

Councillor Davidson left the meeting at 3.44pm and returned at 3.50pm during consideration of item 23.

## Report from Social, Community Development and Housing Committee - 12 June 2019

### 23. Old Municipal Chambers Future Use and Funding Options

#### Council Resolved CNCL/2019/00106

That the Council:

1. **Approve Option 1** – to enter into negotiations to grant a lease, subject to (3) below, to Box 112 Investments Limited (Box 122) of the Old Municipal Chambers incorporating the following terms:
  - a. **Lease Term:** 49 years 364 days
  - b. **Rent:** peppercorn rental or basic property holding costs
  - c. **Building Services:** Box 112 will refurbish the Building services to such standard as reasonably required by the Landlord.

- d. **Building Maintenance:** to be undertaken by Box 112 during the lease duration, subject to an acceptable agreement of rates remission, or a comparable contribution from the Council to offset such costs.
  - e. **Use:** in accordance with the 'Christchurch City Council Old Municipal Chambers Empowering Act 1989'
  - f. **Structural strengthening:** That up-to \$10 Million of the current LTP budget (\$17.28 Million) be made available to Box 112 for structural strengthening works and refurbishment works, subject to the Council negotiating an acceptable agreement. These funds are to be utilised for the purposes of strengthening the building to a minimum of 67% (NBS) and are to be completed to such standard as could reasonably be required by Council, considering the heritage status of the building.
  - g. **Repairs:** The weather tightness maintenance repairs to OMC be completed by the Council in collaboration with Box 112 as soon as practicable.
  - h. That a small **historical record** summarising the history of the OMC is to be maintained on the site. This should include an information board on the exterior (that is accessible by the public at all times). Along with an arrangement to allow free unencumbered public access to OMC on a minimum of two days per annum.
2. Authorises the Manager Property Consultancy to negotiate the terms of the lease, with final approval to be sought from the Council.
  3. On agreement, such as a negotiated funding agreement to facilitate the transfer of a sum of up to \$10 Million of the Council's forecasted capital expenditure in the LTP 2018/2028 to Box 112 for the strengthening and refurbishment works to the OMC.
  4. Authorises the General Manager of Citizens and Community to negotiate the funding agreement, final approval to proceed will be requested from the Council. Such agreements may include requirements of payment milestones, together with agreeing acceptable approaches to the strengthening and refurbishment scope, which will ensure the protection, refurbishment and conservation of heritage values and physical features.
  5. That the General Manager Citizens and Community be delegated authority to communicate information from the Council decision, including release of a redacted version of the staff report as is appropriate and in accordance with the Local Government and Official Information and Meetings Act.

Councillor Clearwater/Deputy Mayor

**Carried**

Councillor East abstained from voting on this item.

Councillor Johanson requested his vote against the resolutions be recorded.

Secretarial Note: It was discussed and the staff advice was that the expected saving of \$7.28 Million in the capital programme (Councils Long Term Plan (LTP) 2018/2028) should be allocated to the Town Hall project.

## Report from Social, Community Development and Housing Committee - 12 June 2019

### 24. Robert McDougall Gallery Future Use and Funding Options

#### Council Resolved CNCL/2019/00107

That the Council:

1. **Approve Option 1** – to enter into negotiations to grant a lease, subject to (3) below, to the Canterbury Museum Trust Board (Museum) of the Robert McDougall Gallery (RMG) incorporating the following terms:
  - a. **Lease Term:** 49 years 364 days
  - b. **Rent:** peppercorn rental
  - c. **Building services:** the Museum is to replace the building services (electrical reticulation, plumbing reticulation, fire system, lift, HVAC system and security system) to such standard as reasonably required by the Council.
  - d. **Use:** as a “Public gallery for the display of art and decorative arts and crafts and ancillary activities” in accordance with Section 6 of the Christchurch City Council (Robert McDougall Gallery) Land Act 2003.
  - e. **Structural strengthening:** The current Long Term Plan budgets FY22 \$534,000 FY23 \$5,466,000 & FY24 \$6,716,000 for structural strengthening works be available to the Museum (subject to the Council negotiating an acceptable agreement), for the purposes of strengthening the building up to 67% New Building Standard (NBS) or greater.
  - f. **Repairs:** The weather tightness maintenance repairs to the RMG to be completed by the Council in collaboration with the Museum as soon as practicable.
  - g. That a small **historical record** of Robert McDougall’s life should be displayed within the RMG, along with Mr McDougall’s portrait by Archibald Nicoll.
2. Authorises the Manager Property Consultancy to negotiate and finalise the terms of the lease and enter into any other agreements or documentation required to implement the lease.
3. Approve for the structural strengthening works to a minimum of 67% (NBS) or greater, to be managed by the Canterbury Museum Trust Board (together along with RMG building services upgrades), as part of their wider redevelopment plans and in support of improving the integration of the RMG into the Museum complex.
4. That on agreement, such as a negotiated funding agreement to facilitate the transfer of a sum currently estimated to be up to \$12.716 Million of the Council’s forecasted capital expenditure in the Long Term Plan 2018/2028 to the Museum for strengthening works to the RMG.
5. To bring forward funding within the Long Term Plan FY2018/2028 by two years to start FY20, to allow an earlier commencement of the RMG strengthening works than that currently forecast.
6. Authorises the General Manager of Citizens and Community, to negotiate and enter into the agreement. Such agreements may include requirements around payment milestones together with agreeing acceptable approaches repair and strengthening scope, which will seek to protect, retain and conserve heritage features.

