

## **Further Information on Greater Wellington buildings**

Since the draft Long-Term Plan 2012-22 (LTP) was approved by the Council for consultation on 8 March 2012 further information has been obtained on the seismic performance on some of Greater Wellington's buildings. This report outlines where we are at with seismic investigations of all Greater Wellington buildings, the findings of seismic investigations received to date and a proposed way forward.

### **1. Regional Council Centre**

#### **1.1 Background**

Last year, Council report 11.626 outlined the initial findings for the seismic investigations into the Regional Council Centre. The consultants noted that, taken as a whole, the Regional Council Centre was not expected to be classified as an earthquake prone building. However, this was subject to obtaining borehole data and carrying out a more detailed structural design. This work has now been completed and a copy of the report forwarded to Councillors under separate cover. On 2 May, Councillors and staff were advised of the findings from the latest report. Essentially, liquefaction can be expected at the site in a major earthquake and this information together with detailed structural analysis has led the consultants to the conclusion that the building, at 30% of New Building Standard, is classified as an earthquake prone building.

As has been demonstrated in Christchurch as a result of the Canterbury earthquakes, Local Government needs to start operating again as quickly as possible following any major seismic event. Therefore, apart from personal safety issues, in the longer term it is essential that staff are working in a building that not only withstands the seismic event but is accessible and operable relatively quickly after an event. This effectively means building one or more structures to importance level 4 standard on a standalone basis. This cannot be achieved immediately but should be the Council's longer term objective.

As an interim, a number of options are outlined in the next section.

#### **1.2 Options**

##### **1.2.1 Upgrade the Regional Council Centre**

The consulting engineers, in conjunction with their quantity surveyors, have provided two options for upgrading the Regional Council Centre.

Option 1 would bring the building to 40% of the New Building Standard. The cost of this work, including refitting the layout to the current configuration, would be \$5.2M. In order to carry out the work, two floors would have to be vacated at a time. Whilst this may be legally acceptable under current legislation, it is likely that the legal framework will move more towards the 67% level, meaning this option is considered imprudent for Greater Wellington.

Option 2 is to upgrade the building to 100% of the New Building Standard for an importance level 2 building. This would cost \$32.5M and is uneconomic as it overcapitalises the building.

A further option to upgrade the building to 67% of the New Building Standard was looked at by the consultants, but the costs are very similar to those required for 100% of the New Building Standard.

This all leads to the conclusion that the Regional Council Centre is not the long term option for Greater Wellington's accommodation.

### 1.2.2 Relocate to another building(s)

Greater Wellington needs to decide whether to relocate in the short term (ie, whilst longer term options are adequately identified, assessed and finally built) or to stay in the Regional Council Centre while this process occurs. This could take up to 5 years. The needs analysis work cannot commence with certainty until a better understanding of the future shape of local government is known. This may be around March to June 2013. The needs analysis phase could take 6 months to a year. The procurement of a consultant team, detailed design and tendering could take another year, with construction taking another 12 to 18 months.

The situation Greater Wellington finds itself in with the Regional Council Centre is similar to that of many other organisations in Wellington. Hence, available rental accommodation for buildings that are at least 67% of the New Building Standard is in short supply.

While it would be ideal for all the Regional Council Centre staff to be relocated in one alternative building as soon as possible, this may not be practicable. A recommendation on the short term relocation will be put to Council by September 2012.

It is expected that Greater Wellington would be seen as a valuable tenant and therefore there may be some scope to negotiate the likes of an initial rent holiday. At this stage, an initial lease term of about five years would be proposed. This would give time for any local government reorganisation in Wellington to work through and to plan long term accommodation needs, including one or more buildings constructed to an importance level 4 standard. The schedule below shows budget costs for a short term option, based on the limited information available at this stage. These can be refined in the 2013/14 and subsequent Annual Plans. It is proposed that these numbers be used in the LTP for planning purposes.

Additional accommodation costs	\$000s			
	2012/13	2013/14	2014/15	2015/16 onwards
Annual rates impact				
Rent	Nil	2,000	2,000	2,000
Fitout & shifting annualised cost *		250	250	250
Total annual cost		2,250	2,250	2,250
Less currently provided in LTP		(650)	(875)	(875)
Less building owner costs		(500)	(500)	(500)
Net increase in rates		1,100	875	875

Capital Cost \*

Fitout	1,000
Shifting	100
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	1,100
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The fitout and shifting costs would be loan funded over the period of the tenancy, thus the annual rate impact of this cost would be approximately \$250k per annum.

Fitout costs could range from \$100 to \$500 a square metre. A figure of \$250 a square metre has been allowed.

### **1.3 Sale of the Regional Council Centre**

Once Council has relocated to another building, the Regional Council Centre can be sold. This will require a separate strategy at the time and because of the degree of uncertainty, no provision has been made in the LTP for the sale funds.

