

IN THE MATTER The Resource Management Act 1991 ("the Act")

AND

IN THE MATTER of two applications for a land use consent under section 88 by **IPG CORPORATION LTD** to **WELLINGTON CITY COUNCIL** pertaining to 114 Adelaide Road, Mt Cook

STATEMENT OF EVIDENCE OF Chinara Sharshenova

1. INTRODUCTION

1.1 My name is Chinara Sharshenova- I am a senior Architect for IPG Construction Ltd.

2. Qualifications and experience

2.1 I have the following qualifications

- **Architectural Degree -The Kyrgyz Architectural and Construction Institute - Bishkek, Kyrgyzstan**
- **MBA Degree -Bishkek International School of Management & Business**
- **Business Management Program Certificate - The University of British Columbia - Vancouver, Canada**

2.2 I have well over 30 years of experience as an architect

2.3 My experience includes preparing the following:

- MBIE Licenced Building Practitioner – Category 2.
- Heritage alteration of a 103 year old villa in Auckland.
- 388 Hibiscus Coast, De La Mer – Development of 33 mix of townhouses and 3 storey apartments
- (\$11mln) for Aedifice Limited Property Development company
- 445Hibiscus Coast Development, De La plage – Development for 26 mix of Townhouses and apartments
- 36 Pavilion Drive Hotel (\$10mln)
- 956 Dominion Road – 21 Apartments + 2 Commercial spaces
- Primary Schools in Queenstown and Hamilton. (Documentation in Revit)
- Transpower Substations Seismic Upgrade.
- Refurbishment of a number of ANZ Bank sites in Auckland.

- Design of mixed use commercial & retail development in Albany
- Palmerston North Plaza Shopping Centre \$61mln refurbishment

Involvement in project

- 2.4 I have recently joined IPG Construction as a senior Architect for the company; I am responsible for all the projects for the company in regard to Architectural work. Both Heather Erlam and Dennis Parbhu were responsible for the design work for 114 Adelaide Road; Heather Erlam has since left our employment; I have reviewed the work and now are in a position to work with the designs forward.
- 2.5 I will in my evidence here, rely on the information that is provided by Dennis Parbhu and which I have gained from reviewing the information contained within our file for this project.
- 2.6 I am able to provide expert Architectural commentary in this hearing before commissioners however the preparation of this evidence document.
- 2.7 In preparing my evidence I have:
- Read the submissions.
 - Read the officers reports and the appendices.

Code of Conduct

- 2.8 I confirm that I have read the Code of Conduct for expert witnesses contained in the 2014 Environment Court Practice Note and whilst this is a Council hearing, I agree to comply with it. I confirm I have considered all the material facts that I am aware of that might alter or detract from the opinions I express. In particular, unless I state otherwise, this evidence is within my sphere of expertise, and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope of Evidence

- 2.9 My evidence will address the application for the new building and retention of the heritage façade, which is known as SR 490717.
- 2.10 My evidence is structured as follows:
- (a) A description of the proposal
 - (b) Further background information
 - (c) Brief comments on the officers reports

(d) My conclusions

3. **THE PROPOSAL**

- 3.1 My evidence will only address the new building and retention of the heritage façade (SR 490717).
- 3.2 What has been designed for the site is for the addition of 6 levels above the existing heritage façade, with a basement level parking area.
- 3.3 The building has been designed to be a hotel and continue the historic use of the original building.
- 3.4 The driver for this design is to make it possible to financially be able to provide for an economically viable solution to retaining the heritage facades and resolving the current earthquake status of the building.
- 3.5 The design of the building has also been in accordance with instructions from our Heritage Designer (Dave Pearson). The ultimate aim was to create a 2581 sqm of additional floor area to make the retention of the heritage façade financially viable.
- 3.6 The design is very much limited by the dimensions of the site and of course the size of the site. There are necessary minimum dimensions required to allow for a functional building to be designed that include matters such as outlook space, fire stairs, lifts and general basic minimum floor layouts which fundamentally restrict what reduction in floor areas can be provided for per floor.
- 3.7 We spent a lot of time considering the appropriate height and setbacks from the heritage façade. This limits the floor area that was ultimately achieved.
- 3.8 In terms of the cladding types while we remain extremely flexible on this, what has been designed is functional and feasible and is the recommendation of Dave Pearson.
- 3.9 The final design is shown in IPG Corporation plans numbered A-000, 010 to 014, 100 to 107, 150 to 154, 200 to 205, 250 and 251 all Revision 2.
- 3.10 Prior to finalising this design, in conjunction with the heritage architect, we considered numerous alternative designs which will be discussed below.