7. Request that officers provide advice to the Council regarding providing \$11.9 million of funding for the base isolation of Robert McDougal Gallery, including advice regarding any consultation requirements.
8. Request that this advice be available to allow the Council to consider options and make a decision as soon as practicable, to allow the Canterbury Museum Trust Board to make an application for crown funding.
9. Note that any potential payments would be across 2021- 2024 so would not affect the 2019/20 Annual Plan.

Councillor Clearwater/Councillor Buck

**Carried**

Councillors Cotter, East and Galloway declared an interest and took no part in consideration of this item.

Councillor Johanson abstained from voting on this item.

## Report from Spreydon-Cashmere Community Board - 17 May 2019

### 25. (SC) Results of the Request for Proposals for Sign of the Takahe and Lease Agreement

Council Resolved CNCL/2019/00001

That the Council:

1. Notes the results of the Request for Proposal processes for the Sign of the Takahe;
2. Enters into a lease of the Sign of the Takahe for a term of six years with one right of renewal to Andrew Male, Director of Innov808 Limited for the purposes of a café, bar, food and a venue location.
3. Notes Andrew Male has agreed to make available a variety of private meeting spaces for all not for profit community groups throughout the week and at weekends, for example the downstairs rear lounge or café/bar area or areas upstairs. All bookings will be put through a booking and confirmation system.
4. Approves in principle the general terms and conditions of the lease as outlined in the report attached to the meeting agenda with the final commercial rental to be determined by the Head of Facilities Property and Planning.
5. Delegate to the Head of Facilities Property and Planning the authority to take all necessary steps to negotiate, agree and enter into all necessary documentation on behalf of the Council, as they shall consider necessary or desirable to give effect to the above resolutions.

Councillor Scandrett/Councillor Clearwater

Carried

## 26. Transfer of Assets to Ōtautahi Community Housing Trust

### Council Resolved CNCL/2019/00109

That the Council noting:

1. Its obligation under the Housing Accord entered into with the Government to capitalise the Ōtautahi Community Housing Trust (Trust) by transferring \$50 million of assets to it; and
2. Its resolutions of 9 July 2015 (headed 'Capitalisation of Housing Entity as required by Housing Accord') and 8 September 2016 (headed 'Transfer of \$50m Housing Fund Assets – Process'); and
3. That the Trust has now been formed; and
4. That it agreed on 25 August 2016 to enter into a Deed of Lease with the Trust of the Council's operable social housing units; and
5. The strategic relationship between it and the Trust as the manager and operator of the Council's operable social housing units and the principle vehicle for the delivery of the Council's social housing objectives; and
6. its desire to support the charitable objects of the Trust in its management and operation of the Council's social housing units and in its delivery of social housing outcomes in Christchurch;

And further noting:

7. That some of the properties referred to below are subject to 'offer-back' obligations under section 40 of the Public Works Act 1981 and some are not (as indicated below); and
8. That the properties referred to below are no longer required for a public work; and
9. The Council's policy is to "publicly tender properties for sale unless there is a clear reason for doing otherwise"
10. Note the financial implications are that the \$15.7 million will be written down to fair value at the end of the financial year;

The Council resolves:

11. Not to publicly tender the properties referred to below for sale on the basis of the reasons specified in paragraph 4 and 5 of this resolution above; and
12. To 'offer back' those of the properties listed below as being subject to an 'offer back' obligation under the Public Works Act 1981 to the persons entitled to receive that 'offer back' and to sell those properties to those persons at market value should those persons wish to take up that 'offer back' right; and
13. Subject to paragraphs 10, and 11, above, agrees to transfer the properties at the agreed value listed below, or alternatively the net proceeds of sale received from a section 40 Public Works Act offer back sale of any of those properties, to the Trust as the fourth, and final, tranche of properties as part of the \$50 million transfer:
  - a. 189 Palmers Road, New Brighton (\$1,055,000) (*offer back applies*)
  - b. 211 Mairehau Road, Burwood (\$3,975,000) (*offer back applies*)
  - c. 26 Thames St, St Albans (\$1,280,000) (*offer back applies*)

