

Decision released from public excluded session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
		Council	13 August 2020
Report Title and number			
R18154 Civic House Options			
Documents released			
The decision, report (R18154) and attachments A2420980 and A2421781			
Decision			
Resolved			
<i>That the Council</i>			
<i>1. <u>Receives</u> the report Civic House Options (R18154) and its attachments (A2430651, A2420980, and A2421781); and</i>			
<i>2. <u>Confirms</u> that, subject to final approval through the business case process, Council's main office will remain in Civic House, at its current location; and</i>			
<i>3. <u>Notes</u> that the preliminary version of the Property and Facilities Asset Management Plan 2021-2031 will include capital funding for the sequential upgrade of staff accommodation, the Council Chamber and councillor amenities in Civic House; and</i>			
<i>4. <u>Agrees</u> that the decision, this report (R18154) and its attachments (A2420980 and A2421781) be released from public excluded with paragraphs 6.34 to 6.41 and attachment A2430651 redacted.</i>			
The motion was put and a division was called:			
<u>For</u>	<u>Against</u>	<u>Apologies</u>	
Her Worship the Mayor Reese	Cr Lawrey	Cr Courtney	
(Chairperson)	Cr O'Neill-Stevens		
Cr Bowater	Cr Rainey		
Cr Brand	Cr Sanson		
Cr Edgar			
Cr Fulton			
Cr McGurk			
Cr Noonan			
Cr Skinner			
The motion was carried 8 - 4.			
Carried			

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Item 6: Civic House Options



Council

13 August 2020

REPORT R18154

Civic House Options

1. Purpose of Report

- 1.1 To set a clear direction for the long-term future of Civic House.

2. Summary

- 2.1 Council needs to commit significant expenditure to provide a modern standard of office accommodation. Prior to making this commitment, officers have been asked to provide advice on alternative options.

- 2.2 Three options are considered in this report:

- Co-locate Civic House in the Riverside Precinct, integrated with the Elma Turner Library redevelopment and any Climatorium; and
- Redevelop the existing building, improving its energy performance and staff accommodation, and maintaining the fabric of the building; and
- Relocate Civic House to another location within the CBD.

- 2.3 The different options are assessed against the following criteria:

- Fit for purpose
- Sustainability/climate resilience/energy efficiency
- Consistency with City Centre Development Programme/Spatial Plan
- Cost
- Risk

- 2.4 The re-purposing of the current building is also considered.

- 2.5 Taking into account all relevant factors, officers recommend that the Council commits to the current location and agrees to invest in the workplace improvements that have previously been presented to the Council.

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3. Recommendation

That the Council

1. *Receives the report Civic House Options (R18154) and its attachments (A2430651, A2420980, and A2421781); and*
2. *Confirms that, subject to final approval through the business case process, Council's main office will remain in Civic House, at its current location; and*
3. *Notes that the preliminary version of the Property and Facilities Asset Management Plan 2021-2031 will include capital funding for the sequential upgrade of staff accommodation, the Council Chamber and councillor amenities in Civic House; and*
4. *Agrees that this report (R18154) and its attachments (A2420980 and A2421781) be released from public excluded with paragraphs 6.34 to 6.41 and attachment A2430651 redacted.*

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4. Exclusion of the Public

4.1 This report has been placed in the public excluded part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

5. Background

5.1 On 14 November 2019, Council received the Report R12530. It provides a history of Civic House and is attached to this report for context (Attachment 1). In summary:

- Underinvestment in Civic House has resulted in substandard working conditions which affect Council's ability to recruit and retain staff;
- A comprehensive improvement programme has been repeatedly deferred since 2008 (with the exception of the development of the Customer Service Centre);
- Essential infrastructure renewals, required to retain the building's warrant of fitness, have also been deferred.

5.2 Council resolved to leave the item to lie until the 12 December 2019 Council meeting, to allow officers to provide additional information.