4. **Alternative Designs**

4.1 The first resource consent for this building was submitted to wellington council in 2017, the design below was rejected by Wellington Council.



4.2 Since then, there has been more than 10 meetings along with 30-40 emails to council attempting to engage with them to try and receive some guidance as to which type of design would be acceptable; however unfortunately council took the view that designing the building or even providing solutions to the heritage issues was not a matter for the council to get involved with.

4.3 In light of this and from the little bits of information extracted from Council a further plan was put to council. this was also rejected.



4.4 From this point we engaged John Brown who is a heritage architect to assist us, whereby a further three options were considered, however these options were not workable. Attached below are these options:

OPTION 1:

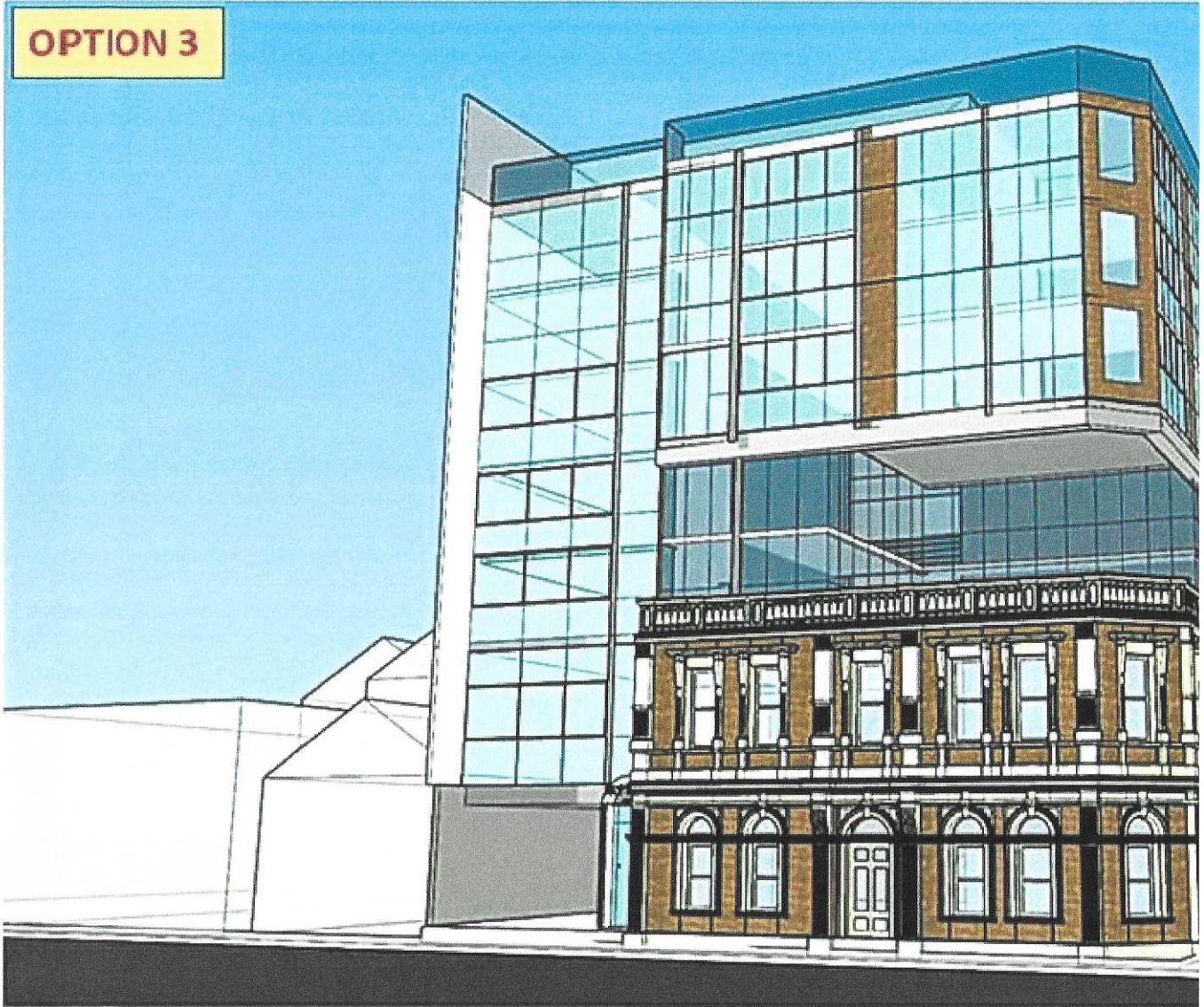


OPTION 1:



