

32. Christchurch Performing Arts Precinct - Court Theatre Business Case

Reference: 19/15938

Presenter(s): Alistair Pearson – Manager Capital Delivery Major Facilities
Matt Cummins - Senior Project Manager

Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.
Plain English Reason:	The report and attachments contain financial information relating to the project business case and operations of the Court Theatre.
Report can be released:	28 March 2020 In consultation with the General Manager, Citizens and Community

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for staff to present a viable business case for the inclusion of the Court Theatre in the Performing Arts Precinct.
- 1.2 The Committee is asked to endorse the staff recommendations in this report, outlined in section three.
- 1.3 For the purpose of this report, the Court Theatre is here-on referred to as 'the Court'.

Origin of Report

- 1.4 This report is staff generated and is provided to fulfil Christchurch City Council resolution number: CNCL/2018/001 noted in 1.5 (and previous resolution CNCL/2017/00190 dated August 2017).
- 1.5 In June 2018 Council resolved to:
 - 3.1.1. *Prioritise the development of a home for the Court Theatre in the Performing Arts Precinct (PAP) and off-street car parking solutions in or near the Performing Arts Precinct.*
 - 3.1.2. *In respect of a home for the Court Theatre, instruct staff to:*
 - 3.1.2.1. *Establish a Theatre Working Group, led by Council, to work in partnership with the Crown and the Court Theatre to fast-track the identification of an appropriate and cost-effective options (ie, capital, operating and whole of life costs) for a home for the Court Theatre in the PAP that would meet the Council, Crown and Court Theatre's essential requirements. The process will consider the best configuration for the PAP to potentially accommodate additional facilities at a later stage.*
 - 3.1.2.2. *Provide a status report to Council by 30 November 2018.*

3.1.2.3. *Present a viable theatre business case and concept design to Council for approval by 31 March 2019, subject to public engagement requirements. Construction contracts will not be released to the market until Council have approved the Theatre business case and concept design.*

3.1.3. In respect of the car park, instruct staff to:

3.1.3.1.1. *Explore options for off-street car parking solutions in or near the PAP to service the North of the city, including seeking and investigating the viability of third party leasing and partnership opportunities.*

3.1.3.1.2. *Should staff identify no need for a new car park in the PAP, present finding and recommendations to Council for alternative off-street car parking solutions to service the North of the city by 30 November 2018. Council's approval will be obtained before contracts are entered into for alternative off-street car parking solutions.*

3.1.3.1.3. *Should staff identify the need for a new car park in the PAP, provide a status report to the Council by 30 November 2018. Commission a business case and concept design process for a PAP car park that delivers optimal benefits to the PAP and wider city. This process will consider the best configuration for the PAP to potentially accommodate additional facilities at a later stage.*

3.1.3.1.4. *Present a viable car park business case and concept design to Council for approval by 31 March 2019, subject to public engagement requirements. Construction contracts will not be released to the market until Council have approved the car park business case and concept design.*

3.1.4. Note that should the Theatre Working Group not identify a viable Theatre proposal acceptable to the Council, Crown and Court Theatre by 31 March 2019, (subject to public engagement requirements) the Council and the Crown will determine the future of the PAP.

2. Significance

- 2.1 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 2.1.1 The development of a Performing Arts Precinct in the Gloucester Street / Colombo Street, Armagh Street area is an anchor project in the Christchurch Central Recovery Plan. The community has been aware of this and has already indicated its support.
- 2.1.2 The Council's financial commitment to developing the PAP has been budgeted for since the 2013/16 three year plan. The commitment was capped at \$30 million once the Council decided to repair the Christchurch Town Hall, and has remained at that amount in subsequent budgets, most recently in the 2018/28 Long Term Plan.
- 2.1.3 Previous reports to Council have highlighted the need to prioritise the establishment of a home for the Court theatre in the PAP. The Council has recognised this in its decisions in August 2017 and June 2018. Those stakeholders with a particular interest in, or affected by, the decisions have been consulted both before and after the decisions were made.
- 2.1.4 Based on the points above, the staff recommendations in this report are of relatively low significance. However, a decision to continue working only with the Court, and commit the majority of the Council's available funds to that project, may be of more significance to other sectors of the community. A proposal for engaging with the public is outlined under the heading "Community Views and Preferences" in Option 1.

3. Staff Recommendations

That the Council, recognising the need to prioritise accommodation for the Court Theatre in the Performing Arts Precinct:

- a. Approves the Business Case attached to the staff report.
- b. Endorses its support for the development of premises for the Court Theatre subject to:

- i. The relevant Crown Agency transferring to the Council the land for premises.
 - ii. The relevant Crown Agency transferring to the Council all other remaining land within the Performing Arts Precinct, currently intended for the development of further performance venues and similar uses.
 - iii. The relevant Crown Agency transferring to the Council land to be developed for off-street car parking for the premises and other facilities in the area, such as The Piano, Turanga, the Convention Centre and the Isaac Theatre Royal.
 - iv. Council approval of the off-street car parking facilities to be developed for the premises and other facilities in the area, with a business case and concept design being presented to the Council for consideration as soon as practicable.
 - v. The negotiation of a Development Agreement with the Court Theatre that includes detailing the process for completing the design and construction of the premises, cost estimates, the financial commitment from each party and possible lease terms.
 - vi. At the appropriate time, a lease being negotiated with the Court Theatre in respect of the premises.
- c. Approves the public engagement process outlined in the report and authorises staff to undertake that process as soon as practicable.
 - d. Confirms the Council's financial support outlined in the staff report and that this represents the full extent of the financial support the Council is prepared to offer the Court Theatre, subject to the above conditions being met.
 - e. Requests staff to provide further, timely reports on the progress of the matters referred to above, including seeking the Council's approval before the Development Agreement and Deed of Lease are entered into.

4. Key Points

4.1 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):

4.1.1 Activity: Community Development and Facilities

- Level of Service: 2.0.7.0 Support community management and activation of facilities through a Council and Community partnership model - At least 80% of community facilities are activated and managed in partnership with the community.

