

Downtown Car Park Site Development (FTAA-2512-1158)

Comments to Panel on behalf of Millennium & Copthorne Hotels New Zealand Limited

1. Background and Introduction

Precinct Properties New Zealand Limited (**Precinct**) applied for consent under the Fast Track Approvals Act (as amended by the Fast-track Approvals Amendment Act 2025) to demolish the existing Downtown Carpark Building and develop an approximately 170,000m² gross building area mixed use commercial and residential precinct comprising 2 towers (approximately 55 levels and 45 levels, respectively), 3 podium buildings, and a laneway network, alongside a 4-level basement for parking and servicing (**the Project**), all located on the site at 2 Lower Hobson Street, 29 Customs Street, 188 Quay Street and 204 Quay Street, Auckland Central (**Application Site**).

Millennium & Copthorne Hotels New Zealand Limited (**MCK**) owns the site at 196-200 Quay Street, directly adjacent the Application site to the north and has operated a hotel on that site since 1994 (**MSocial**). As set out in the corporate statement prepared by MCK, the overriding concern is that the demolition and construction works associated with the Project, which are estimated to comprise 7 years, may in practice prove innately incompatible with the 24-hour operation of a hotel on the MCK MSocial site, rendering it unusable or severely constrained for extended periods of time throughout the works period.

MCK has retained independent experts to review the application and advise on the potential for adverse effects to arise and methodologies that may reduce the risk and impact of the demolition and construction works. In the context of the current application, these comprise a mix of seeking further information in order to better understand the magnitude of effects on MCK and also considering how proposed conditions of consent can address the outstanding concerns represented in MCK's experts' comments.

MCK's overall comments comprise:

- A legal memorandum;
- A corporate statement prepared by Mr Takeshi Ito, vice President Legal and Company Secretary;
- A geotechnical engineering review prepared by CMW Geosciences;
- An acoustic engineering review covering construction noise and vibration prepared by Styles Group;
- A structural engineering review prepared by Structus;
- A transport engineering review prepared by Commute Transportation Consultants; and

- This planning summary covering areas where further information is required and proposed condition amendments, the latter in terms of themes, rather than specific condition edits. This summary also outlines the extent to which changes made to the Project through consultation and as presented in Precinct's Addenda (dated 7 April) have both addressed MCK's concerns and informed the subsequent assessment by MCK's experts.

For the avoidance of doubt, the scope of this planning assessment is limited to considering MCK's experts' conclusions on effects of the Project on MCK, not a broader peer review of the application nor its planning merits.

2. Information Gaps

The project team has identified the following information gaps in the application documentation:

Geotechnical

- Limited site-specific testing and reliance on non-verifiable datasets introduce uncertainty in key parameters governing wall behaviour and ground movements. Assessments of the risks posed by the Project and determination of the most appropriate methodologies for the demolition and construction phases would most appropriately be carried out once that information is provided. Additional site-specific investigation and parameter validation is therefore required, preferably now but most certainly at detailed design stage.
- CMW Geosciences' independent analysis indicates potentially greater lateral displacements than predicted by Precinct's advisors, Tonkin & Taylor. Wall behaviour is highly sensitive to modelling assumptions, mesh discretisation and construction sequencing, requiring refined modelling, confirmed construction sequence and sensitivity analyses prior to construction. Given the risk of these greater displacements arising, the Project should be assessed in the context of assumptions to that effect.
- A calibrated, site-specific groundwater model is required in order to determine the groundwater regime – here it is identified as being complex and tidally influenced. The proposed diaphragm wall on the boundary with MSocial may act as a barrier, potentially inducing groundwater mounding and changes in pore pressures that could affect adjacent structures.
- As above, a detailed construction methodology and sequencing would resolve current concerns over uncertainty around effects on MSocial's physical stability. Ideally, given the very large scale of the Project and its potential risks to neighbouring properties and occupants, that methodology and sequencing would be made available now so full analysis can occur.

Some of these matters and their associated risks could be addressed through conditions of consent (see section 3 below) but some are identified as resulting in an unacceptable degree of uncertainty at this stage, thus reducing MCK's confidence in the assessed magnitude of effects on their property and the potential for adverse effects on the Hotel's operation as a result of the Project.