OPTION 2:

OPTION 3



- 4.5 From this point in 2020, IPG employed a dedicated staff member to work on solutions for 114 Adelaide Road; We created a further 6 design options, from these designs with the assistance of Mr. Dave Pearson- Heritage Architect, two designs were selected as potential designs that can be acceptable. Designs attached here below:

Below is a collection of the current proposals for your review and comment:

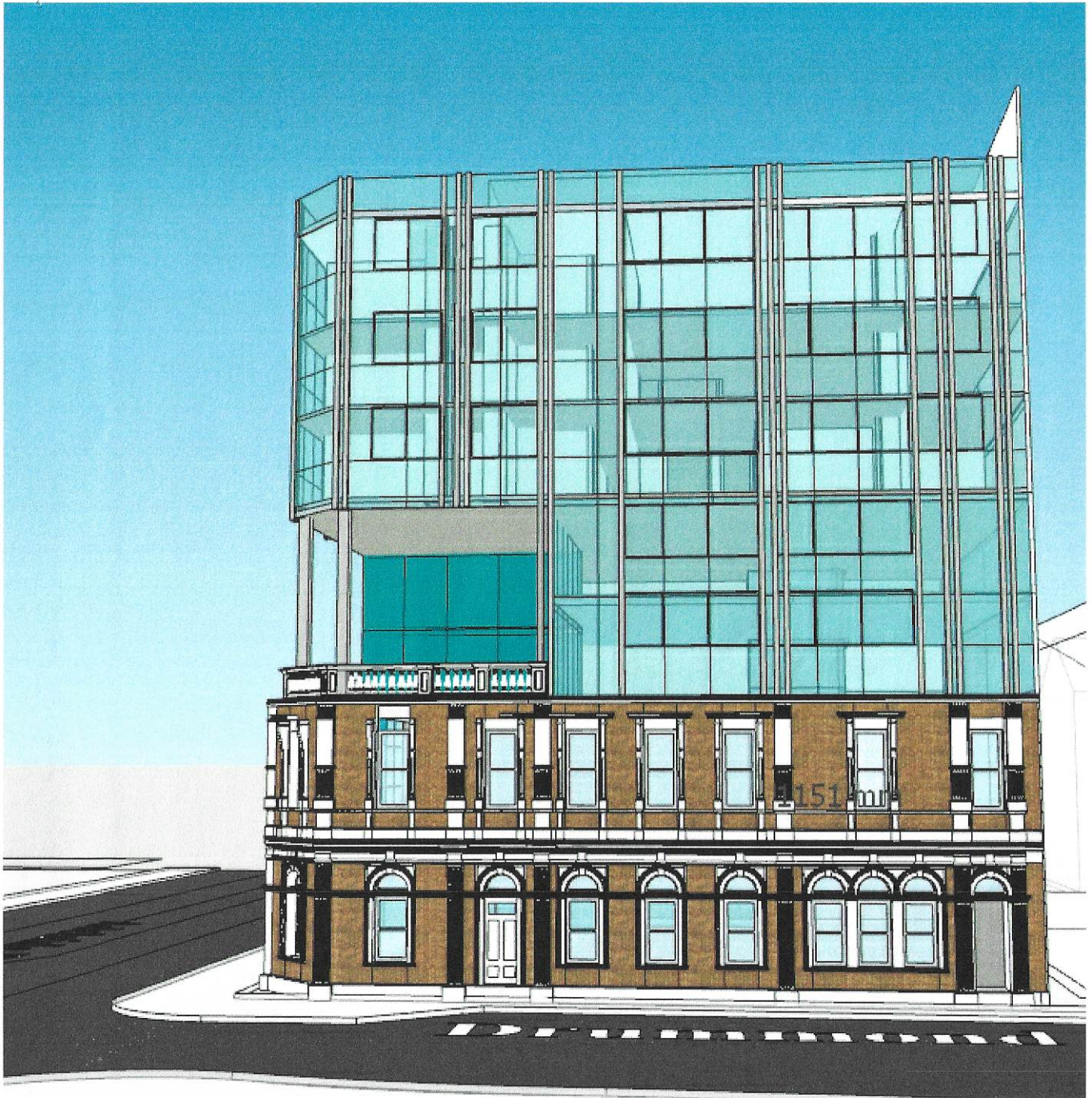
OPTION 1:







