

Before the Environment Court  
Christchurch Registry  
I mua i te Kooti Taiao o Aotearoa

**ENV-2018-CHC-198**

Under	the Resource Management Act 1991
In the matter	of an application under section 85 and clause 21 of the First Schedule of that Act
Between	<b>Redmond Retail Limited</b> Applicant
And	<b>Ashburton District Council</b> Respondent

**STATEMENT OF EVIDENCE OF NIGEL GILKISON**

Dated: 10 May 2019

## **INTRODUCTION**

1. My full name is Nigel Jason Gilkison. I am a self employed Urban Design and Architecture consultant based in Timaru, South Canterbury.

## **QUALIFICATIONS & EXPERIENCE**

2. I hold the qualifications of NZ Certificate in Architectural Draughting (Christchurch Polytechnic, 1990), Bachelor of Architectural Studies (University of Auckland, 1998) and Master of Arts in Urban Design (Distinction), (University of Portsmouth, UK, 2013). I am an Affiliated Member of the NZ Institute of Architects, a member of the NZ Urban Design Forum, Chairman of the Timaru CBD Group, board member of the Timaru Civic Trust and Deputy Chairman of Historic Places Mid Canterbury.
3. I have 25 years experience in the fields of Architecture and Urban Design, including 15 years experience based in the UK. My relevant experience to this evidence includes developing masterplans for new mixed-use developments and urban regeneration plans for the redevelopment of existing town centres, with particular emphasis on incorporating, retaining and adapting heritage buildings.
4. My architectural experience includes designing a variety of building types, including commercial and retail buildings and preparing and submitting both resource and building consent applications, as well as project managing the building design process from initial concept through to delivery of the finished building. I also have relevant experience in dealing with the requirements of the Resource Management Act, District Plans and the Building Act.
5. I have also recently worked as an Urban Design Specialist for Auckland Council (2015). This involved providing expert urban design advice and input to major resource consent applications within the Auckland region, preparing Urban Design assessments for the Council's reporting planners.
6. My current work includes assisting heritage building owners in Mid and South Canterbury with architectural and urban design advice relating to refurbishment and the adaptive reuse

of Heritage Listed buildings, including advising owners on grant funding options and earthquake strengthening proposals.

7. Even though I am not technically presenting as an expert witness in this particular instance, I do have expertise in architectural and urban design matters, relevant to this matter and I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014. I have complied with it in preparing this evidence and I agree to comply with it in presenting evidence at this hearing. The evidence that I give is within my area of expertise except where I state that my evidence is given in reliance on another person's evidence. I have considered all material facts that are known to me that might alter or detract from the opinions that I express in this evidence.

## **SCOPE OF EVIDENCE**

8. An application has been lodged under section 85 of the Resource Management Act 1991 to remove the Heritage Listing of the building at 229-241 West Street, Ashburton (Cates Grain Store) from the 'Schedule of Heritage buildings/items' (Appendix 12.1) in the Ashburton District Plan.
9. My evidence relates to the potential effects of the proposed removal of the Listing of the Group A heritage building at 229-241 West Street, Ashburton (Cates Grain Store) and its potential subsequent demolition, on the existing architectural and urban character of the Ashburton CBD.
10. My evidence also addresses the aspects of the applicants earthquake strengthening and refurbishment proposals of the Cates Grain Store, included in the applicants evidence and the applicants exploration of possible alternative uses for the building. My evidence also investigates other potential adaptive re-use options which are possible under the provisions of the rules in the existing District Plan for the existing building, from an architectural and urban design perspective.
11. I have read the application, as submitted to the Environment Court, and all evidence submitted by the representatives of the applicant and the respondent. I have also read the submissions on the application. I have visited the site previously, with the applicant in September, 2015.

12. I was a party to the original resource consent seeking to demolish the building (LUC15/0006) and a submitter at the independent hearing which took place in February, 2017. I was also a party to the applicant's subsequent appeal (ENV-2017-CHC-26) to the Environment Court of the original resource consent decision and was a party to the resultant mediation process (August 2017), prior to the applicant withdrawing the appeal in March 2018.