5.3 At that meeting, Council decided that it:

Approves engagement of a consultant to work with officers and elected members to explore and refine options for Council's workplace improvement and interlinked projects, with a view to bringing back a business case for Council consideration

Approves expenditure of up to \$100,000 from the Climate Change Reserve to support development of the City Centre Spatial Plan; and



Notes that the time needed to undertake work on options will mean that the timelines for delivery of the library redevelopment project in the Long Term Plan 2018-2028 will need to be adjusted.

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- 5.4 On 25 June 2020 Council agreed on a staged strategic approach to decision making on Civic House, the Elma Turner Library and the Climatorium. This report is the first in a series of substantive reports that, together, will inform the final options for business cases for the three projects.
- 5.5 Reports on options for a Climatorium and, separately, the location of the Elma Turner Library are scheduled for the Council meeting on 24 September 2020.
- 5.6 Council is asked to decide on its preferred option for Civic House, noting that final decisions on all three projects will be made when the business cases are finalised and presented to Council, currently scheduled for 12 November 2020.

6. Discussion

- 6.1 There are a number of key questions that Council needs to consider before making a decision on Civic House. These are:
 - 6.1.1 How fit for purpose is Civic House currently?
 - 6.1.2 How do proposed options fit with Council's declaration of a climate emergency?
 - 6.1.3 How do proposed options fit within the context of the City Centre Programme Plan, including the six key moves and the spatial plan under development?
 - 6.1.4 Are proposed options efficient and effective ways of delivering the services provided by a civic administrative building?
 - 6.1.5 If Council were to move from the current location, could an alternative use for Civic House be found that is consistent with Council's objectives for the central city?
 - 6.1.6 What level of risk is there that a given option will not meet time, cost, quality requirements and as a result not deliver the outcomes expected?

How fit for purpose is Civic House currently?

- 6.2 Council has previously received advice that:
 - 6.2.1 The building is structurally sound;
 - 6.2.2 The building layout is adaptable;
 - 6.2.3 Its location, size and durability are positive attributes that meet Council's current and projected future needs.
 - 6.2.4 Issues include:

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- Investment is required to bring it up to modern-day office standards;
 - Council Chamber accessibility and Councillor accommodation needs improvement;
 - The building is sited within the inundation overlay. Its function as a local emergency operations centre could be compromised by a significant flood/inundation event.
- 6.3 Nelson City Council staff have provided feedback over a number of years that the standard of office accommodation is poor. Lack of natural light, inadequate heating and ventilation, excessive noise, poor facilities, and worn fittings feature in the feedback. Feedback from the annual staff survey at least as far back as 2010 shows significant dissatisfaction, and no material upgrades have been undertaken since then.
- 6.4 In 2015 the Staff Survey showed that the level of satisfaction with the physical working environment was in the bottom ten of the wide range of workplace factors covered by the survey. The 'level of agreement' satisfaction score of 51.1% was well below the Local Government benchmark of 70.2%.
- 6.5 Satisfaction with the physical work environment reached its lowest point in 2017, when feedback from the annual staff surveys and exit questionnaires showed that the physical working environment had the lowest satisfaction score across a broad range of tangible (e.g. pay, processes, technology) and intangible (e.g. organisational culture, leadership, communication) employment-related factors.
- 6.6 Some improvement was apparent in 2018 and 2019 (possibly as a result of movement of a large group of staff to Level 6 of Civic House, which supported a more modern layout, updated furniture and increased access to natural light), but overall satisfaction with physical office accommodation remains low in comparison to other elements of the workplace – in the 2019 Staff Survey the number of staff who disagreed that they were satisfied with their physical working environment means that this feature of work rated the sixth-lowest out of 80 questions asked.
- 6.7 The Customer Service Centre (CSC) is well used and conveniently located, with short-term parking available directly outside on Trafalgar Street, and long-term parking in Wakatū Square, to the rear of Civic House;
- 6.8 An estimated 125,000 people passed through the CSC in the last financial year. Whilst Council continues to see an increased number of transactions taking place online, there still remains a consistent demand for face-to-face transactions from the community. Customer satisfaction with the location and accessibility of the CSC has been consistently high since it opened in 2009;

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6.9 While the EOC in Richmond is the base for regional emergency management events, Civic House still plays a key role in response and recovery. Given that the building has not been specifically designed to accommodate higher flood levels, officers consider that, long term (>50 years), the preferred location for Civic House would be in a different part of the city. In the short to medium term (30-50 years) the current location is preferred over a move to the Riverside Precinct.