OPTION 2:



OPTION 3:







OPTION 4:







OPTION 5:







Dennis Parbhu

From: Dave Pearson <Dave@dpaarchitects.co.nz>
Sent: Wednesday, 17 February 2021 11:39 AM
To: Heather Erlam
Cc: Dennis Parbhu
Subject: RE: 114 Adelaide Road, Newtown - Feasibility Study DPA
Attachments: Capture.PNG

Hi Heather

Thanks for sending those through. I have been involved in a number of similar projects and my initial thoughts are....

- 1 the ones that work best, in my view, are those where the proposed building is stepped back from the heritage building below. Around 5 metres generally seems to work.
- 2 The new building should never try and emulate the building below but there should be some synergy between the two. That can be quite subtle, eg similar rhythms etc.
- 3 The new building should not try & outshine the older building. Generally a simplicity of form works best.
- 4 New building should aim for a 'timeless' design, otherwise over time it will detract from the older building.
- 5 Generally try & provide a glazed link or infill between the old & new buildings.
- 6 Where possible, the sides walls of the old building should return, even if only for a short distance. This makes it possible to perceive the extent of the original building.
- 7 If the roof is visible, at least part of it should be retained.

With respect to the options you sent through...

Option 1. Set backs look OK, particularly along the Adelaide Road frontage. Infill link between the two buildings at the lower levels. More solid areas of new building relate to existing. New building possibly has too many things happening which detracts from the existing building.

Option 2. Can be OK to do a glazed building and some attempts have been made to pick up on the rhythms of the old. However, in this case, insufficient setbacks, particularly along the side elevation makes it look as if the new building is growing out of the old. Cut-outs can feel awkward. A new building in Auckland has a corner cut-out which doesn't work. See attached.

Option 3. Similar issues to Option 3. Cantilevered corner now has no visible support.

Option 4. Essentially a pared back version of Option 1. Has good setbacks and doesn't compete with the older building. It is, however, what I would call a safe option that could be further developed while still respecting the older building.

Option 5. A possibility. Obviously a good setback along Adelaide Road, none on side road. Appears to be a level higher than the other options, presumably to make up for the greater setback. Little relationship between old & new buildings.

Option 6. Doesn't work on all sorts of levels. Reduced set backs and the cantilevered corner. The upper levels with the arches are a bit clichéd and the new building overpowers the old and will date very quickly.

So, out of all those, probably somewhere between Options 1 & 4, with Option 5 in some form a possibility....

Hope that helps - will forward a proposal....

Kind regards,

Dave

- 4.6 These designs were done on the basis of a meeting with council staff on the 3rd of August 2020. –
- 4.7 Mr. Bill Stevens advised that if we provided evidence for the reason for needing greater gross floor area (GFA) then it would be considered. This was encouraging. A copy of the minutes of that meeting and IPG's correspondence accordingly attached below:

