ranked buildings in certain circumstances. This view is supported by the Explanation of these provisions, which indicates that the aim of the District Plan is to *minimise* the loss of historic buildings

and structures, and that demolition of highly significant historic buildings and structures will be considered only in *exceptional circumstances* [emphasis added].

61. Taking direction from the explanatory notes for the Objectives and Policies, I turned my mind as to what ‘exceptional circumstances’ meant for a B-ranked heritage building, and whether the applicant has demonstrated through the provision of expert evidence and supporting information that exceptional circumstances exist. I determined that, in order for me to conclude that the applicant has demonstrated exceptional circumstances in support for demolition as it relates to a B-Ranked building, further consideration of the use of the building as a Place of Assembly was required.
62. As discussed above, the applicant has provided a comprehensive assessment of potential re-use options for the building, both in the original information provided as well as the further information provided on 9 October 2020. Taking into account this information, the activity statuses outlined in the District Plan, and my knowledge and understanding of this area, it is my view that the applicant has canvassed a wide range of reasonable and non-fanciful uses for the Block Plant building. I acknowledge that the uses explored is not exhaustive, that is, they do not include every potential reasonable and non-fanciful re-use option for the Block Plant. However, taking a balanced approach, I do not consider it reasonable to request that the applicant canvass every use.
63. Notwithstanding this, I acknowledge that the Objectives and Policies of the Operative District Plan focus strongly on the retention of heritage buildings, and as such, it is difficult for me to conclude that the proposal *achieves* the Objectives and Policies in Chapter 19 when considered as a whole. However, in coming to my overall view, I emphasise Policy 19.2.3b) which refers to B-ranked buildings. When read in conjunction with the explanatory notes, it is my opinion that the District Plan anticipates some form of heritage loss in very specific circumstances. In my view, the applicant has demonstrated exceptional circumstances in support of the demolition of the Block Plant building.

4.2 District Plan Assessment Criteria

64. In the interest clarity, the paragraph below repeats the relevant assessment criteria in E – Heritage Values and Special Character.

E – Heritage Values and Special Character

E1 The extent to which the proposal, development, excavation or subdivision of a historic heritage site or place:

- a) Is consistent with the identified heritage values, including scale, design, form, style, bulk, height, materials and colour, and retains, protects or enhances the historic context.*
- b) Provides for design, layout or location of the activity, including associated building platforms, vehicle access and services on site in a manner that will minimise the disturbance of the site.*
- c) Provides for the on-going maintenance of the site to ensure that the site is preserved and that damage does not occur.*
- d) In Schedule 8A of Appendix 8 maintains visual linkages between the building or structure and the street.*
- e) Is compatible with the reasons for inclusion of the building, structure or site and its significance in Schedules 8A or 8B, of Appendix 8.*

- f) *Addresses cumulative effects on heritage values.*
- g) *Considers the irreversibility of an effect (e.g. the loss of unique features)*
- h) *Considers the opportunities for remediation and the costs and technical feasibility of remediation.*

- i) *Considers the resilience of the heritage feature to change (e.g. the ability of the feature to assimilate change, or the vulnerability of the feature to change).*
- j) *Adheres to the conservation principles of International Council on Monuments and Sites (ICOMOS) New Zealand Charter (2010) for the Conservation of Places of Cultural Heritage Value, where applicable.*
- k) *Includes consultation with Heritage New Zealand Pouhere Taonga.*
- l) *In the event of relocation, has adequately considered whether the relocation is necessary and whether appropriate measures are proposed to ensure any potential adverse effects on heritage values are avoided, remedied or mitigated.*
- m) *Incorporates proposed planting, fencing and identification (e.g. signage) sufficient to ensure site recognition.*

Temple View Character Area

E13 Whether it has been clearly demonstrated that demolition of any heritage building in Schedule 8A of Appendix 8 is necessary, considering alternatives for the refurbishment or re-use of the building, financial cost and technical feasibility.

E14 Any immediate or cumulative effects of the loss, alteration or removal of any buildings on the overall coherence of the Temple View Character Area.

E15 The extent to which new development or earthworks would adversely affect the landscape setting and views of the Temple View Character Area.

E16 The extent to which new development maintains a coherent character within the Temple View Character Area and, where relevant, integrates with development within the subject Precinct, and any adjacent Precinct.

65. The majority of the assessment in my original S42A Report remains relevant, and I do not seek to repeat this assessment here. Notwithstanding this, I seek to make further comment on assessment criteria E1 h) and E13, in response to the additional information that has been supplied by the applicant.
66. E1 h) requires Council to assess the proposal against the extent to which the proposal considers *the opportunities for remediation and the costs and technical feasibility of remediation*. The inclusion of this assessment criteria points to economic and technical feasibility of re-use of a heritage feature as a valid consideration within a consenting framework. In addition, assessment criteria E13 which relates to the Temple View Character Area specifically requires consideration of *whether it has been clearly demonstrated that demolition of any heritage building in Schedule 8A of Appendix 8 is necessary, considering alternatives for the refurbishment or re-use of the building, financial cost and technical feasibility*.
67. The applicant has provided a range of information considering the potential re-use of the Block Plant building. The original information supplied by the applicant demonstrated that the re-use of the Block Plant for either residential or office purposes would result in significant alterations to the heritage fabric of the building. In addition, the specialist reporting provided by the applicant determined that both of these uses are economically

unfeasible. In my original s42a Report, I agreed with this assessment, but considered that the applicant had not considered other reasonable and non-fanciful uses for the building, including the establishment of Places of Assembly. The Places of Assembly definition in the Operative District Plan is wide-ranging and encompasses various uses that I considered may potentially result in less structural intervention, as well as being more economically feasible.