6.10 With investment, significant improvements can be made to Civic House enabling it to function effectively as the Council's administrative headquarters for another 30-50 years.

How do proposed options fit with Council's declaration of a climate emergency?

6.11 On 13 May 2019, Council declared a climate emergency. As part of that declaration, Council committed to "examine how Council's plans, policies and work programmes can address the climate emergency and ensure an emergency strategy is embedded into all future Council strategic plans."

6.12 Council has the opportunity to display this commitment through both adaptation and mitigation. Adaptation is the process of adjustment to actual or expected changes in the climate and its effects. Adaptation includes:

- Using design techniques to improve building resilience to climate change impacts, e.g. by making lower floors capable of managing flooding;
- Minimising the use of resources that may become scarce, e.g. Water demand reduction devices;
- Undertaking works on Council infrastructure to ensure that they still function under climate impacts, such as raising roads and pipelines;
- If necessary, considering moving the location of assets (managed retreat).

6.13 Based on current information, over the next 50 years, Civic House is more exposed to river flood risk than coastal flood risk. Updated river flood models have been prepared for the Civic House site. These show that a present day 1 in 100 year river flood event would peak at RL (Reduced Level) 3.06m at Civic House, whilst in 2070 a 1 in 100 river flood event would peak at RL 3.56m (assuming Representative Concentration Pathway (RCP) 8.5m climate and sea level rise scenario). The current floor level of Civic House is approximately RL 2.98m. For comparison purposes, the equivalent of a present day 1 in 100 flood event for the Maitai is projected to have a return period of 40 years in 2070.

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- 6.14 This level of risk (a flood level in Civic House with depth of 58 cm in a 1 in 100 year event) can be managed through a combination of improved flood defences, e.g. raised floor levels/door thresholds; temporary barriers; and raising the height of electricity points.
- 6.15 Council is yet to consider its options for managing flood and inundation across the wider central city area. Any measures it takes to reduce that risk will provide additional benefit for the current location of Civic House.
- 6.16 Mitigation is “human intervention to reduce the sources or enhance the sinks of greenhouse gases.” Mitigation seeks to reduce the impact of activities on climate emissions. Mitigation includes:
- Re-purposing buildings, rather than building new ones – the Green Building Council estimates that 50% of a commercial building's life cycle emissions take place in the construction phase, equivalent to the total operating emissions over the remaining life of the building;
 - Switching to renewable and low carbon energy sources;
 - Ensuring energy use is efficient, e.g. through use of insulation and double glazing, use of LED lighting;
 - Minimising waste, particularly biodegradable waste to landfill;
 - Reducing transport.
- 6.17 It is assumed that a new build in any location will be designed and built to high sustainability standards, e.g. Greenstar. This ensures that the building will operate to a high environmental standard.
- 6.18 Officers have recently conducted an energy audit on Civic House. It has identified possible savings of around \$50,000 per year in energy costs that could be made if all the opportunities identified are implemented. Examples of improvements include: optimising the heating and ventilation system, replacing the diesel boiler and fitting double glazing. These opportunities will be considered as part of the wider business case for the refurbishment of Civic House. Refurbishment is proposed to be to Green Star standard. A similar building type refurbishment by BECA in Wellington (Aorangi House) resulted in 23% energy savings and 30% emissions savings.
- 6.19 As identified above, the construction of new buildings, whatever materials are used, comprises up to half of the lifecycle emissions of a building. Remaining in the existing building and extending its usable life through refurbishment is a valid approach to mitigating climate change.
- 6.20 If Council does decide to remain in Civic House for now, it can take the opportunity to consider these matters again when the building nears its next major refurbishment phase (30-50 years).