Pre-Application Meeting Record

MEETING NOTES

Meeting Date:	3 August 2020	SR Number:	467237
Address:	114 Adelaide Road, Newtown		
Planner:	Peter Daly		
Attendees:	<u>Council:</u> Chessa Stevens (Heritage) Moira Smith (Heritage) Sarah Duffell (Urban Design) Peter Daly (Planning) Bill Stevens (Planning)	<u>Applicant:</u> Dennis Parbhu – Applicant Ian Leary – Consultant Planner for applicant	
Purpose of Meeting:	To discuss a proposal to undertake additions and alterations to the existing heritage building.		
District Plan:	<p>The site is located in a Centres Area.</p> <p>These are the District Plan notations that apply to the site:</p> <ol style="list-style-type: none"> 1) Heritage Item #397. The former Tramway Hotel. 2) Ground Shaking Area 3) Chapter 7 Appendix 1C Mt Cook Height Area. 4) Primary Frontage (Map 49B) 5) Principal Road (Map 33) <p>From an initial review of the likely works proposed, the following District Plan rules may apply to the proposal:</p> <ul style="list-style-type: none"> • New building works in a Centres Area – Rule 7.3.6 if compliant with District Plan standards, and Rule 7.3.7 if any standards are not met. • Demolition of heritage buildings (depending on what is demolished)/modification to heritage building - Rule 21A.2.1 • Construction of a new building on a site with a listed heritage building – Rule 21A.2.2 <p>There may also be other aspects of the works that require additional consent such as under the site access and loading area requirements.</p>		
<p>The following comments are made on a 'high level' basis in terms of providing an indicative response to what type and scale of building additions might be considered appropriate, subject to appropriate design response.</p> <p>For completeness, I have provided comments from the Council's urban design and heritage advisors.</p>			

Heritage:

Previous guidance on acceptable options was provided to the applicant on 13 September 2019 in relation to a previous resource consent application (SR380422).

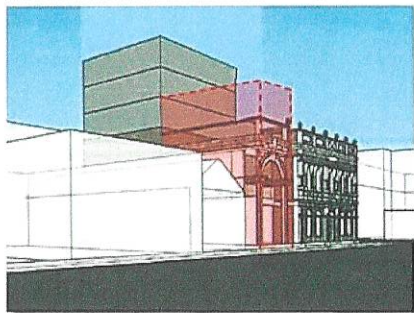
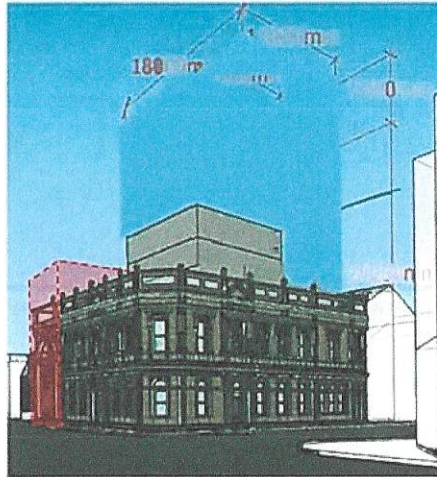
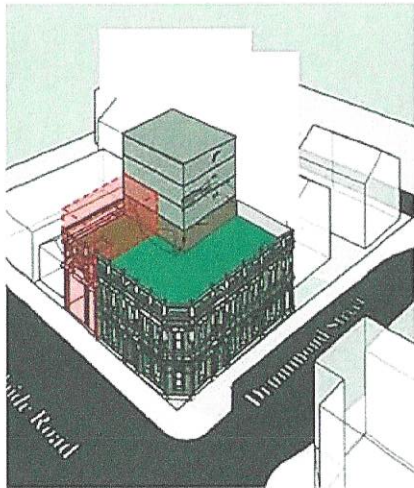
At the meeting, the applicant expressed their view that none of these options are viable from their perspective – where they consider “viable” to mean that the capital value of the building at completion of the works is equal to or greater than what was spent on purchasing the building and completing the works.

The applicant presented a series of schematic drawings which were discussed, and have subsequently been reviewed by Council’s heritage advisor. None of the options presented in these schematic drawings are likely to be considered acceptable under the heritage rules. However, if the applicant can provide **evidence** that an addition larger than what has been suggested under the previous advice is required to make it viable to finance the earthquake strengthening and rehabilitation of the hotel building and thereby return it to a sustainable use, then a larger development might be considered. The basis for heritage assessment would be that although there would be a more substantial negative effect on heritage values, these effects may be considered to be a reasonable alternative to total demolition.

