

Mayor and Councillors
COUNCIL

28 SEPTEMBER 2017

Meeting Status: **Public Excluded**

Purpose of Report: For Decision

PROPOSED CHANGES TO THE EARTHQUAKE-PRONE BUILDING PROJECT

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
<p>Proposed Changes to the Earthquake-prone Building Project (RS-17-324)</p>	<p>Section 7(2)(a) – to protect the privacy of natural persons.</p> <p>Section 7(2)(i) – to enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>Section 48(1)(a) - that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

PURPOSE OF REPORT

- 1 This report seeks Council's approval for changes to the Earthquake-prone Building (EPB) project.

DELEGATION

- 2 Council has the authority to consider this matter.

BACKGROUND

- 3 Currently Council has an Earthquake-prone Building project running over five years. The project identifies potentially earthquake-prone buildings by engineer evaluation through the Initial Evaluation Process (IEP).
- 4 The project has completed two years of its programme and has evaluated 711 buildings, and owners have been advised of the outcome.
- 5 Evaluations have been completed in Ōtaki, Paekakariki, and part of Paraparaumu. Priority buildings have been evaluated across the district.
- 6 The provisions of the Building (Earthquake-prone Buildings) Amendment Act 2016 commenced on 1 July 2017. The Ministry of Business Innovation and Employment (MBIE) has more recently provided the Earthquake-prone Building

methodology required, and is currently completing a series of workshops around the country explaining the new profiling tool that is embodied in the methodology.

- 7 The new Earthquake-prone Building (EPB) legislation:
 - 7.1 Removes the existing Council EPB policies with timeframes for seismic upgrading now in the legislation. Kapiti is a high-seismic area and the new timeframes are 7.5 years for priority buildings and 15 years for other buildings. Priority buildings are defined.
 - 7.2 Requires the identification of EPBs using a methodology, which is different from Council's current project methodology, for those buildings not notified of an assessment outcome by 1 July 2017. This methodology reduces the number of buildings for profiling and increases the work to profile those selected. On balance the resourcing under the current project should suffice with engineering support.
 - 7.3 Requires public consultation to identify the thoroughfares with sufficient vehicular or pedestrian traffic to warrant prioritisation onto which part of an unreinforced masonry (URM) building could fall.
 - 7.4 Provides for discretion about public consultation to identify routes of strategic importance onto which buildings could collapse.
 - 7.5 Requires new processes related to extensions of time to carry out seismic upgrading and exemptions from the requirement to carry out seismic work.
 - 7.6 Provides for transition of work done under former Council EPB policies, with some re-work associated with notifications of potentially EPBs. Owners are required to undertake Initial or Detailed Seismic Assessments (ISA or DSA). If an assessment is not supplied the decision defaults to an EPB decision with the lowest rating assigned.
 - 7.7 Provides for notification of EPB notices issued and information which is held on a national public register. This Council has not issued any EPB notices to date.

ISSUES AND OPTIONS

Issues

- 8 The issues for this Council are:
 - 8.1 The need to change the scope of the Council's EQP project to comply with the new legislation.
 - 8.2 The requirement to undertake a special consultative procedure to identify priority URM buildings.
 - 8.3 Identification of EPBs on a different basis with potentially differing outcomes. The new profiling tool is less detailed than the initial evaluations that have been done to date. Situations where a part of a building only may be earthquake-prone will not be identified using the profiling tool.

Option 1

- 9 This option conforms to the minimum requirements of the legislation. The work would be undertaken by Council staff with contracted engineering advice when required. The project scope would include:
 - 9.1 Document new procedures for the Council's Quality Assurance System by the end of 2017.
 - 9.2 Notify owners of previously identified EPBs that they have a further 12 months to provide an engineering assessment. The MBIE template letter is to be used when it becomes available. The start date is dependent on delivery of the template. Notification is to be completed by the end of 2017.
 - 9.3 Advise owners of buildings previously identified as unlikely to be earthquake-prone, that the status is confirmed. Notification to be completed by the end of 2017.
 - 9.4 Provide information to the public via the Council website (EPB web page) and an electronic newsletter (e-newsletter) of the changes to the legislation and what this means by November 2017.
 - 9.5 Identify potentially EPBs applying the profiling methodology to the remaining 622 buildings during 2017-18, notifying owners to provide engineering assessments for any potentially EPBs identified.
 - 9.6 Undertake consultation to identify the thoroughfares with sufficient vehicular or pedestrian traffic to warrant prioritisation onto which part of an unreinforced masonry (URM) building could fall. The identification of priority buildings is required to be completed by the end of 2019. The legislation provides for discretion about public consultation to identify routes of strategic importance onto which buildings could collapse. These matters can be consulted together.
 - 9.7 Consider engineering assessments as they are received. It is anticipated this work may continue through to 2020. Obtain contracted engineering advice if required. Decide if a building is an EPB promptly and advise the outcome.
 - 9.8 Where it is decided that a building is an EPB, promptly issue the prescribed notice and provide the information for the national register. The notice is issued to the owner and those with an interest in the land, and a copy is attached to the building.
 - 9.9 As received, consider applications for extensions and exemptions, and make and notify decisions. Criteria for exemptions are prescribed by Order in Council and can include, age, construction type, use, level of occupancy, location in relation to other buildings, and any other characteristics.
- 10 This option risks:
 - 10.1 Not identifying all EPB in the district (Part EPB issues will not be identified using the profiling methodology);
 - 10.2 EPB owners being dissatisfied at having to provide more detailed engineering assessment than previously, and at their expense (this is a

result of the legislation change about which the Council has no discretion); and

- 10.3 Attracting public criticism about the lack of consistency of outcomes between the buildings assessed prior to 1 July 2017 and those identified after that date.
- 11 Refer to Appendix 1 for the current position and comparison with the outcomes of profiling.