68. By way of further information, including detailed Costings and an Economic Evaluation, the applicant has demonstrated that the use of the building as a gym/men’s shed (falling under the definition of Places of Assembly) would result in an economic loss. In my view, the extent of this loss, being more than \$1million, is a very pertinent consideration in the application for demolition. This is supported by the matters as is outlined in Assessment Criteria E1 h) and E13. That is to say, while it is clear that the Operative District Plan seeks to protect historic heritage, inclusion of this criteria leads Council to take a reasonable and comprehensive approach that considers a range of factors in determining the fate of a heritage building.
69. Taking a balanced approach and weighing up the economic costs associated with the adaptive re-use of the Block Plant and the economic feasibility of this re-use, I form the view that the demolition of the Block Plant building is a balanced response that is based on credible economic information. I do not consider it is necessary nor reasonable for the applicant to undertake further investigation into alternative uses in an attempt to eliminate every potential use for the building or every potential combination of uses. Overall, it is my view that the applicant has sufficiently demonstrated exceptional circumstances that enable me to conclude that the demolition of this building is an acceptable response.

4.3 OTHER MATTERS – S104(1)(c) RMA

70. My original s42a Report provided commentary on the alignment of the proposal with Council’s Strategies and Plans, as well as the Waikato-Tainui Environmental Plan. The further information provided by the applicant does not change my assessment regarding these matters, and I do not seek to add any further comment.

5 PART 2 OF THE RESOURCE MANAGEMENT ACT 1991

71. The further information provided by the applicant does not alter my original assessment with regards to Part 2 of the Resource Management Act 1991, as outlined in my original s42a Report.

6 CONCLUSION AND RECOMMENDATION

72. Resource consent is sought for the demolition of a B-ranked heritage building, being the Block Plant building, at Temple View, Hamilton City.
73. The primary matters for consideration relate to the heritage effects associated with the demolition of a listed heritage building in the Operative District Plan.

74. Submissions have been received in support and one submission in opposition. The submissions in support primarily focus on the cost of upgrading the building, the lack of potential uses for the building, and the the benefits associated with use of the land for housing. The submission in opposition primarily focuses on the cumulative effects of the proposal on the Temple View area.
75. My original s42a Report provided a comprehensive assessment of effects, as well as an assessment of the overall alignment of the proposal with the relevant Objectives and Policies and Assessment Criteria in the District Plan. While the applicant had discounted a range of uses through economic and structural assessments, and I was able to discount a range of uses based on the information available, I did not consider that potential Places of Assembly uses could be discounted by the information that had been provided to date. On that basis, my recommendation was that the consent be **declined**.
76. Since my original report, the applicant has supplied further information with regards to Places of Assembly uses; discounting a broad range based on existing specialist information and an understanding of the Temple View area. The applicant also specifically considered a potential gym/men’s shed use for the building, and explored this concept in detail. A range of supporting information accompanied this assessment, including a Structural Concept Design by Beca (dated 7 October 2020), Quantity Surveyor costings by CJM Consultants, (dated 30 September 2020), a Market Valuation by Telfer Young (dated 8 October 2020) and a Further Adaptive Reuse Option Memo, by Adam Wild (Archifact)(dated 8 October 2020).
77. This information has been reviewed by Ms Turvey and myself. Ms Turvey provided further evidence on the proposal and raised questions around whether a peer review of the specialist technical information would be appropriate in this instance. In addition, Ms Turvey considered that the range of uses explored by the applicant did not include less economically attractive uses, such a storage.
78. Council commissioned a peer review of the Quantity Surveyor Costings provided by the applicant. This review was undertaken by RLB). The report identifies a total variance in cost of \$101,663. Comparing this to the total cost provided by CJM, being \$3,642,511.99 (excluding GST), this means that the costs are overestimated by 2.79%. The memo considers this amount to be of minor significance in the overall budget. In my opinion, the cost variance of this magnitude has not altered the overall economic viability of the proposal to a significant extent. Relying on this specialist information and the review commissioned by Council, it is my opinion that the re-use of the Block Plant building as a gym/men’s shed is economically unfeasible.
79. It is my view that the applicant has provided a comprehensive overview of a wide range of potential uses for the Block Plant building, and used a strong evidence base to discount these uses. I acknowledge that the applicant has not explored every potential use for the building, nor every potential combination of uses. I further acknowledge that the applicant has not explored all non-profit uses for the building, such as storage. However, I deem it appropriate in this instance to take a balanced view which takes into account a range of factors, including

effects on the heritage fabric of the building as well as economic viability of proposals given the private ownership of the building.

80. On the basis of all the information provided by the applicant and the type of land uses that can reasonably be anticipated in the Temple View Zone, I come to the view that the applicant has demonstrated that the demolition of the Block Plant building is a balanced approach in this instance. For this reason, I seek to alter the recommendation contained in my original s42a Report. I now recommend that the application for the demolition of the Block Plant building be **approved**.
81. Should the commissioners be of mind to grant resource consent, I have attached a list of recommended conditions of consent as **Attachment 1**. These conditions have been revised following comments from the applicant on 9 October 2020. It is my view that these conditions (with amendments) better reflect the value of the Block Plant building.



Lana Gooderham (Int.NZPI)
Intermediate Planner
Planning Guidance Unit
2 November 2020

Attachment 1: Revised Conditions of Consent

Appendix A: Supplementary Heritage Evidence by Wendy Turvey, 20 October 2020

Appendix B: Block Plant Budget Estimate Review by Rider Levett Bucknall, dated 29 October 2020