## **EXECUTIVE SUMMARY**

13. I do not believe that the listing of the Cates Grain Building in the heritage schedule of the Ashburton District Plan makes the land incapable of reasonable use with the existing building remaining in situ, nor do I believe that this listing places an unfair or unreasonable burden on the applicant.
14. It is my opinion that the removal of the Heritage Listing and the subsequent loss of the Cates Grain Store will have a significant negative effect on the urban streetscape, character and identity of the Ashburton Central Business District (CBD).
15. I do not believe that there has been an adequate exploration of detailed design options for retention and adaptive re-use of the existing building by the applicant and that other alternative economically viable development options for exist for the adaptive reuse of this building and site.

## **ANALYSIS AND ASSESSMENT OF THE EFFECTS OF DE-LISTING AND DEMOLITION**

Effect on the urban streetscape, character and identity of the Ashburton CBD

16. I will not go into a detailed analysis of the history or the historical significance of the existing Cates Grain Store building, as I am satisfied that this is well established and acknowledged within the applicant's submission and by other submitters.
17. In my opinion, the Cates Grain Store is one of Ashburton's most iconic buildings and it has very high societal, cultural and heritage values, which contribute significantly to the town's strong agrarian industrial identity, its evolved urban character and its established visual appeal. This highly distinctive building, with its distinctive curved roof, is also a prominent and identifiable part of the urban streetscape and skyline of the Ashburton CBD.

18. This is a unique and important part of Ashburton's heritage which is worthy of its Category A Listing. Ashburton has few heritage buildings remaining and the particular significance of this building to Mid Canterbury's agricultural heritage, make this building worthy of retention.
19. The highly prominent location of this historic landmark on SH1 means its loss will have a significant negative effect on many of the town's existing views, adversely impacting both the on character of the local streetscape and local views, as well as the existing skyline and more distant views from around the CBD.
20. As the renowned Architect and Urbanist Aldo Rossi postulated, 'A city remembers through its buildings'. The Cates Grain Store is part of the narrative of the formation of the settlement of Ashburton and is the last remaining example of a grain storage building. It thus provides a tangible reminder of the architecture of the agricultural industrial economy that is so aptly encapsulated by the architecture of the existing building, and that has been such a distinctive and prominent part of the cultural identity of Ashburton from the late 19<sup>th</sup> century, continuing through to today.

#### **ANALYSIS OF FINANCIAL VIABILITY FOR RETENTION AND RE-USE**

21. Both the applicant and the various submitters acknowledge that the significance of the heritage of this listed building lies, almost exclusively, in the original late 19th century structure, under the curved roof form, fronting directly onto West St.
22. In reading through all the submitted information for this application (both applicant's and submitters' information), I have seen no request that the later (circa 1960s) extensions and additions to the side and rear of the original curved roof building, are important to the historic heritage of the site, nor any plea that they need to be retained.
23. In my opinion, it is not necessary to retain the rear building nor the single storey side extension, in order to preserve the integrity of the property's heritage listing.
24. I met with the applicant and inspected the building, along with Maxine Watson of Historic Places Mid Canterbury, on 21st September 2015. At that meeting, both Maxine and myself stated that we were only interested in the retention and re-use of the original late 19th

century structure and that we were not concerned by the loss of the later extensions to the rear and side of this building.

25. I identified, at that meeting, that the submitted earthquake strengthening report included substantial strengthening works to the rear building and requested that the applicant exclude the strengthening of the rear building from this Earthquake Strengthening report and modify the cost analysis accordingly. I note that this request has since been acknowledged by the applicant and the various submitted evidence now analyses the option of refurbishing and strengthening (to 100%NBS) just the front (original) portion of the building.
26. Mr McLeod's evidence seeks to speculate on the financial viability of the hypothetical redevelopment which retains the existing front (original) building, referring to Mr Skews revised condition report and Mr Harrison's revised estimated costings for the refurbishment and earthquake strengthening of the front building only, at a total cost of \$1,990,919. This estimated strengthening and refurbishment cost is based on Mr Skews refurbishment proposals, which would bring the building up to a modern lettable standard and which would be fully compliant with all of the requirements of the current Building Code and Mr Gwatkin's seismic strengthening design of the front building to 100% NBS. I note that the Building Act only requires the strengthening of this building to a minimum of 34% of NBS. The required %NBS rating, above and beyond this, for any proposed 'change of use' of the building, would be entirely at the discretion of the Ashburton District Council.
27. This figure of nearly \$2 mil, to provide a 100% compliant, modern standard of commercial/ retail accommodation, delivering approximately 1300m<sup>2</sup> of floor area (over two floors), seems a reasonable estimate to me and I think that this cost would compare favourably with the overall cost of the alternative of demolishing the existing buildings and rebuilding a comparable sized new building on this site.
28. I note that Mr Redmond, in his evidence submitted as part of the original resource consent hearing (dated 20 January 2017), relating to the application seeking to demolish the building, discussed the costs associated with a constructing a similar sized new building on the cleared site, stating that (item 20) *"From evidence of recently constructed commercial*