Option 2

- 12 This option includes re-scoping the EPB Project to conform to the minimum requirements of the legislation as outlined in Option 1.
- 13 In addition, Council would arrange for contracted engineers to continue to provide IEPs for selected buildings in order to consider the potential for parts of buildings to be EPBs. The buildings selected would be in the age range 1935-1976 (it is expected there will be 120-150 buildings). Analysis of the results of our evaluation work done to date indicates that these buildings may have parts that are potentially earthquake prone.
- 14 Such an approach would help to identify buildings with parts that may be earthquake prone, and divert any potential criticism about the lack of consistency of outcomes. There may also be potential criticism from building owners who feel they are penalised by Council choosing to go beyond the requirements of the legislation.
- 15 Thirty-two buildings have been identified, out of 711 evaluated to date (4.5%), as potentially EPB that would not have been profiled (refer to Appendix 1).
- 16 The areas already evaluated include older parts of the district; Ōtaki and Paekakariki. It is unlikely that the proportion of EPBs found in Paraparaumu will be as high. It is expected that the remaining 622 buildings to be profiled will identify small numbers of potentially EPBs.
- 17 This option is not recommended as the expense of the engineering evaluations is not considered to be justified by the likely outcome based on outcomes for the project to date.
- 18 Identifying any non-profiled buildings as potentially earthquake prone remains a possibility if information received gives reason to suspect there may be an issue.

CONSIDERATIONS

Policy considerations

- 19 There are no policy implications as the legislation has removed the former Earthquake-Prone Buildings policies.

Legal considerations

- 20 Option 1 is the minimum requirement to comply with the Building (Earthquake-prone Buildings) Amendment Act 2016.
- 21 Option 2 recommends some further evaluation work by contracted engineers at Council expense. Section 133AG (3) provides for a Council to identify a building that it suspects may be an EPB.

Financial considerations

- 22 The current EPB project currently has provisions for the next three years:

Year	Budget provision
2017-18	\$525,825
2018-19	\$648,027
2019-20	\$833,525

- 23 Both options require retention of the current one FTE to research records and profile the remaining buildings with input from Building Officers, manage the workflow with communications to owners, and maintain the Council web page and e-newsletter.
- 24 Contracted engineering capacity to provide advice to Council officers who make the decisions is also required for both options. This includes advice about the content of assessments received from owners.
- 25 Contracted input will be required for the special consultative process.
- 26 Option 2 would require additional evaluation (IEPs) for approximately 120-150 buildings and engineering advice about assessments received in response.
- 27 The estimated provision required for the remaining three years is:

Year	Budget required option 1	Budget required option 2
2017-18	\$120,000	\$140,000
2018-19	\$80,000	\$150,000
2019-20	\$80,000	\$150,000

Tāngata whenua considerations

- 28 There are no Tāngata whenua considerations.
- 29 The legislation allows owners of certain heritage buildings to apply for an extension of time to complete seismic work. This includes category 1 historic places and National Historic landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu listed buildings.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 30 The matter is not significant under the Council's significance and engagement policy. This paper refers to a statutory change, and as such certain matters are prescribed for consultation.

Consultation already undertaken

- 31 Initial discussions have been held with Wellington Region Emergency Management Office staff regarding priority buildings and strategic routes identified in the Civil Defence Management Plan.

Engagement planning

- 32 The legislation change is not a change to the need to strengthen EPBs. There is no discretionary part of the regime about which there can be engagement other than prioritisation of URM buildings and identification of important strategic routes.

Publicity

- 33 The EPB Web page and e-newsletter will be revised and refreshed with information about implementation of the new legislation and frequently asked questions, particularly regarding the transition provisions.
- 34 Planning for the special consultative procedure will be undertaken at a later date.

RECOMMENDATIONS

- 35 It is recommended that Council approves the changed scope of the Earthquake-prone Building Project, detailed as Option 1, and that the provisioning for years 2017-18, 2018-19 and 2019-20 subject to the Council's Long-Term Plan process be adjusted to:

Year	Budget required Option 1
2017-18	\$120,000
2018-19	\$80,000
2019-20	\$80,000

- 36 Council notes that a special consultative procedure to identify unreinforced masonry buildings adjacent to thoroughfares warranting prioritisation is required, and agrees that the identification of important strategic transport routes be part of the consultation.
- 37 That the report (excluding Appendix 1) and the resolutions be released from public excluded business.

Report prepared by

Approved for submission

Approved for submission

Katharine Wheeler
**Building Team
 Manager**

Wayne Maxwell
**Group Manager
 Corporate Services**

Kevin Currie
**Group Manager
 Regulatory Services**