

Report 3
Tabled 007/10 DC(D)

IN THE MATTER of the Local Government Act
2002 ("the Act")

AND

IN THE MATTER of Willis Central

STATEMENT OF IAN CASSELS

Introduction

1. My name is Ian Cassels. I am a principal of Boulcott Land Limited which is developing the site at 44-52 Willis Street and 66-70 Boulcott Street as an office retail complex to be known as Willis Central.
2. The proposed development has been designed to the highest modern standards of architectural excellence and environmental sustainability. It will have a five star green rating and will become a benchmark for sustainable building in the Wellington CBD.

Background

3. I am a committed Wellingtonian and have been an investor and developer of both commercial and residential property in Wellington for the last 20 years.
4. My developments include the following – 161 Willis Street, 64 Dixon Street, Commerce House, Umbrella Park Building, Hannahs Office Building, Hannahs Corner, Atlas House, Workingmens Club Building, 126 Cuba Street, Left Bank, Conservation House, Sovereign Building, Fisheries Building, 59 Boulcott Street (Old Conservation House) and QV House.
5. Throughout this period I have demonstrated a loyalty to the City of Wellington and an unequivocal desire to maintain its prominence and design leadership.

Office Space in Wellington

6. Wellington City has four times as much office space per capita as compared to Auckland, Christchurch, Sydney or Melbourne.
7. Wellington is " an office city " and, if you are not directly working in an office you will be making coffee or selling shirts to our office workers. We do not manufacture very much in Wellington.
8. Our future imperative is alarmingly clear and that is to "do office very well".
9. The modern translation of this is do it efficiently, build large floorplate greenstar buildings nestled into the bustling highly populated areas and top them off with more CBD residential, retail and recreation.

10. This is a simple recipe that, were Wellington a business, we'd be right in the thick of and doing very well.
11. Unfortunately we are not actually doing very well at all.
12. We have a Government which will now certainly start shrinking its workforce and we've seen the head office seesaw now firmly tilt Auckland's way. Corporates seem to only ever leave Wellington.
13. We believe that by 2010 we will be looking at serious vacancy rates in Wellington's buildings and that will lead to a significant adverse impact on Wellington cafes, hotels and shops. Remember an office worker spends 365 days of the year in the city whilst our highly prized Australian visitors are only here for 4 or 5 days at a time.

Benefits of the Development

14. Against this backdrop consider the case for this council to assess significant taxes on our building. Please bear in mind that the actual real definable cost has been shown by previous speakers to be less than significant.
15. What about the benefits of this building.
16. Please remember that it was our very talented team that achieved a ranking on the Grist website of 9th Greenest Building in the World for the Conservation House Building.
17. Green buildings are not ever really green unless they're in the middle of green cities. Wellington happens to be remarkably efficient with its transport and its consequent intensity.
18. Willis Central is built in the very middle of the city between the old BNZ and the Majestic centre. It recycles almost all of the structure of the Airways Building and respectfully restores and celebrates the Tisdalls Building.
19. It is more expensive to build in the middle of the city.

Comparisons

20. Let us look at two comparisons. The new BNZ Building on Port Company land east of the Railway Station and the Chews Lane precinct directly over the road from the Willis Central Development.
21. The BNZ Building was controversial at the time because a group of commercial owners and concerned Wellingtonians called Vibrant Wellington had strongly opposed the dilution of the city that would occur as a consequence.
22. We were right. The staff do not enjoy their location and the city does not much enjoy their patronage.
23. The Statistics Building is even further out and has about 600 staff and about 8 of these come into town in a transit van for \$1 each.
24. There is precious little amenity down there and the partnership between CBD and buildings is almost completely non-existent.

Centrality

25. Come back to the Willis Central development and imagine the 2600 people loving that building and collaborating with their neighbourhood to make Wellington hum.
26. There is a metro next door which is a phenomenon right up there with the Stadium. It is jam-packed with people who often walk home with their groceries. Note that, **walk home**. It is the key to a sustainable and healthy future for Wellington. It isn't something that a significant percentage of Auckland people are able to do.

Heritage Comparisons

27. That brings us to the Chews Lane comparison. As an inveterate purchaser of commercial property I can tell you that the property was purchased at a minimum discount of \$7m.
28. Whilst I do not have the precise figures, I believe that the Old BNZ consumed approximately \$5m of Council funding and the Embassy approximately \$4m.
29. The St James theatre is another project which absorbed substantial Council funding but I do not have the figures for that project.
30. What does all this mean. Doesn't it mean that our local authority, from time to time, and presumably for the purposes of community benefit spends large amounts of our money (either directly or via uncollected value) for the purpose of heritage protection or restoration.
31. On a rough pro-rata basis, in relation to the projects listed above, our heritage contribution to the City via the Tisdalls work is of the order of \$2m. The new building entirely respects the old and that the effective cost to our development is huge.

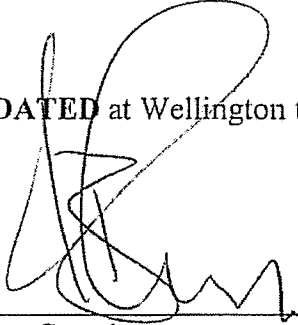
Council Policies, Strategies and Action Plans

32. I am familiar with the Council's Built Heritage Policy, the Council's Environmental Strategy and the Council's Climate Change Action Plan.
33. Willis Central responds to and positively addresses all of the policy directions and strategies in these documents.
34. In particular the proposed development addresses and avoids one of the weaknesses addressed in the Council's Climate Change Action Plan, namely poorly designed office buildings and commercial buildings leading to energy consumption wastage through heating, water heating, lighting, air-conditioning and ventilation.
35. The excellence in design and environmental sustainability of the Willis Central development addresses and avoids these major problems which afflict many of Wellington's existing commercial buildings.
36. Wellington Central anticipates and responds positively to the Council's Action Plan for the development of sustainable building design.
37. It is disappointing that the Council officer's report completely ignores the Council's publicly stated policy in respect of Built Heritage, the Council's Environmental Strategy and the Council's Climate Change Action Plan which are all positively addressed by the Willis Central development at considerable expense to the project itself.

Conclusion

38. So we have proved that the cost of the development to the city will be negligible.
39. We have demonstrated that our development is precisely what this city needs to grow and prosper.
40. Surely the question is, as American cities so effectively demonstrate, what is the contribution that the Council can make to this project not what it can crudely collect from the project on the basis of a flimsy and expedient argument which completely fails to acknowledge the facts of this development.
41. Willis Central will be pumping rates into the city's coffers in a hundred years time. It will also be supporting the essential plank of Wellington's prosperity.
42. If you want more of these projects you need to start treating them with the respect and acknowledgment that they deserve.

DATED at Wellington this 17th day of March 2010



Ian Cassels