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How do proposed options fit with the City Centre Programme Plan?

- 6.21 The City Centre Programme Plan sets out the Council's strategy to achieve a step-change in the Nelson City Centre. Its approach is people-focused, aiming to create a social hub where people "linger longer". Growing residential occupancy is key to revitalising the City Centre. Six key moves for the city centre have been identified:
1. Destination Nelson
 2. Walkable Nelson
 3. Blue Green Heart
 4. Smart Development
 5. Liveable Centre, and
 6. Clever Business
- 6.22 As part of the programme, a City Centre Spatial Plan is being developed. This is an overarching plan that identifies precincts to give Council a framework for future decisions. The current precinct diagram is attached (Attachment 2). The Spatial Plan will not go down to the level of identifying specific locations for buildings.
- 6.23 Construction of a new civic building in the Riverside Precinct offers few advantages over the existing location of Civic House in terms of the six key moves or the proposed Spatial Plan. It would, however, remove land within the Riverside Precinct that could have been used for other purposes, e.g. destination/recreation consistent with moves 1 and 3.
- 6.24 From a city development perspective, in the longer term, the preferred location for Civic House would be in a different part of the city, for example adjacent to the Justice Precinct. In the short to medium term (30-50 years), the current location is preferred over a move to the Riverside Precinct.
- 6.25 Officers recognise that the re-purposing of Civic House as apartments would contribute to increased accommodation choices in the city centre, and contribute towards the Liveable Centre key move but note there is considerable uncertainty over this option (see below). Council may wish to consider this option in the future as a long term project.

Cost

- 6.26 Council has previously been provided cost information on different options (Attachment 1). In summary:
- Refurbishment of the existing building is the cheapest option at an estimated net cost of \$16.5 million. This could be phased over a number of years;

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- Construction of a standalone Civic House in another part of the central city (or adjacent) would have an estimated net cost of \$32.7 million, including an estimated \$5 million purchase of land and an estimated \$12 million income from the sale of the current building;
- Co-location with the library would have a net cost of \$27.4 million just for the Civic House component of the build, assuming an estimated \$12 million income from the sale of the current building. There is also likely to be additional cost relating to land purchase.

- 6.27 Operationally, Civic House costs around \$530,000 a year to run and maintain, some of which is offset from rental received from IRD and telecommunications companies. As identified above, an energy audit has identified that additional savings could be made. A significant component of costs are fixed, e.g. insurance and cleaning.
- 6.28 A new building, built to high environmental standards could result in operational cost savings, although may not have income from tenants, depending on the final design.

Risk

- 6.29 The key risks Council needs to consider for each option are:
- Financial – what degree of certainty is known about the costs of the project?
 - Reputational – what reaction will the community have to the project and its costs?
 - Corporate – what impact will the option have on management's ability to retain and recruit staff?
 - Environmental – what environmental impacts does each option bring?
- 6.30 Financial risk for a new build is inherently higher than for a refurbishment. Design, construction and site-specific environmental risks all require contingency funding. Refurbishment risks relate to hidden issues which may only be identified once refurbishment begins.
- 6.31 Reputational risk for a new build will depend on the value that the community attributes to expenditure on a new facility and to mitigating climate change impacts. Given Council has not consulted on a new civic building, uncertainty is high. The reputational risk is compounded by the impacts of Covid-19 on the community, with many experiencing financial hardship as a result of impacts on the local economy.
- 6.32 Corporate risk for a new building is likely to be low, as it is assumed it will be purpose-built. However, any uncertainty relating to timeframes increases corporate risk in the short term.

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6.33 Environmental risk is discussed in the climate emergency section above.