*buildings in Ashburton a new building could be constructed within the range of \$2200 m2 for a single level structure to \$2750m2 for a substantial two level structure.”* Based on these figures, a similar sized (1300m2 over two floors) new two-storey building on this site would cost approximately \$3.5mil - which is significantly more expensive than the costs of strengthening and refurbishment of the existing heritage building (\$2mil).

29. Mr McLeod’s evidence also states (item 13) that *‘Ashburton District Council has issued notice that the building has a limited life in its current condition and cannot be occupied after 23rd May 2023’*. I believe this to be incorrect, as the requirement of the Building (Earthquake-prone Buildings) Amendment Act 2016 stipulates that earthquake-prone buildings within the *medium* Seismic Risk Area (which is the Seismic Risk Area in which Ashburton is situated), have a period of 25 years to strengthen their building, from the time the date the Territorial Authorities identify potentially earthquake-prone buildings. This period is halved (to 12.5 years) for ‘Priority Buildings’, but the Cates Grain Store, as far as I’m aware, has not been classified as a Priority Building, as Ashburton District Council have yet to complete their consultation and adopt policy relating to Priority Thoroughfares and Strategic Routes (they are required to do this by 1 July 2022). The Cates Grain Store building does not currently appear on the *National Register of Earthquake-prone Buildings*.
30. Mr Harford’s evidence (item 4.9(b)) refers to Mr Tim Gwatkin, Structural Engineers evidence to the earlier Ashburton District Council hearing seeking the demolition of this building, stating from paragraph 7 of that evidence:

*In the Ashburton District, the policy for earthquake prone buildings is that they must be upgraded to 67% of the New Building Standard (NBS). However, this applies only to a building with a continuing use. For a building, likely to have a change of use the Building Act requires strengthening and general compliance with the building regulations to as near as reasonably practicable to current code levels (i.e. 100% NBS).*

However, it is my understanding that the above statement is not correct and that the Building Act 2004 requires that the seismic strengthening only has to achieve a minimum of 34% of the National Building Standard (NBS), at which point the building would no longer considered earthquake prone. I understand that a ‘change of use’ of the building may

require the seismic strengthening to achieve a higher %NBS rating, but that this is at the discretion (*As Near As Reasonably Practicable*) of the Ashburton District Council.

31. Mr Fletcher's evidence for the respondent discusses the issue of the required earthquake strengthening and he has sought the advice of Mr Michael Wong, Ashburton District Council Building Services Manager. I agree with Mr Wong's advice and with what Mr Fletcher has discussed in relation to the necessary earthquake strengthening requirements.
32. Mr Fletcher has also suggested in his evidence (item 8.7) that further "*consultation with the Council, would be required to develop an understanding of the level of work required to bring a building up to an appropriate standard.*" It does not appear that the applicant has engaged in this level of discussion with the Council and therefore has not been able to establish what is the likely level of seismic strengthening that the Council would require, above the minimum requirement of 34% NBS.
33. In my opinion, the existing Cates Grain Store building should be able to be economically strengthened and refurbished to allow a wide range of possible uses, as permitted under the current District Plan zoning (Business A). The existing building is constructed primarily of structural timber framing with lightweight cladding (excluding later concrete and concrete block wall additions). Again, it is my opinion that the original building form and heritage details could be reinstated without a great deal of difficulty or expense. Furthermore, this is a lightweight, timber framed building - not a solid masonry structure - and as such, I would not expect that it would require any particularly complex, onerous or costly engineering solutions to bring it up to the minimum seismic rating required under the Building Act of 34% NBS.
34. Contrary to Mr Harford and Mr McLeod's evidence, I do not see any significant impediments to adapting the existing heritage building to another suitable use, from an architectural perspective. The upper floor of the front building appears to offer an unrestricted open floor plan (once strengthening has been undertaken), which could be subdivided, as required. The ground floor plan has some timber posts supporting the upper floor structure, but this should not provide any great restriction to converting this floor level



to retail or commercial office space. Both floor levels also appear to provide ample headroom.