Structural

The information provided does not adequately address or mitigate several critical structural risks that if left unresolved could compromise the MSocial Hotel structures. The key issues that have not yet been appropriately addressed from a structural perspective are summarised as follows:

- The main structural risks to the MSocial Hotel arise from the potential for the Hotel structures to lose support and become unstable as a result of the demolition and construction works that will occur immediately adjacent to the common boundary of the sites. As a result, it is essential that a full structural condition assessment of the MSocial Hotel building is undertaken prior to commencement of the existing Downtown Carpark building demolition. That will enable the demolition and construction works to be undertaken in a fully informed way and will minimise the risk of damage to the MSocial Hotel building.
- Relative to the above, there remains uncertainty regarding the depth and extent of piles for the MSocial Hotel structure, the implications for which could be significant if demolition and construction on the common boundary do not suitably ascertain the Hotel building's foundations and subsequent sensitivity to settlement and undermining during demolition and construction.
- Better understanding regarding the detail of temporary support during demolition is required. Structus identifies that temporary support structures may comprise 4.5m in depth below the MSocial Hotel site's ground level and on the boundary immediately adjacent to the Hotel building at points.
- Detailed information to demonstrate how loading from the MSocial Hotel building foundations load the proposed diaphragm wall, including a sensitivity check relative to the Hotel's pile length, owing to the uncertainty about their dimensions.
- Detailed information to demonstrate how the proposed superstructure along the common boundary is supported as it is not vertically aligned with the diaphragm wall, which could in turn undermine the MSocial Hotel building.
- Confirmation with detailed analysis that the base shear of the proposed building will not cause the diaphragm wall on the common boundary to deflect to values greater than those advised in the static condition, and that the base shear effects of the MSocial Hotel building are considered on the proposed development basement structures.

These matters are technical in nature and have been the subject of limited conferencing and debate between Holmes Consulting for the Applicant and Structus for MCK. The above represents the remaining matters that Structus proposes require further, detailed assessment and/or conditions of consent seeking to quantify and minimise adverse effects on the stability and safety of the MSocial Hotel.

Construction Noise and Vibration

- Absent a more detailed construction methodology, the approach to assessing effects arising from construction noise and vibration can be characterised as having a high degree of uncertainty and in some circumstances is very generalised.
- There is no certainty that identified mitigation measures, such as scaffolding and acoustic barriers, are able to be implemented in relation to the MCK / subject site boundary. As noted in MCK's experts'

reporting, the existing Downtown Carpark building and MSocial are in very close proximity in some locations along the boundary, noting the Carpark building encroaches over the boundary into the MSocial's Loading Dock. Marshall Day has suggested that predicted noise levels are without mitigation (and ostensibly given the proposed mitigation the experienced noise levels within the Hotel will be lower) but this is unclear in the reporting. Having a clear understanding of predicted noise levels relative to operating a hotel is paramount.

- There is a lack of clarity in the application, including proposed conditions of consent, in respect of how the best practicable option will be determined relative to construction methodology. MCK is looking for engagement on noisy or disruptive works to assist with scheduling and day-to-day hotel operations. A contractor may conclude that a noisy or disruptive method is the BPO relative to cost and efficiency, without the ability for MCK (and in some cases, Council) to influence that outcome.
- Mr Styles concludes that the process laid out in the proposed conditions effectively allows the consent holder to generate construction noise and vibration levels and effects that are up to and potentially much greater than the level of effect that has been assessed in the application, and without any effective oversight from the Council, and without limits. The April addenda provided to the Panel include recommendations from Marshall Day to address this concern and MCK welcomes those edits, pending an opportunity to review condition amendments.

For the avoidance of doubt, Mr Hills has not identified any information gaps in respect of transport matters, that have not otherwise been covered in Precinct's April addendum prepared by Flow.

3. Proposed Condition Amendments

Acknowledging the above concerns, and MCK's overall concern about seeking to mitigate unacceptable effects that prevent their ongoing hotel operation, whilst recognising that some detail is not able to be supplied at resource consent stage, it is recognised that conditions of consent can "step into the breach" and establish a framework whereby the certainty sought now can be established prior to construction commencing, and critically, with an opportunity for MCK to engage on, and be engaged with by Precinct – enabling effective and meaningful consultation about where and how construction effects might be mitigated in respect of MCK's hotel operations.