4.2 Level of Service: 13.7.23 Manage all projects to a professional level (Major Facilities Rebuild).

4.3 The following feasible options have been considered:

- Option 1 – To approve the theatre business case and agree that Council continues to develop the PAP along with the Court Theatre and Crown (preferred).
- Option 2 – The Council and the Crown will determine the future of the PAP.

4.4 Option Summary - Advantages and Disadvantages (Preferred Option)

3.1.5. 4.5.1 The advantages of this option include:

- Allows Council, Crown and the Court to continue to work together consistent with the previous Memorandum of Understanding (MOU) dated 12 August 2016 in which the parties agreed to negotiate with a view to agreeing acceptable terms and conditions on which the Court can be relocated to the Performing Arts Precinct.
- It is consistent with the Christchurch Central Recovery Plan (CCRP) and The Vision document that recognises the Court as one of the organisations that could be permanently located within the Performing Arts Precinct.

- It involves a partnership with the Court, who are considered well-established, financially stable and supports Council's Level of Service outlined in 4.1.1.
- It prioritises a PAP that provides a secure, long term location for the Court in Christchurch.
- The need for a car park in the area north of Cathedral Square is immediate and growing. A separate, competitive process calling for EOI's (Expression of Interest) closed in January and has been moderated. It awaits the outcome of this paper and divestment of Crown land in order for Council to move to RFP (request for proposals) with the EOI respondents.
- Whilst further space planning is required on the site, this option allows for the future inclusion (Stages 2 or 3) of a 'black box' style bookable theatre which can be included in the Performing Arts Precinct if and when budget permits.
- It clarifies Council and Crown's requirement for a financially sustainable PAP.
- The design of the Court creates an opportunity for other groups to book and use the 'second / Forge' theatre space. The details of this are to be explored further.
- It creates certainty around this block of land and sends a positive message to stakeholders. This is consistent with the Central City Action Plan which identified the PAP in the "getting it done" stream of actions.

3.1.6. 4.5.2 The disadvantages of this option include:

- It prioritises a theatre building that will be used predominantly by one theatre company, the Court (but noting previous comments about opportunities to collaborate). This however, fulfils Council resolution CNCL/2018/0001 outlined in paragraph 1.2.
- May result in negative feedback from those not aware that the intent of the CCRP was that the Performing Arts Precinct could be a permanent home for the Court.

5. Context/Background

Executive Summary

- 5.1 At its meeting in June 2018 Council resolved to *prioritise the development of a home for the Court Theatre in the Performing Arts Precinct and off-street parking solutions in or near the Performing Arts Precinct* (Council Resolution CNCL/2018/00135).
- 5.2 Further, to progress the PAP development Council established a Project Team incorporating a Planner, Architect, Quantity Surveyor, Legal Adviser and Financial Advisor, under the direction of a senior Council Project Manager. Numerous meetings were held with the Court's senior management and staff, in all 22 persons, so as to better understand the vision and explore activity space requirements. A Working Group of Court senior management and the Project Team has met regularly to develop a concept for the Court in the PAP.
- 5.3 As well as partnering with the Court, the Performing Arts Precinct project team has engaged with culture, music and tourism sectors in the central city including the Piano, Isaac Theatre Royal, Tūranga, the Convention Centre, Little Andromeda, and the Crowne Plaza Hotel. The team has also been in discussion with staff planning the Cathedral Square public realm improvements.
- 5.4 The business case and preliminary concept design indicates that Council can deliver a viable 'fit for purpose'¹ Court Theatre within the available capital development budget of ██████████ (\$30m from Council ██████████), subject to the Court's agreement on ownership, rental and a capital contribution. ██████████ The Court will cover the cost of the building's fitout, the details of which will be described in full in the Development

¹ 'Fit for purpose' means a facility that is functional and enables the Court to operate at its required operational level.

Agreement. The budget also allows for public realm work and landscaping to create outdoor performance spaces on the remainder of the precinct.

5.5 It is recommended that Council via a Council Controlled Organisation (CCO) owns and then leases the development to the Court on a long-term basis, [REDACTED]

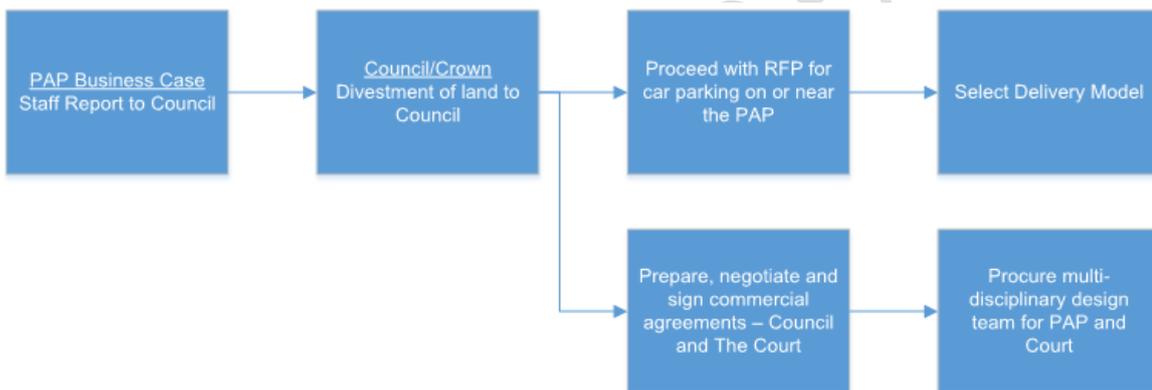
5.6 [REDACTED]

5.7 The business case appended to this report recommends that the project advances to a design stage and that negotiations be undertaken with the Court to develop the necessary legal agreements.

5.8 A design team, appointed through a transparent procurement process will be responsible for both the design of the Court, the overall space planning and layout of the wider Precinct. This will be done in conjunction with Council's urban design, planning and transport staff.

5.9 A Project Steering Group has been established including staff from the Court, to guide the delivery of the project.

5.10 The next stage of the project involves the acquisition of land from the Crown. The high level process is shown below.