35. I note that neither Mr Harford, nor Mr Redmond's evidence mentions the applicant investigating potential heritage grant funding options that are available to assist with the upgrade of heritage buildings. I would have thought that this was a crucial element in determining the economic viability of any adaptive reuse of the building. The lack of any meaningful investigation into available funding sources to assist with the heritage building upgrades, demonstrates to me that the applicant has never really taken seriously any option of retaining and reusing the existing building. The Government's Heritage EQUIP (Earthquake Upgrade Incentive Programme) scheme provides grant funding to private owners of earthquake-prone, heritage listed buildings which provide 'Upgrade Works Grants' covering up to to 67% of the cost of earthquake strengthening (to a maximum of \$400,000), as well as 'Professional Advice Grants' which can provide up to 50 per cent of the costs required for obtaining services (such as detailed seismic assessments, conservation reports, architectural and structural engineering plans), up to a maximum of \$50,000.
36. The applicant is an experienced developer and went into the purchase agreement in full knowledge of what condition the building was in and should have been aware of how much it would cost to repair in order to bring it up to the required code and to currently acceptable tenable standards, including the cost of earthquake strengthening, structural repair, fire protection and refurbishment. The applicant was also aware that the building was protected from demolition by the District Plan and that any application to demolish the building would be classed as a non-complying activity, due to its Group A heritage listed status. If the applicant was, for whatever reason, not aware of all of this before they bought the property, then they clearly did not do an adequate amount of 'due diligence' before purchase, and they were therefore exposing themselves to the very real risk that they could suffer a financial loss on the purchase of the property.
37. I would assume that all these actual and potential issues and risks would have been costed up and factored into the purchase price that the current owner paid for the building, before any purchase agreement was signed. For the applicant to now use the excuse that it

is not financially viable to refurbish the building, as the principal reason for seeking to de-list/demolish it, illustrates that either the applicant did not do their homework, or that they have made an error and underestimated the costs associated with redevelopment. The other alternative is that the applicant simply believed that the District Plan rules protecting the heritage building could be circumvented. None of these scenarios, in my view, provide an acceptable reason to allow a plan change to de-list a heritage building.

38. I do not believe that the owners property rights have been impinged in this case, as the heritage listing was extant at the time of purchase, as were all of the rules and requirements associated with that Category A Listing. If the owner is claiming financial hardship because of the burden of the heritage listing, then they could have (and should have) investigated the costs involved in redeveloping the building before they purchased it, and if it was not economically viable to develop the site, they should have chosen not to purchase the property.
39. Why should the people of Ashburton be forced to lose one of their most iconic and important heritage assets, simply because the purchaser is now claiming economic hardship - that they can not afford to repair this protected building that they have purchased? It should not be left to the people of Ashburton to bear the burden of a bad financial decision, by the applicant, to purchase this property.
40. If the applicant can find no financially viable alternative to demolition that is acceptable to them, then the preferable option, from a heritage preservation perspective, would be for the applicant to sell the building to someone who can.

## **EXPLORATION OF ALTERNATIVE DESIGN PROPOSALS**

41. As part of the evidence submitted to the earlier resource consent hearing to demolish the building, the applicant has explored options to erect a new building on the vacant site, assuming the existing building is demolished, and submitted architectural renderings illustrating these detailed design proposals. However, I have seen no similar level of design analysis, or evidence of any meaningful discussion of possible alternative options which involve retaining and refurbishing part of the historic Grain Store, nor have I seen any

detailed design proposals which look at combining a refurbishment of the existing building (front building only) with a 'new build' component on the remainder of the cleared site.