A suggested starting point for discussion is a development where:

- The height of any addition is limited to the height standard for the adjacent site (18m) at the rear of the site, and to one storey above the height of the reinstated hotel parapet at the front elevation
- The applicant provides **evidence of the minimum additional floor area which is the minimum required for a range of reasonable types of use** - for example hotel, residential apartments & commercial uses
- The proposed works are fully supported by the applicant's architects and appropriately qualified heritage expert
- The proposed design retains the original “L” shaped hotel including the roofs
- The proposed design reinstates the original parapet
- The building is seismically strengthened
- The building is returned to an active and sustainable use

This is broadly represented by the sketches below:



+4 storeys on area to the southwest
4 storeys to the southeast

Beyond this, we are open to discussion about a development that includes:

- Other reasonable alternatives to total demolition
- The reasonable/minimum addition of floor area that is required to finance strengthening and rehabilitation such that redevelopment is viable
- Evidence of feasibility for a reasonable range of uses that are not limited to the use of the building as a hotel

If the applicant can demonstrate the above level of building additions as depicted in the sketches (or similar) will not work for any reasonable type of use (not just a hotel development), then we can start to consider other options that include some partial demolition - noting that the works should:

- Minimise partial demolition beyond that agreed in SR 394188.
- Meet the requirements of the Heritage New Zealand guidance for [Partial demolition of historic buildings](#) (noting that a development that only preserves the facade of the former Tramway Hotel is unlikely to be supported on heritage grounds).

Urban Design:

The proposal is in the Centres Area and will require assessment against the Centres Design Guide (CDG), with additional reference to the Appendix 5: Adelaide Road/Mt Cook. The intention of the CDG is:

To achieve high quality buildings, places and spaces in Centres.

This will be by considering they:

- are coherently designed
- make a considered response to context
- address heritage values
- establish positive visual effects
- provide good quality living and working environments
- integrate environmental sustainability principles, and
- provide conditions of safety and accessibility.

It is noted that this is a listed heritage building, and the positive contribution of this particular building to the

local streetscape is specifically noted in Appendix 5.

Addressing heritage values is a matter included in the intention statement for the CDG and there are also a number of heritage-related guidelines throughout the CDG. The preferred Urban Design outcome is that any proposal on this site retains the original building (taking into account the additional comments from the Heritage Advisor about the relative importance of various parts of the building) and proposes upgrade and re-use of that as the context for a high quality additive development proposal.

The applicant has presented just one option for re-use of this site, a hotel development, for which massing models have been presented that push development on the site to a height and bulk that is almost certainly an unacceptable Urban Design outcome in terms of both the townscape context and for the original building on the site. Urban Design requests that the applicant consider alternative use proposals that would assist in reducing the need to build at a scale or in locations on the site that would be inappropriate for protecting the values of the heritage building.

In terms of the possibility of adding mass and height to the site, the preference is to avoid the unreasonable disruption of the original hotel building and concentrate towards the back of the site, with possibly some redevelopment potential available on the southern part of the frontage facing Adelaide Road. The original building should be able to be understood and appreciated without being overwhelmed by additive form.

Urban Design endorses the 'starting point' position of the Heritage Advisor in terms of the approach to development and amount/placement of additional building on the site that might be possible. Additional assessment of the design and external appearance of this would be required against the Centres Design Guide.

Planning:

From a planning perspective, two of the primary considerations will be the impact on heritage, and the streetscape/design effects. The advice from both advisors has been included above, and any successful application would need to appropriately address the subject comments above.

In addition to this, the following other matters would need to be taken into account:

- Reticulated services: any development on this site is likely to generate additional demand for reticulated water demand and wastewater disposal. To date we have not discussed this with Wellington Water, and I would recommend that capacity for such development is discussed directly with them.
- Traffic and Transportation: Whilst no parking or loading requirements have been discussed at this stage, and it is noted that the site would be limited in its ability to provide this, I would recommend that Council's Traffic Team are involved in future pre-application meetings once heritage and urban design matters have been resolved.

Whilst no decision will be made on notification at the pre-application stage, I would take the opportunity to highlight the proximity to an adjoining residential building does potentially increase the risk of limited notification, and that demolition and additions to the heritage building that would have more than minor heritage effects would require public notification.

Next Steps:

We would suggest that a further pre-application meeting(s) be held once the applicant has considered the above comments, and once better information can be provided on the viability of redeveloping the site and the types of uses that could arise from this.

INFORMATION TO INCLUDE WITH THE APPLICATION

- The information set out at Chapter 3 of the District Plan
- An assessment of environmental effects including what alternatives have been considered where the adverse effects of the proposal would be significant
- An assessment against the Centres Design Guide
- An assessment against the relevant objectives and policies

Makara/Ohariu Community Board		- Is within the Makara / Ohariu area.
Other		-

DEVELOPMENT CONTRIBUTIONS

Development Contributions apply to this proposal	✓	Contribution towards infrastructure costs. To find out more go wcc.govt.nz/services/rates-and-property/property/development-contributions
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Notes prepared by:



Peter Daly
Senior Consents Planner

Bill Stevens
Peer Reviewer

Date: 10 August 2020

Please note:

The purpose of the pre-application meeting is to guide you in your resource consent application.