Background

- 5.11 In 2010 and 2011 Christchurch experienced major earthquakes that damaged or destroyed a large portion of Christchurch and its infrastructure. The Christchurch Central Recovery Plan (CCRP) provided a framework for redeveloping the central city. The Recovery Plan sets out a framework for the development of a greener, more accessible city with a compact core and a stronger built identity. The Blueprint, within the CCRP, lays out precincts and anchor projects to catalyse investment, growth and social energy and bring back people into the central city
- 5.12 As the second largest city in New Zealand, Christchurch provides a vital contribution to the regional and national economy. Not only is the redevelopment of the central city crucial to the recovery of Christchurch and the Canterbury region, it provides a unique opportunity to create a more vibrant and productive city that contributes strongly to the Canterbury and New Zealand economies. This is expressed in Christchurch City Council's vision for the City – ‘..from rebuild to regeneration, Christchurch will be different and requires fresh thinking, and being brave and adventurous enough to take full advantage of the opportunities this provides.’
- 5.13 Guided by the Council's Strategic Framework, including the six Strategic Priorities,² the Christchurch City Council Long Term Plan determines that Christchurch should build ‘.. a reputation for innovation and creativity’ that maximises ‘.. opportunities to develop a vibrant, prosperous and sustainable 21st century city.’ The diverse activities that fall within the arts are seen by Council to be powerful driving force in achieving their vision for the City. They have the potential to reinforce and contribute to a strong sense of local identity; to greatly influence people's involvement in, and enjoyment of, life in a rejuvenated inner core and City as a whole; as well as motivating inspirational and innovative responses in the community.
- 5.14 As one of its tangible commitments to growing the arts in Christchurch, Council has contributed funding towards an inner-city Performing Arts Precinct. The Performing Arts Precinct is an integral part of the Christchurch Central Recovery Plan, as the centre for arts, culture and music in the central city. It is to be given tangible form in the block bounded by New Regent, Armagh, Colombo and Gloucester Streets.
- 5.15 The CCRP and Blueprint defined the form of the central city and identified the locations of key anchor projects within its core needed to boost the recovery. The CCRP outlined a new PAP as one of the anchor projects.
- ‘A Performing Arts Precinct is proposed to offer facilities for music and the performing arts, and to act as a catalyst for recovery. The precinct will embrace different sites and will support co-location of organisations as far as is possible.’³
- 5.16 A further strategy supported by both Ōtākaro and Council is the concept of making Christchurch a ‘liveable city’. The following community outcomes under the liveable city strategic direction, have been identified as relevant to the provision of performing arts facilities in the central city:
- The central city is a vibrant and prosperous business centre
 - The central city has a distinctive character and identity
 - The central city is used by a wide range of people and for an increasing range of activities.
 - Streetscapes, public open spaces and public buildings enhance the look and function of the city⁴

² Christchurch City Council at <https://www.ccc.govt.nz/the-council/how-the-council-works/20182028-vision/strategic-priorities>

³ CERA, Christchurch Central Recovery Plan, June 2012, p77.

⁴ <http://www.ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/community-outcomes/liveable-city/>

The Spatial Context

- 5.17 The PAP in the central city, in conjunction with the Town Hall, Isaac Theatre Royal, the Piano and the Convention Centre will provide key amenities that support the community outcomes outlined above. These facilities will attract residents and visitors to the central city that in turn will create a more vibrant central city and support for hospitality and retail in the surrounding areas.
- 5.18 Considerable work has previously taken place to activate this land and make the PAP project a success. Where relevant this work has been taken into account. However, in order to progress with the Court and other stakeholders some past ideas for the PAP have not been advanced. This has largely been budget-driven.
- 5.19 Original plans for the PAP included performance spaces for the Court, a black box community theatre for other theatre groups, parking and a public realm including areas for street performance. Previous attempts at the business case for the PAP established that the ambitious plans of the stakeholders could not be accommodated within the agreed budget.

- 5.20 The PAP is a joint Council and Crown project in which Council is developing the facilities and Crown is providing the land. The Crown is flexible on how it divests the land for the PAP provided that the agreed development meets the PAP investment objectives and is financially sustainable in its operation.

5.21

5.22

6. Option 1 – To approve the theatre business case and agree that Council continues to develop the PAP along with the Court Theatre and Crown (preferred).

Option Description

6.1 The Court Theatre

6.2 The objective of the new theatre concept design is to deliver Christchurch and the Court a fit for purpose, multi-functional theatre within an achievable budget.

6.3 The process followed was not intended to deliver a final theatre design. Rather it set out to prove that the required theatre components could be delivered within budget. Attention was therefore placed on individual spaces rather than the final form.

6.4 The following spaces have been accommodated within the Court's concept design:

3.1.7. **Foyer:** A 427m² foyer with space for food and bar facilities. This also includes a 187m² upper foyer with a VIP room and toilets.

3.1.8. **Main Theatre:** A 587m² 360 seat Court Theatre which includes a mezzanine floor for audience, built to international standards.

3.1.9. **Studio Theatre:** A smaller studio theatre capable of seating 150, which can be used by the Court as "The Forge" theatre. The intention is that this space can be booked by other theatre groups for their productions.

- 3.1.10. **Rehearsal Rooms:** Two rehearsal rooms totalling 345 m². Importantly these spaces can also serve as flexible performance spaces (with a focus on smaller or youth orientated performances).
- 3.1.11. **Production support spaces:** Functional space for green rooms, changing rooms, wardrobe, storage, production offices, and storage. Consideration is given to creating flexible spaces and natural light (where possible).
- 3.1.12. **Workshop Space:** As the Court is a full production operation, workshop space is required. The location of these spaces is subject to how the remaining site is redeveloped. It may mean the workshop is stand-alone, housed beneath a future car parking building or combined within The Court's building.
- 3.1.13. **Offices:** Offices for The Court's staff. These are planned to be linked directly to the Foyer and provide access to outside terrace and direct sunlight for a more pleasant working environment.
- 3.1.14. **Educational Space:** Education is a key component of the Court's operation. Educational spaces are required to help grow the existing education programme.