For the avoidance of doubt, MCK intends to provide specific comments on conditions at that stage in the Fast Track process. The following matters are grouped by theme, building on the current draft suite of conditions in the application, taking into account Precinct's addenda and having regard to MCK's experts' recommendations.

The condition amendments sought by MCK can be grouped into the following themes:

- **Conditions should require engagement rather than simple information sharing** – MCK seeks that conditions of consent relating to the establishment of and interaction between the consent holder and the Community Liaison Group (CLG) require meaningful engagement with affected parties and enable a clear framework for MCK to effect decision-making around construction effects that directly impact their operations – be it through scheduling, duration, mitigation measures, or other means. For example, MCK given its operation and proximity may well be the most singularly adversely affected party and as such, the suggestion in condition 9 that the CLG could be abandoned where three or less

CLG members attend does not recognise the uniqueness of MCK's position, and high likelihood of being the only remaining CLG member and affected party seeking engagement.

- **Construction methodology** – given the consistent advice by MCK's experts, a detailed construction methodology should be made available for review and comment on by the CLG and affected parties, including provision for independent expert advice on the potential effects arising from that detail.
- **Management plans** – where management plans are proposed in order to facilitate detailed design after grant of consent, there should be a clear objective set out in the conditions, with measurable and enforceable limits in relation to outcomes. For example, the construction noise and vibration management plan's key objective should be to minimise adverse effects on identified affected receivers by complying with stated (and agreed) limits and managed through a defined and transparent protocol. Management plans and any amendments should all be required to be certified by Council and provided to CLG members and affected parties for comment prior to adoption.
- **Monitoring** – from both geotechnical and noise and vibration perspectives, continuous automated monitoring throughout the construction (including demolition) should be adopted. This monitoring should also be accompanied by immediate notification procedures and structured stakeholder communication protocols in the event of an unforeseen trigger or limit exceedance. MCK also seeks more regular reporting to the CLG and affected parties regarding monitoring results not associated with exceedances – i.e transparent data collection and sharing.
- **Managed Access Service Arrangement Plan (MSocial)** – MCK supports proposed conditions 53 – 55 in relation to ensuring ongoing access to its Loading Dock, recognising the objective of the plan is to manage scheduling and coordination of access / servicing requirements and delivery to and from MSocial. MCK seeks to ensure this plan clearly gives priority to MCK's operational and functional requirements.
- **Scheduled Activities** – The April addenda included commentary from Marshall Day Acoustics that acknowledged the Schedules should be certified by Council before they can authorise any works. This is a sensible amendment, but further changes are required in response to the current approach to noise and vibration exceedances which does not set any limit on the amount of noise and vibration that can be generated. There is no ability for any stakeholder to engage with the consent holder, its consultants or the Council on what constitutes the BPO or how best to minimise or mitigate the adverse effects. A condition is required that clearly identifies where unforeseen and unscheduled activities with unacceptable exceedances arise, that such activities are ceased immediately, unless there is a clear and identifiable health and safety risk in doing so (and not based on contractor preference). All night works should require a Schedule. It is understood Precinct agrees with the latter point.
- **Off-site Parking Spaces** – MCK supports condition 116.
- **Minor amendments** – condition 1 and the schedule of information at Attachments 1 and 2 needs to be updated relative to the re-lodged application dated December 2025, alongside any other additional information that is provided throughout the course of processing this Fast Track application. Moreover, there are two conditions titled Groundwater and Settlement Monitoring and Contingency Plan – the need for two is understood. However, both describe the same plan but present different objectives. MCK prefers the objective set out in condition 165 over that in condition 39.

4. Recommendation and Conclusion

We strongly recommend providing the information requested in the accompanying expert reports and/or updating the conditions of consent to ensure that information is made available for scrutiny and comment not just by Council but by affected parties such as MCK. Absent the recommendations in this report, and in supporting documents, MCK is concerned that the disruption caused by the demolition and construction works will prove wholly incompatible with the hotel operation, and may prove detrimental to property and public safety.

We would be happy to meet Precinct or the Panel and discuss these findings further.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Kay Panther Knight', with a stylized, flowing script.

Kay Panther Knight

Director