Alternative uses for Civic House

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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- [REDACTED]
- [REDACTED]
- [REDACTED]
- 6.40 [REDACTED]
- [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]

Other similar New Zealand projects

- 6.42 Ashburton District Council is in the process of building a library and Civic Centre for a budgeted \$51.6 million. This is a partial new build and partial conversion of a heritage building. The new library will occupy 2450m² and the Civic Centre 3,600m². Ashburton currently has approximately 230 employees to accommodate (compared with Nelson's current 297 staff, and not including 23 Environmental Inspections Limited staff).
- 6.43 Whangārei District Council (WDC) proposes a 7000m² Civic Centre. Its current budget sits at \$48 million. However, the project is still at the design stage. At time of writing, WDC had 317 full time employees, although that number is set to drop post-COVID-19. The Civic Centre

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does not include a new library, but will accommodate up to 50 staff from the Northern Transportation Alliance.

- 6.44 Napier City Council consulted on the sale of its earthquake-prone civic building in 2017. It proposes to sell the site for redevelopment as a hotel. Napier is developing a business case to redevelop the adjacent library site (also earthquake-prone) to accommodate both library and civic administration functions. It currently has approximately 230 staff across three leased sites. Its LTP has \$15.8 million set aside for the project but the final budget has not yet been determined.
- 6.45 A common feature of all of these projects was that remaining in the existing buildings was not a cost-effective option, given their small size and/or earthquake-proneness.

7. Options

- 7.1 Council has three options. It could decide:
- 7.1.1 To **co-locate** Civic House to the Riverside Precinct, integrated with the Elma Turner Library redevelopment and any Climatorium; or
- 7.1.2 To **relocate** Civic House to another location within the CBD.
- 7.1.3 To **redevelop** the existing building, improving its energy performance and staff accommodation, and maintaining the fabric of the building; or
- 7.2 Attachment 3 is an analysis of the options against the criteria identified in paragraph 2.3. Each criterion has been assessed on a scale of 0-5 with higher scores representing better fit with the desired outcomes.
- 7.3 The overall score for moving Civic House to the Riverside Precinct is 2.9; relocating to another part of the CBD scores 3.5; and refurbishing Civic House scores 4.1 out of 5. The preferred option from this assessment is to refurbish the existing building.
- 7.4 A summary of advantages and risks of each option follows.

Option 1: Co-locate Civic House within Riverside Precinct	
Advantages	<ul style="list-style-type: none">• Projects can be co-managed to ensure any design/build efficiencies can be identified• Building would be designed to mitigate long-term flood risk and would be energy efficient• Co-location with library gives presence of a civic centre• Could allow re-purposing of Civic House

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Risks and Disadvantages	<ul style="list-style-type: none"> • Capital cost • Utilises limited Riverside Precinct space for office accommodation • Reputational risk of building new Civic Centre • Alternative use for Civic House is not proven • Depending on how the Council and the community decides to adapt to rising sea levels, access could be disrupted from time to time as the building nears its end of life. Given the role of Civic House in responding to emergencies, this is far from ideal.
Option 2: Relocate Civic House to another location in the city	
Advantages	<ul style="list-style-type: none"> • Will make a clear statement about Council's long-term vision for the city • Can contribute to revitalising a different part of the city • Could allow re-purposing of Civic House
Risks and Disadvantages	<ul style="list-style-type: none"> • Will have negative impact on existing businesses in lower Trafalgar Street/Halifax Street • Highest cost option • Highest risk option • Staff workplace improvement may be some time off • Alternative use for Civic House is not proven
Option 3: Redevelop existing building	
Advantages	<ul style="list-style-type: none"> • Sets out a clear and quick pathway for improvements to workplace • Budget can be phased over six years to manage financial impacts • Overall lowest cost financial cost option • Income is received from tenanted offices • Allows for consideration of future move once there is more certainty about future climate impacts • Shows the community how an existing building can be adapted to cope with climate change
Risks and Disadvantages	<ul style="list-style-type: none"> • Building maintenance costs are higher than for a new build

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	<ul style="list-style-type: none">• Loss of opportunity to co-locate with Library in Riverside Precinct
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8. Consequential impacts on other projects

- 8.1 Council is due to consider options for the Elma Turner Library and a Climatorium at its meeting on 24 September.
- 8.2 The recommended option will mean that the option of co-locating the Library and Civic House (and any Climatorium) on the Riverside Precinct is not preferred. Moving Civic House to another location in the future remains a possibility, alongside a redevelopment of Civic House for an alternative use. Given refurbishments add 30-50 years of utility before another refurbishment is required, Council could plan to review its accommodation in 2050, when more will be understood about the future development direction of the city.