42. Mr Harford sets out, in his evidence, the range of possible activities that are permitted under the district plan, under the current 'Business A' zoning, and discusses some of the potential implications of implementing these permitted uses, in relation to retaining the existing building. However, there is no evidence that any of these possible reuse options have been explored in any detail or have been discussed with the Council. They all appear to have been dismissed, out of hand. This indicates to me, that there is no real desire, that has been demonstrated by the applicant, to explore any reuse options for the existing building. In my view, many of the uses permitted under the District Plan zoning would be capable of delivering a sustainable and economically viable alternative use for the building and they should have been explored, in detail. Because they have not, I find the premise of this application, *that the provisions of the District Plan make the land incapable of reasonable use*, utterly implausible.
43. There exist plenty of examples of successful and economically viable adaptive reuse developments throughout New Zealand where heritage buildings (including large buildings originally designed as storage facilities such as the Cates Grain Store), have been upgraded and a new use provided within the fabric of the historic building. For example, the former grain store in Timaru, known as the Landing Service Building (see image below - Fig.1), which has undergone a successful redevelopment as a multi-use commercial facility featuring bars, a conference centre and a Maori Rock Art Visitor centre (Te Ana).



Fig. 1 - Timaru's Landing Service Building (former McRae's Grain Store)



44. Also in Timaru, the 127-year-old former Canterbury Farmers' Co-operative grain and wool store on Heaton St (see image below - Fig. 2) has recently been redeveloped into a Gymnasium and Health Club. Despite both of these substantial buildings being constructed of masonry, the owners have managed to achieve successful and economically viable 'changes of use' for these heritage listed buildings, giving them a life and a purpose, into the future. Another example of a successful adaptive reuse of a large curved roof building, of similar lightweight construction to the Cates Grain Store, is the recent redevelopment of an old airport hangar at Hobsonville Point, which has been turned into a large, open plan, indoor-outdoor eatery (see image below - Fig. 3).



*Fig. 2 - The former Canterbury Farmers' Co-operative grain and wool store in Timaru*



*Fig. 3 - Former hangar for Sunderland aircraft at Hobsonville Point, Auckland*

45. Had the applicant had the desire to explore some of the permitted alternative uses for the site with the Council, they may well have found that the Council would be willing to relax some of the District Plan and Building Code rules (such as the maximum permitted retail floor area of 500m<sup>2</sup>, the required %NBS rating for seismic strengthening under a 'change of use', verandah provision, active frontage requirement, vehicular access and parking arrangements, etc), which are matters at their discretion, to enable the applicant to achieve an interesting and economically viable development proposal, which also retained and recycled an important part of the town's historic heritage. The District Plan has such provision to encourage the reuse and retention of protected buildings under *Policy 12.1* (specifically *Policies 12.1E, G*)
46. In my opinion, there are plenty of viable options for redevelopment of this site, whilst retaining at least the front part of the original listed Grain Store building - it just takes a bit of imagination and the desire to see it through. For example, the agricultural heritage associated with this former grain store, and the historical narrative of its former life, would lend itself well to reuse as a Farmers Market or Food Hall. It could also be readily adapted to cater for any number of large scale retail uses (eg hardware and building supplies store, furniture warehouse, homewares centre, furnishing and flooring business or a garden centre), or it could be turned into an auction house, gymnasium, health centre, various community, recreation, or adventure facilities, or simply used as supplementary storage or covered carparking for a new retail or commercial building, which could be built on the remaining 75% of the available land area, once the rear parts of the existing building were demolished.

## **CONCLUSION**

47. It is my opinion that the de-listing and subsequent loss of the Cates Grain Store will have a significant negative effect on the urban streetscape and the character and identity of the Ashburton CBD.
48. The owners are experienced property developers and purchased the building knowing that it was a heritage listed building and that demolition was a non-compliant activity. If they had undertaken their due-diligence adequately, before purchasing the building, they would also

have known that it would need significant work (at significant cost) to bring it up to current building standards, in terms of earthquake strengthening, fire protection and means of escape, weathertightness, accessibility, etc. If it was not economically viable to develop the site, they should have chosen not to purchase the property. For the applicant to now claim that this cost is too onerous is not a valid reason to have a valued heritage building removed from the heritage list.

49. The owners property rights are not impinged by the existence of a pre-existing heritage listing, as this was extant at the time of purchase.
50. I do not believe that a sufficient range of options for retention, strengthening and reuse of the existing heritage building have been adequately explored, in detail, by the applicant and I therefore do not believe that the current heritage listing under the District Plan makes the land incapable of reasonable use.
51. For the above reasons, I would therefore request that this Plan Change application to delist the heritage building, being sought under section 85 of the RMA, be declined.

**Nigel Gilkison**

**10 May 2019**