### **1.4 Proposed way forward**

It is proposed that:

- (a) The Regional Council Centre in Wakefield Street is acknowledged as being an earthquake prone structure.
- (b) The Regional Council Centre is not an acceptable long term option.
- (c) A fully analysed, designed and built long term option will take around 5 years.
- (d) A proposal on short term accommodation, while long term options are evaluated, will be presented to Council by September 2012.
- (e) Funding in the table in section 1.2.2 of this report is incorporated in the LTP for planning purposes.

## **2. Masterton offices**

### **2.1 Background**

Greater Wellington's Masterton complex consists of a number of buildings including a main building in three sections. Plans have been afoot to replace the buildings for some time. At an earlier date, approval was given by the Council for a new Masterton complex with a view to starting construction in 2012/13. In preparing the LTP, when the Council considered all its competing priorities, it decided to defer the Masterton complex for 2 years.

More recently, information has become available that the ground conditions at the existing Masterton complex are worse than had previously been assumed. As a result, the seismic

performance of the existing buildings has been reassessed and the buildings now range between 8-67% of the New Building Standard.

This has been discussed with staff and immediate action has been taken so that the worst buildings can be vacated.

The three sections of the main office building are rated at 34%, 51% and 67% of the New Building Standard.

Currently, the three district councils in the Wairarapa are undertaking a governance review and the outcome from this should be known within a few months.

## 2.2 Options

### 2.2.1 Alternative accommodation

The option of alternative accommodation was widely investigated prior to a decision being made by the Council to design a new building. No further information has come to hand to suggest that an importance level 4 building is available for lease. The possibility of a combined building that involves a territorial local authority is not being discounted and some preliminary discussions have been held with the Masterton District Council.

### 2.2.2 Construct a new building

In the event that nothing eventuates over the next few months in discussions with the other councils in the area, it is proposed that construction of a new building should commence in 2013/14.

Given the changes in ground condition information, it is proposed to bring forward construction a year earlier than allowed in the LTP, with the costs as specified below.

#### Wairarapa building capex

\$000s	2012/13	2013/14	2014/15	2015/16	2016/17
Capital projects expenditure	100	0	6,100	1,100	0
Rates impact (already allowed for in the LTP)	61	67	356	696	749

## 2.3 Proposed way forward

It is proposed that:

- (a) Provision is made in the LTP for a new building with construction commencing in the 2013/14 financial year, but that the final decision to go to tender is made in the

2013/14 annual plan.

### **3. Water Supply Waterloo Operations building**

#### **3.1 Background**

This two-storey building opposite the Waterloo water treatment plant was purchased by Greater Wellington a few years ago and converted to a laboratory and offices. Subsequently, the laboratory was closed and its space converted to offices. There has been a gradual shift of some of the engineering staff from the Regional Council Centre to the Waterloo Operations building. A seismic review report was received in early May and the building has been classified as being 25-33% of the New Building Standard for an importance level 2 building. A memo will be included in the Councillor Bulletin on 18 May. This means it is an earthquake prone building. The consultants noted though in their report that it is practical to bring the building up to 100% or near 100% of the New Building Standard.

#### **3.2 Options**

##### **3.2.1 Obtain alternative accommodation**

The building, being opposite the Waterloo water treatment plant and the adjacent transport centre, is a good location from an operational and staff point of view. It is possible that other space in the Hutt Valley may be available that is of a required standard. However, it has been recognised for some time that there are considerable synergies available if the wholesale and retail water supply functions in metropolitan Wellington could be combined into one organisation. For this reason, it would be preferable not to make any medium to longer term commitments at this stage.

##### **3.2.2 Upgrade the existing building**

The engineering consultants have not designed the upgrading works but have described what is likely to be required. On this basis, it is proposed that a provisional sum of \$150,000 be allowed for in the 2013/14 capital works programme for the Water Supply Group.

#### **3.3 Proposed way forward**

It is proposed that:

- (a) provision is made in the LTP for capital expenditure of \$150,000 to upgrade the Waterloo Operations building in 2013/14.

### **4. Other buildings**

#### **4.1 Mabey Road Depot**

This depot in Lower Hutt is used mainly by the Catchment Management Group. The main building is a single storey structure using concrete block construction. Engineering consultants have been

engaged to advise on its expected seismic performance. This evaluation will also include a steel framed implement shed. A report is expected within the next two months.

#### **4.2 Upper Hutt Depot**

This consists of a series of portal steel framed buildings that abut each other. It was purchased as an existing complex by Greater Wellington and offices were included within the building envelope. The report on its expected seismic performance is due in July.

#### **4.3 Staff housing**

Greater Wellington has seven houses that are leased to staff and a seismic inspection report is expected in July.

#### **4.4 Financial**

There is no financial provision in the LTP for upgrading any of these other buildings, nor is any proposed at this stage.

### **5. Communications**

A schedule of all previous advice activities regarding the seismic analysis is attached.