9. Conclusion

- 9.1 Three options for Civic House have been compared. Officers have identified that moving Civic House to the Riverside Precinct is the least favoured option.
- 9.2 The recommended option is to refurbish the existing buildings. This does not rule out the third option, of redevelopment in a different part of the city, from happening in the longer term.

Author: Pat Dougherty, Chief Executive

Attachments

Attachment 2: A2420980 - City Centre Precincts - Extract from City Centre Programme Plan - Aug2019

Attachment 3: A2421781 - Civic House Options Analysis

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Important considerations for decision making	
1. Fit with Purpose of Local Government	Approval of the recommendation to undertake a business case for the refurbishment of Civic House supports the economic wellbeing of Nelson by improving Council's ability to achieve appropriate staffing and an efficient and productive work environment.
2. Consistency with Community Outcomes and Council Policy	<p>The recommendations in this report fit with the community outcomes:</p> <ul style="list-style-type: none">• Our urban and rural environments are people-friendly, well planned and sustainably managed.• Our infrastructure is efficient, cost effective and meets current and future needs.• Our region is supported by an innovative and sustainable economy.
3. Risk	<p>Risks are discussed in section 6.29. The recommended option has lower financial and corporate risk than other options. Reputational risk is low, with a high level of uncertainty for other options. The recommended option does not create new environmental risk, with refurbishment having less environmental impact than a new build.</p> <p>The recommended option does not preclude moving Civic House in the future. However, it does rule out the option of moving it to Riverside Precinct.</p>
4. Financial impact	While the costs of the recommended option are significant, it is the lowest cost option of the active options and the proposed works have the potential to add at least commensurate levels of value. The costs can be phased over a number of stages to minimise staff disruption.
5. Degree of significance and level of engagement	This matter is of low significance as is to be managed within current budgets, with consultation through the Annual or Long Term Plan process if required.
6. Climate impact	The recommendation in this report is to proceed with a business case for the refurbishment of Civic House. The business case will consider and make recommendations including in relation to climate impact, which will be considered by Council through its Long Term Plan 2021-31 process.
7. Inclusion of Māori in the decision making process	No engagement with Māori has been undertaken in preparing this report.

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8. Delegations

At the Council Meeting on 23 March 2017, Council resolved this is a matter for the Council to consider.