6.5 The Court and Council desires a theatre that embraces sustainability principles and delivers as many green features as possible. While the current concept incorporates some sustainability features the potential exists to introduce more through integration early in the design process. This can be considered further in the next stage.

6.6 The Precinct and Public Realm

- 6.7 The precinct concept design shown in the feasibility study is indicative only and outlines the work completed to date. It meets the requirements of Council's resolution and the stated objectives of the Court Theatre. It also protects the long-term integrity of the PAP by enabling future expansion of facilities and the optimisation of the public realm.
- 6.8 Notwithstanding the information provided in the report and the business case regarding the public realm, in the next phase of the project Council Officers will be providing advice to the Project Manager regarding the public realm on the site and its relationship with the wider public realm network in the Central City.
- 6.9 It is envisaged that the performing arts precinct will grow over time. The development of the Court is only the next stage in a growing precinct that already contains the Isaac Theatre Royal and The Piano. Following stages may include key components such as commercial activation and additional forms of performance, such as Little Andromeda (black box community theatre).
- 6.10 The first stage of the concept plan provides space for a theatre building and public realm spaces. It is recognised that the Court has car parking requirements; the best option needs to be identified alongside parking needs in the wider area. As the precinct evolves, the public realm and any parking area will be available for further development.

6.11

6.12 Car Parking

- 6.13 The PAP has parking requirements stemming from the existing (the Isaac Theatre Royal, the Piano) and proposed facilities (the Court Theatre) with the highest demand generally occurring in the evening. However, several major facilities north of Cathedral Square (including Tūranga, Te Pae (Convention Centre), the refurbished Town Hall and Crowne Plaza Hotel) are also significant parking generators.
- 6.14 Council and Ōtākaro Ltd have undertaken analyses into the likely needs for further public parking north of Cathedral Square to serve these developments. However, demand for all the existing and proposed facilities will not normally occur simultaneously and attempting to provide parking supply to meet the combined demand of all the individual facilities would likely be cost prohibitive with low utilisation at times. Taking into account the time of day that the demands are likely to occur across the facilities, the modelling recommends a supply of approximately 450-650 (exclusive of the town hall demand). Staff would recommend a facility, or facilities, at the upper end of that range. It is noted Council does not have sufficient funding available to build a multi-level car parking building on the Performing Arts Precinct.

- 6.15 Council released an Expression of Interest (EOI) for persons or organisations who are interested in either providing or partnering with Christchurch City Council, in order to deliver new off-street public parking building(s) in the northern Christchurch central business district (CBD), close to and north of Cathedral Square.
- 6.16 Council received seven responses to the EOI, both on and off the PAP precinct, some of which provide options that are worth exploring in greater detail. These have been moderated and are awaiting the outcome of this paper and divestment of Crown land in order for Council to move to RFP (request for proposal). Respondents have been notified in writing and informed of the situation.
- 6.17 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The precinct layout is flexible and allows for a future car parking building, should this be an option.
- 6.18 The Court has conveyed clearly that on-site car parking is a critical element to its operation and success within the Performing Arts Precinct.

Significance

- 6.19 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 6.19.1 The development of a Performing Arts Precinct in the Gloucester Street / Colombo Street, Armagh Street area is an anchor project in the Christchurch Central Recovery Plan. The community has been aware of this and has already indicated its support.
- 6.19.2 The Council's financial commitment to developing the PAP has been budgeted for since the 2013/16 three year plan. The commitment was capped at \$30 million once the Council decided to repair the Christchurch Town Hall, and has remained at that amount in subsequent budgets, most recently in the 2018/28 Long Term Plan.
- 6.19.3 Previous reports to Council have highlighted the need to prioritise the establishment of a home for the Court theatre in the PAP. The Council has recognised this in its decisions in August 2017 and June 2018. Those stakeholders with a particular interest in, or affected by, the decisions have been consulted both before and after the decisions were made.
- 6.20 Based on the points above, the staff recommendations in this report are of relatively low significance. However, a decision to continue working only with the Court, and commit the majority of the Council's available funds to that project, may be of more significance to other sectors of the community. A proposal for engaging with the public is outlined under the heading "Community Views and Preferences" in Option 1.

Impact on Mana Whenua

- 6.21 This option involves a decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does impact Ngāi Tahu, their culture and traditions.
- 6.22 Mana Whenua are being consulted, led by Council's advisors for Ngāi Tahu and Maori Relationships.
- 6.23 A cultural narrative for the site will be developed at the start of the design stage to inform the team going forward. This will build on the excellent work detailed in the Grand Narrative from Ngāi Tūāhuriri which includes a section on performing arts written specifically for the PAP.
- 6.24 Design guides, drafted by Matapopore are also relevant in the next stage of the project: <https://matapopore.co.nz/wp-content/uploads/2016/05/Matapopora-UDG-Finalv3-18Dec2015.pdf>

Community Views and Preferences

- 6.25 Ideas and feedback from the public, shared through the Council-led Share and Idea campaign, provided the initial impetus for regenerating the arts and cultural sectors in the central city.
- 6.26 The important role of the performing arts in the recovery and rebuild of the city was recognised in the Christchurch Central Recovery Plan, which identified the Performing Arts Precinct as one of the anchor projects to stimulate development of the central city.