## Regional Council Centre: seismic evaluation timeline up to 15 May 2012

Date	Activity
14 October 2010	Murray Kennedy, General Manager Utilities and Services wrote to Spencer Holmes Consulting Engineers about carrying out a seismic evaluation of the Regional Council Centre (RCC)
3 November 2010	Consulting offer received from Spencer Holmes
20 December 2010	Acceptance of Spencer Holmes offer. Report expected about mid March 2011
30 June 2011	Report received from Spencer Holmes. Delays due to Christchurch February 2011 earthquake, resourcing response.
6 July 2011	Email from David Benham, Chief Executive to all staff about the seismic report. Noted that the full report available in the Council Library L2 RCC. Attached to the email was a fact sheet produced by IPENZ to assist staff in understanding some of the technical issues.
6 July 2011	Email from David Benham, Chief Executive to Councillors with a copy of the email sent to staff.
8 July 2011	Email to consultants requesting a proposal to carry out some foundation investigations.
11 July 2011	Staff meeting held at lunch time in L3 cafeteria to explain the report. About 50 staff attended. David Benham, Chief Executive and Murray Kennedy, General Manager Utilities and Services addressed the staff.  Engineering consultants contacted after the meeting to obtain some additional information.
14 July 2011	Councillors briefed following Council meeting by David Benham and Murray Kennedy.
21 July 2011	Email to staff from the Chief Executive providing answers to feedback questions. Also indicating the executive summary of the consultants' report was available on Hummingbird (#944335).
21 July 2011	Offer from Spencer Holmes to undertake foundations investigations in conjunction with McManus Geotech.
27 July 2011	Email to all staff re Harbours staff in earthquake proof buildings
16 September 2011	Lunch time presentation on the RCC seismic evaluation by Peter Smith, Director of Spencer Holmes. All staff were invited to the L5 committee room, but it was explained it would be technical in nature. About 12 staff present for the 45 minutes presentation.
15 November 2011	Results from foundation bore holes received. But not a report.
28 November	Murray Kennedy updated ELT on foundation investigations for RCC
1 December 2011	Kevin McManus and Peter Smith briefed Murray Kennedy on the results.
2 December 2011	Murray Kennedy briefed those managers present at the normal GW Managers' Forum. Indicated Councillors were still to be briefed and a note would be coming out to staff shortly.
6 December 2011	Councillors briefed on the information from the foundation investigations and told they would receive an updated report at the Council meeting on 15 December.

9 December 2011	David Benham sent an email to all staff updating them on the RCC seismic report
15 December 2011	Report 11.626 to Council. Council approved recommendations. Further report in Feb or March 2012.
20 December 2011	Email from David Benham to staff: Update on RCC, UH depot and Waterloo Ops.
20/22 December 2011	Consultants invited to submit proposals for seismic evaluation of Upper Hutt depot building and Waterloo Operations building.
22 December 2011	Spencer Holmes requested to submit a proposal for Stage 2 investigations for RCC.
7 February 2012	Proposal received from SKM for seismic review of Waterloo Ops building. Given to Chris L with recommendation to accept 13 February.
10 February 2012	Peter Smith indicated working on RCC proposal as soon as finished at the Chch Royal Commission.
13 February 2012	Building and building evacuation issues discussed at ELT meeting. B Simpson and M Kennedy to progress.
14 February 2012	Plans of Upper Hutt depot sent to Dunning Thornton to prepare an evaluation proposal.
23 February 2012	David Benham sent an email to all staff updating them on the RCC, Masterton, Upper Hutt depot and Waterloo buildings
30 March 2012	Staff meeting in Wairarapa. Staff advised of results of seismic re-assessment of the Masterton buildings.
18 April 2012	Draft report received from Spencer Holmes (S.H.) on Regional Council Centre
24 April 2012	Directors of WRC Holdings Ltd informed of findings from draft S.H. report.
24 April 2012	Email to Wairarapa staff from Wayne O'Donnell advising staff of initiatives following the meeting on 30 March.
1 May 2012	David Benham sent an updated seismic preparedness and emergency preparedness note to all staff.
1 May 2012	Proposal received from Dunning Thornton for seismic evaluation of Upper Hutt depot
2 May 2012	Councillors informed of findings from draft S.H. report
2 May 2012	Staff informed of findings from draft S.H. report
3 May 2012	Met with Spencer Holmes to finalise report.
4 May 2012	Waterloo report received from SKM
4 May 2012	Mabey Road depot proposal received from SKM
8 May 2012	Upper Hutt Depot proposal accepted (Dunning Thornton) File PK/01/01/01
9 May 2012	David Benham and Murray Kennedy spoke to staff at the Waterloo Ops building and advised building is in 25-33% range of NBS
10 May 2012	Follow up note to staff at Waterloo Ops building



10 May 2012	Occupants of 7 GW houses advised a seismic inspection planned for July
10 May 2012	Mabey Road – email to Jeff Evans to let staff know seismic evaluation work has started, Jeff will advise Mabey road staff
10 May 2012	GW Engineering & Projects engaged to inspect staff houses
May 2012	Waterloo Ops building, note to Councillors in Bulletin on 17 May