Revised 13/08/2020

Re



Assessment of options

Option:	Co-locate on Riverside Precinct	Re-locate to another Central City location	Refurbish existing building
Fit for purpose	How well does the building meet its function as the Civic Administration building?		
<i>comments</i>	It is assumed that a new build will be designed to meet the requirements to accommodate staff and the Civic functions of the Council. Due to site restrictions, car parking will be more limited than is currently available.	It is assumed that a new build will be designed to meet the requirements to accommodate staff and the Civic functions of the Council, and that adequate car parking provision will be made.	The existing buildings are structurally sound and customers report high satisfaction with the Customer Service Centre. Staff accommodation will be improved through refurbishment. The location and accessibility of the Council Chamber can also be improved.
<i>rating:</i>	Medium-High	High	Medium-high
<i>overall score - fit for purpose</i>	4.0	5.0	4.0
Sustainability/climate resilience	How well does the option match the intent of the Council's climate emergency?		
<i>comments - location</i>	Long term, the Riverside Precinct is projected to be more prone to flooding and inundation.	It is assumed that a different location would be chosen that would be at low risk of flooding/inundation.	The current location is projected to be more prone to flooding and inundation in the long term. In the medium term the main risk relates to a 1 in 50 year flood event.
<i>rating - location</i>	Low-medium	High	Medium
<i>score - location</i>	2	5	3
<i>comments - adaptation</i>	The Building can be designed to improve its resilience for future flood events.	It is assumed that designs for a different location would address any residual climate risks.	Impacts of a 1 in 50 year flood event can be mitigated through design of refurbished areas. Adaptation of the current location will be addressed when council considers its wider response to flood and inundation risk within the city centre.
<i>rating - adaptation</i>	Medium-high	High	Medium
<i>score - adaptation</i>	4	5	3
<i>comments - mitigation</i>	Any new build will have a significant carbon impact from the embodied carbon in the construction and material used. It is assumed that it would be designed to be energy efficient.	Any new build will have a significant carbon impact from the embodied carbon in the construction and material used. It is assumed that it would be designed to be energy efficient.	Continued use of an existing building has a significant benefit from avoidance of embodied Carbon. An energy audit is underway and will result in reduced energy demand.
<i>rating - mitigation</i>	Low-Medium	Low-Medium	Medium - High
<i>score - mitigation</i>	2	2	4
<i>Overall score - sustainability</i>	2.7	4.0	3.3
Consistency with City Centre Development Plan	How well does the option align with the City Centre Programme Plan, the six key moves and the proposed spatial plan?		
<i>comments</i>	Co-location on the Riverside Precinct will deliver a civic precinct but will also result in more of that area being taken up by office accommodation, when it has more value to the city as a mix of community spaces and accommodation. The size may block rather than enhance access to the River from the Central City.	Building in a different location in the central city or adjacent can contribute to multiple long term outcomes for the city, if the right location can be found.	The current location is consistent with the original Heart of Nelson Strategy and will be consistent with the spatial plan for the short to medium term.
<i>rating</i>	Medium - high	High	Medium - high
<i>Overall score - city centre plan</i>	4.0	5.0	4.0
Cost	What are the capital costs and operating cost implications of each option?		
<i>comments - capital</i>	Construction of a new building on the Riverside Precinct may require land purchase and will require geotechnical investigation. There is a premium for delivering a highly sustainable building which contributes to a civic centre precinct	Land purchase is assumed to be required prior to detail design. Construction costs will depend on the characteristics of the land, its current use and the design specifications	The investment required to refurbish the existing building is well understood, considerably lower than a new build and can be phased over a number of years.
<i>rating - capital</i>	High	Very High	Low-medium
<i>score - capital</i>	1.0	0.0	4.0
<i>comments - operating</i>	It is assumed that a new build will be built to high environmental standards. This is likely to come at increased capital cost but will reduce operating costs.	It is assumed that a new build will be built to high environmental standards. This is likely to come at increased capital cost but will reduce operating costs.	The current building's operating performance will be significantly improved through the refurbishment process. Income from current tenants is also included in the assessment.
<i>rating - operating</i>	Low	Low	Low-Medium
<i>score - operating</i>	5	5	4
<i>Overall score - cost</i>	3.0	2.5	4.0
Risk	How likely is it that the project will not proceed as planned, or that the desired outcomes are not fully delivered?		
<i>comments</i>	This option would require Council to work closely with neighbouring landowner. This may have financial consequences. The complexity of a joint build with the library adds additional risk. Compromises may have to be found between the design of the library as a special place with the need for office accommodation. There is reputational risk from community not seeing the need for a new Civic Centre.	There is risk associated with finding a suitable location, associated community consultation, and negotiation with neighbouring landowners prior to design phase. There is high degree of uncertainty over the construction costs and timelines. If a suitable site cannot be found, work on the current building may be further deferred. There is reputational risk from community not seeing the need for a new Civic Centre.	There is no land purchase required, and Council has a good understanding of its current buildings, the works required and their costs. It has the ability to stage improvements to minimise disruption to staff. Reputational risk is low.
<i>rating</i>	Medium-High	High	Low
<i>Overall Score - Risk</i>	2.0	1.0	5.0
Overall Score	3.1	3.5	4.1

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