Council staff will offer preliminary views during or following the meeting, based on the information you provide. We will assess your application in detail when you make your full application. The Council may change its view for example if you don't yet have, or don't provide, all of the relevant information. The Council does not make any warranty or assume any legal liability or responsibility for the accuracy, correctness, completeness or use of any information or views we give as part of the pre-application process.

You are responsible for getting your own professional planning and legal advice, and for relying on that advice, when applying for consents, permits or licences.

You'll be charged \$155 per hour for the time the Council officer/s spends relating to this meeting. We'll send an invoice for the meeting and associated costs.

We may have to disclose any information you provide to us if another person requests it under the Local Government Official Information and Meetings Act 1987.

Dennis Parbhu

From: Dennis Parbhu
Sent: Monday, 17 August 2020 7:43 PM
To: Bill Stevens; Ian Leary
Cc: Peter Daly; Chintan; Manish Rama
Subject: RE: Pre-application Meeting Record - 114 Adelaide Road - SR 467237
Attachments: Adelaide Road 114 CMV (AIC) - Apr 2020.pdf; W5427 114 Adelaide Road Concept Restrengthening Estimate.pdf; Adelaide Road, 114 - July CMV.docx; feasibility.xlsx; Adelaide_Typical floor.pdf; North-east view from Adelaide road.jpg; North-east isometric view.jpg; South-east view from Adelaide road.jpg; North-west view from Drummond street.jpg

Hello Bill

Thank you for your email

Your email is absolutely positive , helpful and constructive.

Please find attached –

1. The cost to complete consultancy by Maltby's for \$6.138 million
2. The valuation by Colliers on the bases of as if completed i.e. Retention and conversion of existing building carcass into open plan character commercial offices with contemporary bathrooms and staff amenities for \$2.550 million
3. The valuation by Colliers on the bases of as is.
4. A typical floor plan of a new proposal
5. Elevations Drawings.
6. A spread sheet that models the various scenarios of Additional GFA

I think we all have accepted that the financial deficit in regard to value and cost for the seismic work required for 114 Adelaide Road is some \$3.588 million dollars

In response to your email seeking evidence from me of how much further GFA is required to make the seismic work for the current building viable, I present to you the following analysis.

The current building without the parapet is 8 meters high

If we were to add 5 levels more to the building **we are likely to get additional GFA of some 2192.2 sqm** (includes some 127 sqm on level 1) – The total height then moves to 21.5 meters high from ground level which **exceeds the current height limit of 18 meters by 19.44 %**

On the bases of allowing 2192.2 sqm of additional GFA our financial viability converts as per below ; - the attached spread sheet provides you the science behind our calculations here. You will see four scenarios of additional GFA ranging from 1318.75 sqm to 2304.71 sqm

Whether we develop a hotel or apartments the sqm value remains more or less the same , **however it seems that apartment development is viewed by council as the optimum solution so we have particularly focused on this in our analysis**, notwithstanding this, hotel values actually match apartment development value numbers.

The attached floor plan provides for 4 x 1 bedroom apartments and 3 x studio apartments per floor .

Currently however and for the next three years , banks are not supporting or funding hotel development at all so this option regardless cannot be entertained.

forecasted additional GFA scenarios

Net Additional Sqm	Additional sqm for common areas	Total Gross additi includes new area sqm
		12%
	1038.46	
	1502.94	186.36
	1957.32	242.70768
	2304.71	285.78404

Conclusion

On the following bases:

1. Land Value is written off to Zero
2. Council agree not to charge any resource consent fees, reserve contributions and building consent fees
3. No replacement of the parapet
4. 5 levels are allowed to be added to the current building which provides for 2192.2 of additional gross GFA and a height of 21.5 meters high with no set backs
5. The outside façade only of the current building is retained.

A net loss on the project is reduced to \$2,543.42 rather than the \$3.588 million loss forecasted for the seismic work for the current building.