- 6.27 The Council, in partnership with the Canterbury Earthquake Recovery Authority (CERA) and Ngai Tahu, led the development of a vision for the Performing Arts Precinct – *Rebuilding the Central City with the Performing Arts: The Vision for the Performing Arts Precinct*. Key stakeholders involved in the 2016 vision exercise included potential performing arts tenants, Creative NZ, Ministry for Culture and Heritage, The Court Theatre, Matapopore Charitable Trust, Isaac Theatre Royal, representatives of the performing arts sector and organisations that represent smaller, independent performing artists.
- 6.28 In June 2018 the Council resolved to establish a Theatre Working Group, led by the Council, to work in partnership with the Crown and the Court Theatre “to fast-track the identification of an appropriate and cost effective option (i.e. capital, operating and whole-of-life costs) for a home for the Court Theatre in the PAP”. The Council wanted the Working Group to also consider the best configuration for the PAP to potentially accommodate additional facilities at a later stage.
- 6.29 The Business Case attached to this report notes that full community engagement has not yet been undertaken, but that stakeholder meetings have taken place. It refers to the engagement that has taken place with the culture, music, and tourism sectors of Christchurch including The Piano, Isaac Theatre Royal, Turanga, the Convention Centre, Little Andromeda, and the Crown Plaza.
- 6.30 The Business Case also notes that in recent months, briefings have occurred with other major organisations and stakeholders who currently occupy or are charged with developing the PAP.
- 6.31 The proposal outlined in this report allows for the Performing Arts Precinct to be developed in stages. The precinct space planning work undertaken to date allows for a future black box community-style theatre if and when budget and resources are available. It is important to note that a black box theatre is not included in the current project scope or budget. Meetings have been held with representatives from Little Andromeda and this has been conveyed.
- 6.32 Little Andromeda has communicated its key requirements, that being a 100-120 seat fringe theatre, a co-working space for theatre companies and hospitality areas to support these spaces. Little Andromeda has also requested, but with a lesser need, a 400 seat multi-use theatre.
- 6.33 The inclusion of such a theatre would be a strong addition to the PAP (meeting a different market to the Court and complimenting the Precinct’s artistic mix). Within the concept planning exercise, an area has been reserved for such an asset and it is understood that high level plans are in development. Until such time as development commences, the space identified will need a plan for its design, activation and management. This will enable it to be used for pop up events and passive leisure.
- 6.34 Now that a Business Case has been prepared supporting the development of premises in the PAP for the Court Theatre, it is proposed that if the Council adopts the staff recommendations the public is advised of this, and that its views and preferences are sought on the future use of other areas of the PAP that remain undeveloped. Such use could include the facilities referred to above, and any other options suggested through the engagement process.
- 6.35 The provision of car parking in the area is being dealt with by a separate process and is not intended to be included in the engagement referred to above.
- 6.36 It will be important to stress that with the Council having committed funds to the Town Hall repair and the Court’s urgent need to find a new home, any further development of the PAP is dependent on sufficient resources becoming available. It is intended that the public be invited to have its say on the future use of other areas of the PAP through Council’s usual consultation process. Findings from the consultation will be collated by staff and reported to the Council prior to final decisions on the matters referred to in the staff recommendations.

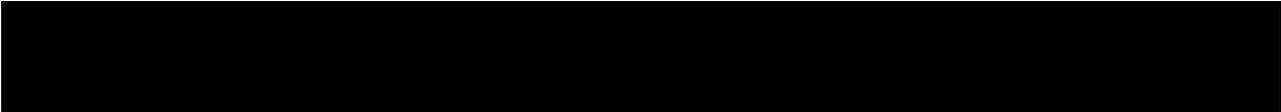
Alignment with Council Plans and Policies

- 6.37 This report aligns with Council plans and policies - <https://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/>
- 6.38 This option is consistent with the CCRP and the MOU between the Court, Council and Crown.

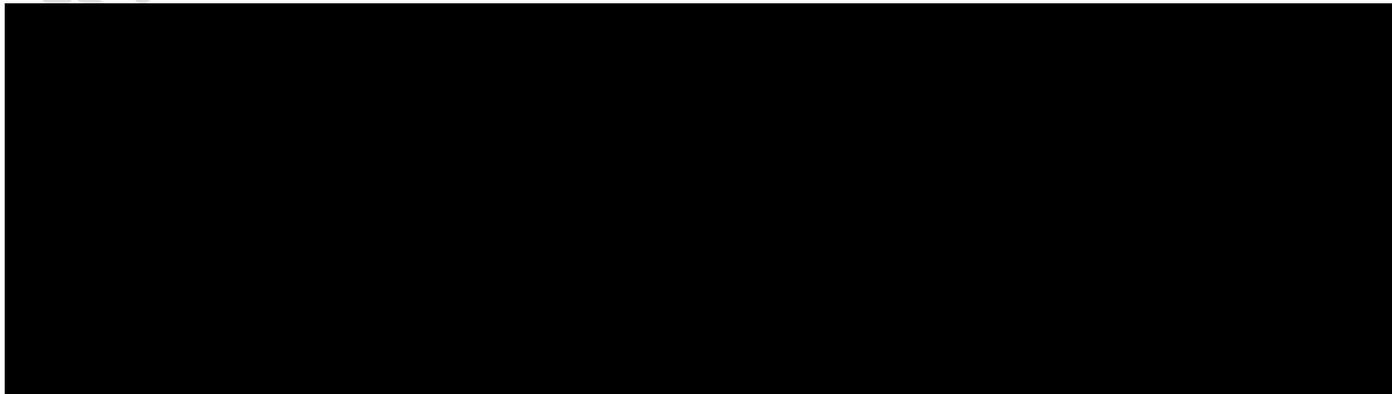
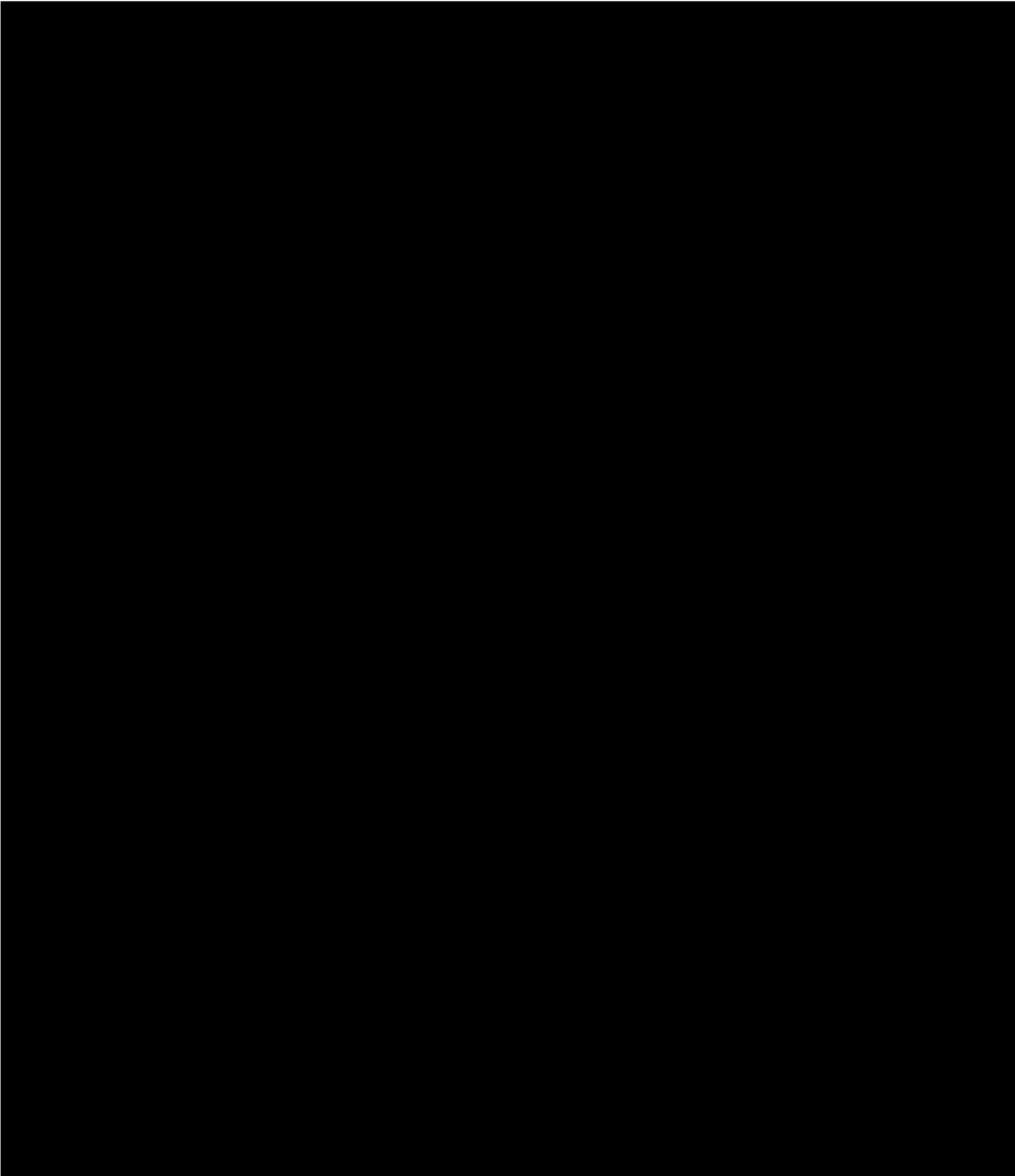
6.39 Staff are developing a new Arts Strategy, due to go out for consultation later this year. Venues, places and spaces, to create, participate in and experience the arts is a priority area. The Performing Arts Precinct is noted throughout this strategy.