- d. 21 Willard St, Spreydon (\$1,355,000)
  - e. 8 – 20 Elm Grove, Central City (\$810,000)
  - f. 8 Kissel St, Templeton (\$595,000)
  - g. 2 Barnett Ave, Spreydon (\$2,480,000)
  - h. 3 Raleigh St, Bishopdale (\$1,610,000)
  - i. 85 Lyttelton St, Somerfield (\$2,550,000) (*offer back applies*)
    - TOTAL (\$15,710,000)
14. To delegate authority to the Property Consultancy Manager to negotiate and enter into such legal documentation with the Trust relating to the above properties or the proceeds of their sale (if applicable) as considered appropriate or expedient to give effect to this resolution.
15. To delegate authority to the Property Consultancy Manager to undertake any offer back processes required under section 40 of the Public Works Act 1981 in respect of any of the properties and to negotiate and enter into such legal documentation with any person entitled to receive an 'offer back' under that section and do all things as he shall consider necessary or expedient required to complete such processes.
16. To delegate authority to the Property Consultancy Manager to account for any monetary variation <1% on the value of the property transfers, by issuing a credit or debit note and respectively refund or recover any balances so that the total transfer value upon completion equals \$50m.
17. That once the Council has considered and made its decision in respect of this report the report will only be released after the appropriate level of consultation has been undertaken with any significant affected party.

Councillor Clearwater/Councillor Cotter

**Carried**

Deputy Mayor Turner and Councillor Buck declared an interest and took no part in consideration on this item.

## Report from Social, Community Development and Housing Committee - 12 June 2019

### 29. Multi-Cultural Recreation and Community Centre

#### Council Resolved CNCL/2019/00110

That the Council:

1. Supports in principle the development of a multicultural centre in Christchurch
2. Agrees to fund \$1 million capex for the F19/20 year and \$1 million capex for the F20/21year
3. Allocates \$130,000 opex to undertaken appropriate due diligence and planning for each initiative.
4. Allocates a further \$500,000 from the Capital Endowment Fund in the financial year F19/20 and \$500,000 in the financial year F20/21
5. Ask the Christchurch Foundation to help raise funding for the development of the multicultural centre
6. Requests that officers work with the Rata Foundation, Lottery Grants Board and other funding partners to explore funding options.
7. Agrees that the recommendations above will become public with the Annual Plan process and note that any reference to the Netball centre as a proposal cannot be placed in the public arena at this time.

Councillor Chen/Councillor Livingstone

**Carried**



### 30. Response to Comprehensive Stormwater Network Discharge Consent Council Resolved CNCL/2019/00111

That the Council:

1. Delegates authority to the General Manager City Services to file an appeal in the Environment Court against part of the Environment Canterbury decision granting resource consent CRC190445 and to make any subsequent decisions regarding pursuing or settling that appeal;
2. Authorises the appeal being in relation to conditions 41 and 44 and Schedule 10, seeking an outcome more consistent with that sought in the Council's proposed conditions;
3. Authorises the General Manager City Services to seek other or consequential relief on appeal as s/he considered warranted;
4. Requests the General Manager City Services to make any decisions authorised above in consultation with the Manager Legal Services Unit.
5. That this report be released from public excluded when all legal proceedings in relation to CRC190445 are complete.
6. Refers the additional \$200,000 for current environment monitoring plus \$147,000 for specific activities required by the consent conditions to the Annual Plan process.

Mayor/Councillor Cotter

**Carried**

The Council resolved to exclude the public at 12.50pm.

Councillors East and Manji left the meeting at 12.50pm and were not present for item 31.

### **31. CE Recruitment Process**

#### **Council Resolved CNCL/2019/00104**

That the Council:

1. Appoint Mary Richardson as acting/interim Chief Executive effective immediately at the expiration of the incumbent Chief Executive's term, and continue until such time as the new Chief Executive is able to commence duties.
2. Agree that this report, and the decision made within, can only be released at the direction of the Mayor, to allow the acting/interim Chief Executive to inform staff.

Mayor/Deputy Mayor

**Carried**

Councillor Keown requested his vote against the resolutions be recorded.

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