Effectively however our actual loss would be the land value as it is currently of \$1.650 million ;

With careful value engineering and self-management this loss could possibly be partly mitigated during the construction works

Our investment policy is to retain ownership of our projects for the long term so we see this as a long term investment that eventually will come right for us all be it not such a great start.

We would not sell the apartments we would just rent them out.

Where to from here?

1. Once you are across the required GFA to make the seismic work close to viable and you confirm that the type of analysis I have provided in this email **is acceptable evidence of required additional GFA** then I will have Maltby's peer review my analysis and independently provide the evidence you are looking for, however it is very clear that a significant amount of GFA is going to be required to make the project viable which will more than likely be an obstacle for council .
2. Following this we can then respond to the other matters raised in your email and look to complying with these matters; I see these matters as being more mechanical and adaptable as opposed to the difficult matter of required additional GFA.

I realise this is a lot of information to digest , which I apologise for; We have worked as quickly as we can to respond to your email of the 10th of August.

I have used our best ability to provide an accurate account of where we see the best viability point being.. We possibly could have over looked something , but you will see that we have been very conservative with our numbers with the view of trying to make things work out.

Please do not hesitate to request clarification on any matter.

Thanks



Dennis Parbhu

Managing Director

IPG Corporation Ltd

M : +64 21 876434

Email: Dennis@cpcnz.com

121 Eastern Hutt Road, Wingate, Lower Hutt.

From: Bill Stevens <Bill.Stevens@wcc.govt.nz>

Sent: Monday, 10 August 2020 2:46 PM

To: Dennis Parbhu <Dennis@ipgnz.com>; Ian Leary <itl@spencerholmes.co.nz>

Cc: Peter Daly <Peter.Daly@wcc.govt.nz>

Subject: Pre-application Meeting Record - 114 Adelaide Road - SR 467237

Hi Dennis & Ian

Attached are the meeting notes relating to your request to gauge the level of redevelopment of the site that would be supported by our heritage and urban design advisors. Note that subject to better information regarding what could be a viable redevelopment bottom line for the site, they remain open to further consideration of this issue.

We are aware that your preference is for a hotel conversion with a significant number of additional floors to accommodate this. That scale of redevelopment is not supported due to heritage and urban design effects, and we are presently not convinced due to a lack of information that there are no other options for the redevelopment of the site that would be viable and impact less on the heritage values of the building, such as a mixed use commercial/residential redevelopment of a lesser scale.

We are happy to engage further.

Regards

Bill Stevens | Team Leader | Resource Consents

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- 4.8 Mr Peter Daly, the reporting officer has not considered the requirement for GFA in his discussions or report.
- 4.9 Our final Building Design which is lodged as our second application here was the result of refinement and instructions from Mr. Dave Pearson.
- 4.10 The final building design is not actually preferred by IPG; Our preference is for a total light weight glass structure with a greater floor by floor footprint, but to comply with our Heritage Architects guidelines we have accepted this.
- 4.11 To date IPG has spent in excess of \$300,000 in design cost alone in an attempt to try and get a resource consent for the site.

Comments on Officers Report

- 4.12 The comments largely relate to the report by Chessa Stevens.
- 4.13 Ms Stevens is of the view that the tower proposed becomes the dominant aesthetic feature of the site which adversely impacts the heritage values of the existing building.
- 4.14 The retention of the façade is conditional on obtaining sufficient GFA to make it economically viable.
- 4.15 Consideration was given to using glass as the main façade treatment, but this the heritage architect did not support this.
- 4.16 Ms Stevens is concerned that the building design lacks detailing that could make for a more interesting addition that complements the existing building, one could balance this point of view with the fact that the employment of three completely different façade elements in fact makes the building interesting.
- 4.17 The majority of the design responses are provided in the evidence of Dave Pearson.
- 4.18 The southern façade has been designed with the expectation that in due course, the neighbouring properties will develop at least a 6-level building against this wall.

5. **Conclusion**

- 5.1 The design of the building has been created in recognition of the historic interests of the building; Required setbacks have made it not possible to comply with the current height restrictions and so in the interests of attempting to create a viable project extra height has been adopted.
- 5.2 Council officers have considered only the heritage and not the practicalities and realities of this project, which is making it economically viable and having a useable building going forward.
- 5.3 IPG have looked at numerous options and taken a lot of advice as to the appropriate building design.



Chinara Sharshenova

10.11.21