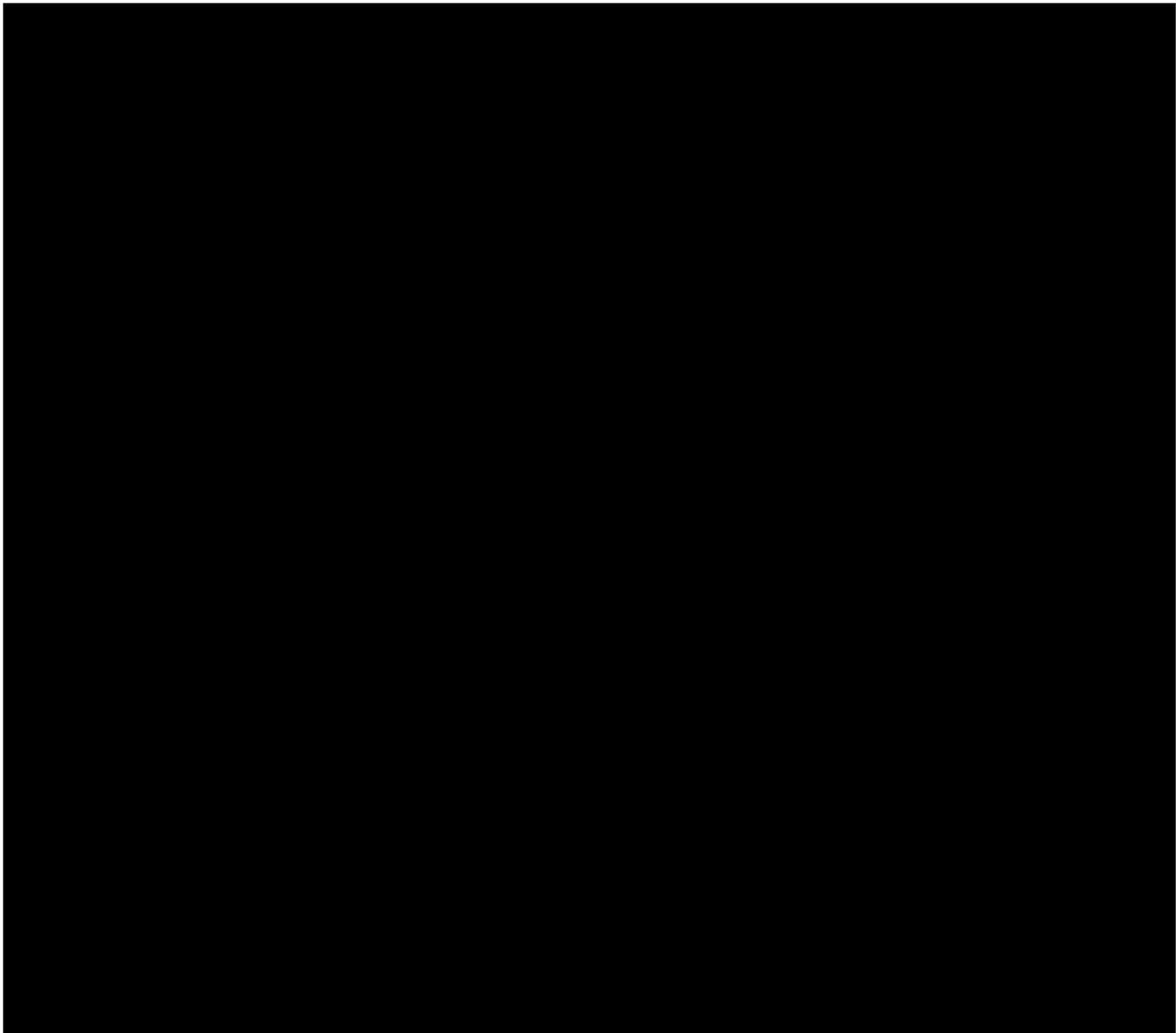
Financial Implications

6.40



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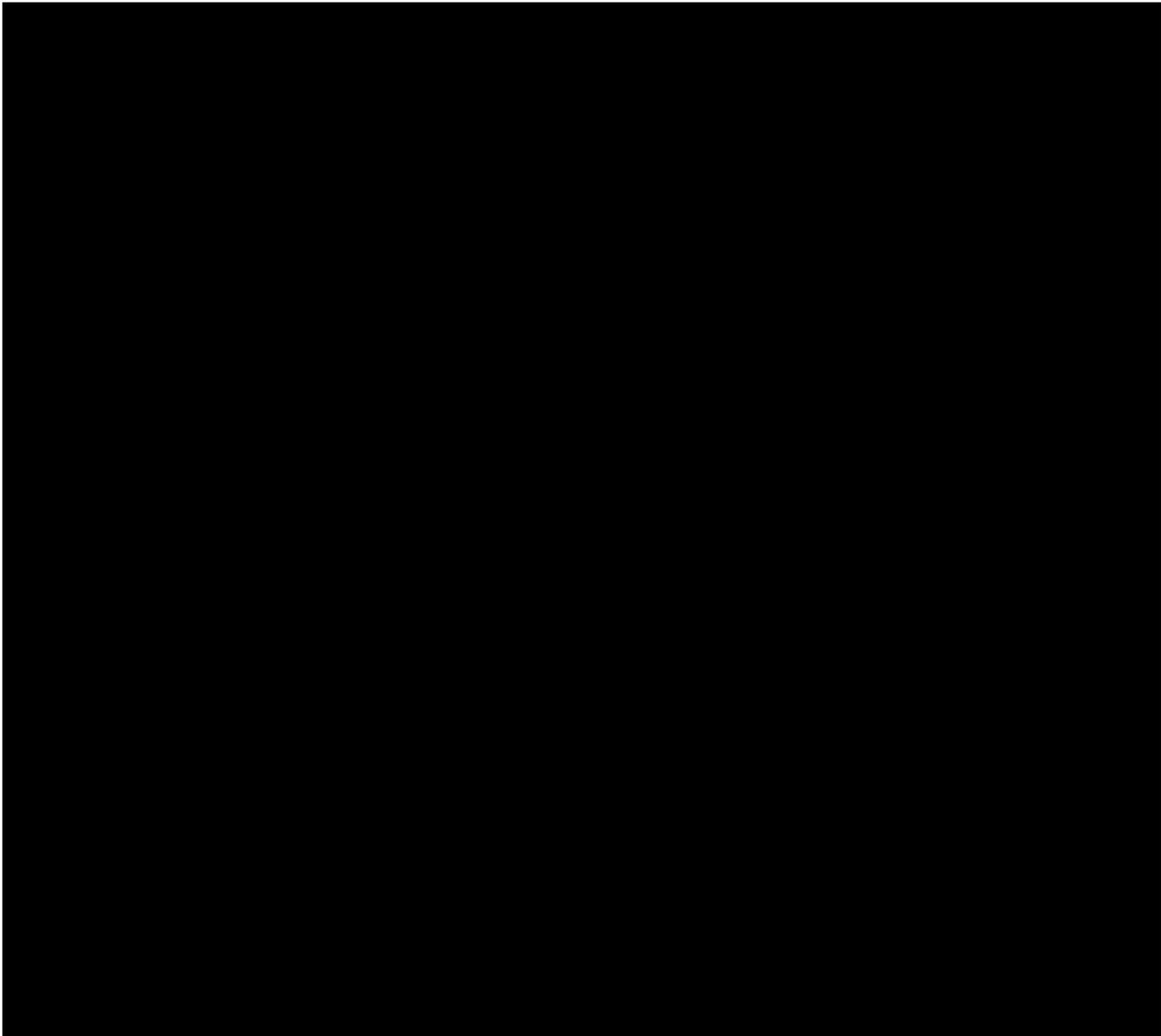




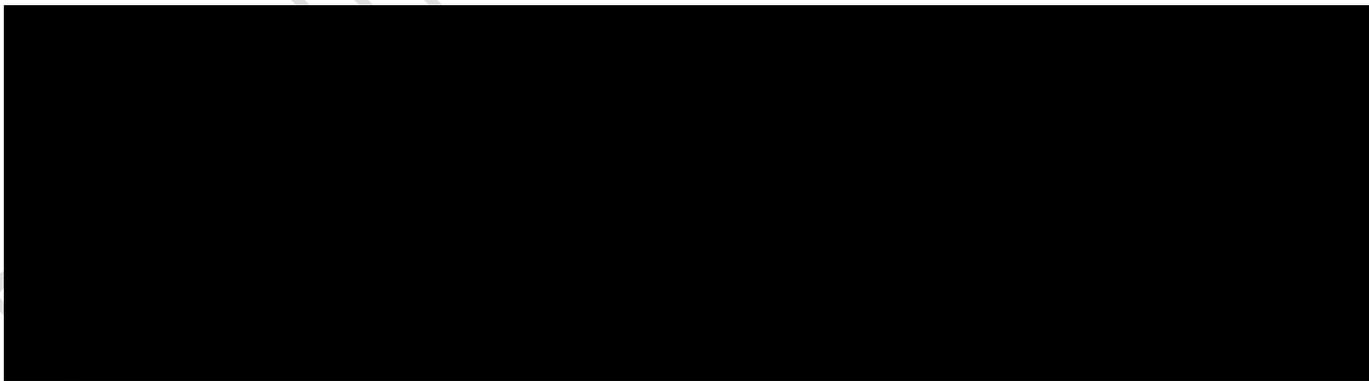
- 6.45 It is the understanding of Council staff that the financial support outlined above represents the full extent of the financial support that Council is prepared to make. To ensure this is clear to all parties as the Development Agreement is negotiated, a recommendation to this effect has been included in this report.
- 6.46 Ownership and Governance: A range of ownership and governance options were considered including Council ownership, Council Controlled company ownership (CCO), Charitable Trust ownership and Third-party ownership.
- 6.47 The recommended ownership and governance approach is one of Council Controlled Organisation (CCO) with a long-term lease and development agreement with the Court. [REDACTED]
[REDACTED]
[REDACTED]
- 6.48 It is believed that most of the Court's objective can be met with this approach through a strong development agreement to ensure a fit for purpose facility is built and a long-term lease at a concessionary rental.

Legal Implications

- 6.49 Legal implications, relevant to the decision to approve the Business Case and Concept Design are noted throughout this report.
- 6.50 The report has been reviewed and approved by the Legal Services Unit.



Implementation



6.59 Implementation timeframe – [redacted] The programme, allowing time for procurement of technical services, design, consenting and procurement of a main contractor outlines construction starting at the end of 2020 and lasting for approximately 78 weeks.

6.60 The dates shown in the programme are flexible and are dependent on land ownership, the successful negotiation of legal agreements with the Court and car parking. [redacted]



Option Summary - Advantages and Disadvantages

6.61 The advantages of this option include:

- Allows Council, Crown and the Court to continue to work together consistent with the previous Memorandum of Understanding (MOU) dated 12 August 2016 in which the parties agreed to negotiate with a view to agreeing acceptable terms and conditions on which the Court can be relocated to the Performing Arts Precinct.
- It is consistent with the Christchurch Central Recovery Plan (CCRP) that recognises the Court as one of the organisations that could be permanently located within the Performing Arts Precinct.
- It involves a partnership with the Court, who are considered well-established, financially stable and supports Council's Level of Service outlined in 4.1.1.
- It prioritises a PAP that would provide a secure, long term location for the Court in Christchurch.
- The need for a car park in the area north of Cathedral Square is immediate and growing. A separate, competitive process calling for EOI's (Expression of Interest) closed in January and is being moderated. It awaits the outcome of this paper and divestment of Crown land in order for Council to move to RFP (request for proposals) with the EOI respondents.
- Whilst further space planning is required on the site, this option allows for the future inclusion (Stages 2 or 3) of a 'black box' style bookable theatre which can be included in the Performing Arts Precinct if and when budget permits.
- It clarifies Council and Crown's requirement for a financially sustainable PAP.
- The design of the Court creates an opportunity for other groups to book and use the 'second / Forge' theatre space. The details of this are to be explored further.
- It creates certainty around this block of land and sends a positive message to all stakeholders. This is consistent with the Central City Action Plan which identifies the PAP in the "getting it done" stream of actions.

6.62 The disadvantages of this option include:

- It prioritises a theatre building that will be used predominantly by one theatre company, the Court (but noting opportunities to collaborate). This however fulfils Council resolution CNCL/2018/0001 outlined in paragraph 1.2.
- May result in negative feedback from those not aware that the intent of the CCRP was that the Performing Arts Precinct could be a permanent home for the Court.
- This option requires Council to contribute \$30 million in capital funding and the ongoing cost of renewals and repairs over its life. These have been included in the Whole of Life model.

7. Option 2 – The Council and the Crown will determine the future of the PAP

Option Description

7.1 Council may decide not to proceed with the project and could choose instead to talk to the Crown, or other prospective tenants about uses for the PAP land.

Impact on Mana Whenua

7.2 This option involves a decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does impact Ngāi Tahu, their culture and traditions.

7.3 Mana Whenua are being consulted, led by Council's advisors for Ngāi Tahu and Maori Relationships

Community Views and Preferences

7.4 The Court is specifically affected by this option due to prior negotiation around its inclusion in the development in the PAP and the current positive relationship with Council. Under this option, the Court would be required to re-negotiate a lease extension beyond its current term, at the existing premises in Addington.

7.5 Other neighbours and stakeholders on the PAP project have an expectation that progress will be made.

Alignment with Council Plans and Policies

7.6 This option is inconsistent with Council's Plans and Policies

- Inconsistency – this option is not aligned with existing strategic documents including the Christchurch Central Recovery Plan, The blueprint, The Vision for The PAP, MOU and previous Council resolutions.

Financial Implications

7.7 Under this option, \$30 million allocated in the LTP would not be expended.

7.8 Maintenance / Ongoing Costs would be avoided in future years unless the land was transferred to Council, in which case the Council would be required to pay the cost of maintaining the land.

Legal Implications

7.9 There is no legal implication if Council is unable to enter into an arrangement with the Court.

7.10 This report has been reviewed and approved by the Legal Services Unit.

Option Summary - Advantages and Disadvantages

7.11 The advantages of this option include:

- \$30 million of capital monies would not be expended on the project.
- Council avoids future building maintenance costs under a CCO ownership model whereby the Court Theatre is owned and leased by Council.

7.12 The disadvantages of this option include:

- 
- An un-developed central city block of land with no agreed plan for its future use.
- A possible scenario whereby land is transferred to Council under the Cost Share Agreement with a direct impact on Council's maintenance budget.
- A decision that contradicts the CCRP, blueprint, MOU, The Vision and other strategic documents.

Attachments

No.	Title	Page
A	PAP - Christchurch Performing Arts Precinct_Business Case_Final February 2019 2019-02-27 - CONFIDENTIAL	17
B	PAP - High Level Programme March 2019	

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Authors	Matt Cummins - Senior Project Manager Ian Thomson - Special Counsel Governance
Approved By	Alistair Pearson - Manager Capital Delivery Major Facilities Michael Down - Finance Business Partner Brent Smith - Principal Advisor Citizens & Community