

CHAIR REPORT – THREE-YEAR PLAN

REPORT BY THE MAYOR

26 AND 27 FEBRUARY 2013 COUNCIL MEETING

SUMMARY

1. The Long-Term Plan Committee, comprising all councillors, considered and provided advice to staff on the planning of all Council activities during 2012.
2. As a result of that advice the Chief Executive and staff have presented a recommended Draft Three-Year Plan to Council for consideration.
3. This report contains further Recommendations from the Mayor for inclusion in the Draft Three-Year Plan.

ADDITIONAL INFORMATION

4. It is recommended that the Draft Three-Year Plan put forward by Council staff be adopted. It is further recommended that the following special items also be adopted:

Active Travel (Cycleways & Head to Head Walkway)

5. On 7 February 2013, the Environment and Infrastructure Committee considered a staff report on Key Cycleway Projects. The Committee recommended that Council note that the prioritisation and timing of these and other cycle projects could be considered as part of the upcoming Plan. These projects reflect the major cycle network in the Christchurch Transport Strategic Plan and complement the cycling initiatives in the Christchurch Central Recovery Plan. The proposed cycle route alignments and the type of cycle infrastructure to be provided will be further developed through planning and consultation.
6. The total estimated cost for the Key Cycleway Projects is \$69.6 million over five years. The recommended Draft Three-Year Plan already includes \$5.5m for three of these projects (projects 1984, 1988 and 1992). I recommend that further funding provision is made in the Three-Year Plan to accelerate the Key Cycleways Programme.
7. This requires additional capital projects of \$5.420 million in 2013/14, \$11.050 million in 2014/15 and \$12.580 million in 2015/16. The funding for the future years will be further considered in the LTP 2015-25. The table below shows the total Key Cycleways Projects I am recommending.

(\$'000)	2013/14	2014/15	2015/16	2016/17	2017/18	Total
University to City	600	1,300				1,900
Papanui to City via Grassmere	1,000	1,500	500			3,000
Southern Motorway pathway to City connection (part of the Little River Route)	650	1,050	700			2,400
Northern Rail Pathway	1,400	3,300	2,000			6,700
Sumner to City Route	1,400	2,800	2,500			6,700
Avon River Route	200	200	1,800	2,000		4,200
South to City Route	300	1,600	1,000			2,900
Halswell to City	300	200	500	2,200	1,000	4,200
Western Orbital Route	300	200	2,100	3,000	3,000	8,600
Heathcote River/Heritage Trail Route	0	100	300	1,000	1,600	3,000
Airport Route	0	200	200	1,900	2,000	4,300
Hornby Rail Route	300	500	200	4,000	7,600	12,600
Heathcote Rail Route	300	300	2,200	3,000	2,000	7,800
Cycleway Targeted Improvements Programme	250	250				500
Total	7,000	13,500	14,000	17,100	17,200	68,800
Funded in Three-Year Plan	1,580	2,450	1,420			5,450
Unfunded Projects	5,420	11,050	12,580	17,000	16,400	62,450

8. As well as the Key Cycleway Projects, the recommended Draft Three-Year Plan includes an unfunded capital project to commence planning and minor capital works on the Lyttleton Harbour Head to Head walkway (project 408). The total cost of this project is \$2.1 million and can be delivered incrementally. The recommended unfunded capital works programme includes \$20,000 per annum for initial planning and minor capital works. I propose that this project is moved into the funded programme and that funding in the 2014/15 year is increased to \$300,000 to accelerate construction. Further funding for the remainder of the project will be considered in the 2015-25 LTP. I propose that the proposed funded cost of \$340,000 is funded from the residual balance of the Cash in Lieu of Reserves Fund. This would use the remaining balance of this fund that was not allocated to the Cashmere Forest Park (project 1382).
9. For the Key Cycleways Projects, I propose that Council fund the interest and debt repayment for 2013/14 – 2015/16 through reductions to its renewals programme. This would require reductions of \$96,693 (2013/14), \$626,128 (2014/15) and \$1,579,819 (2015/16). In addition, I propose the introduction of a Uniform Annual Charge as a contribution to the Council's commitment to Active Travel. This charge would be \$20 per annum and would be offset by an equal reduction in the general rate (this would result in the increase to ratepayers remaining at 6.6%.) For 2016/17 and beyond, interest and debt repayment would be funded by this charge and by general rates.

Suburban Masterplans:

10. The recommended Draft Three-Year Plan does not include any funding for the projects identified in the various suburban masterplans that have been considered by Council and the community. It is important that the Council demonstrate a commitment to commencing the highest priority of these projects in this plan.
11. Staff have reviewed the projects listed in the unfunded programme and have identified the following priority projects:

Centre	Project	Commence	Duration	Cost (\$'000)
Sydenham	N3 Buchan Park remodel	2013/14	2 yr	586
Lyttelton	N1 Civic Square	2013/14	2 yr	2,835
Linwood	C1 Community Facilities – Doris Lusk Park/Community Arts Centre	2013/14	1 yr	211
Ferry Rd	WA1 Streetscape enhancements – Woolston	2013/14	2 yr	3,000
New Brighton	A1 Road corridor land purchase	2013/14	1 yr	2,200
Transitional projects	Various sites	2013/14	3 yr	600
Selwyn St	S1 Streetscape enhancements	2014/15	2 yr	406
Sumner	P1.1 Streetscape enhancements Marriner Street and Wakefield Ave	2014/15	2 yr	1,418
Edgeware	1A Streetscape enhancements	2015/16	1 yr	2,600
Total				13,855

12. I recommend that these projects are included in the funded capital works programme at a cost of \$5.8 million for 2013/14, \$4.2 million for 2014/15 and \$3.855 million for 2015/16. I propose that for the three years of the plan, the interest and debt repayment is funded by reducing the amount of inflation protection set aside in the Capital Endowment Fund by \$103,472 in 2013/14, \$529,324 in 2014/15 and by \$872,428 in 2015/16. In 2013/14, this will be achieved by allocating \$103,472 from the \$2.47 million available for other special one-off recovery / transitional projects or events.
13. Funding for these projects after 2015/15 will be considered by the Council during the 2015-25 LTP deliberations, including whether the Capital Endowment Fund funding should be replaced by general rates funding.

New Brighton Plan

14. I recommended that the General Manager Strategy & Planning prepare a report to the Planning Committee, following the consultation currently underway on the Draft New Brighton master plan, to address the process and steps required to integrate the masterplan and Waterpark concepts at New Brighton. The report should specifically consider local and city-wide issues and solutions regarding the future development of New Brighton, including its economic, social, and commercial viability, and possible role as a recreation hub in the east.
15. The report should address the timeframe for such work, the need for a full business case assessment of a recreational waterpark concept, the relationship with the eastern aquatic facility, theme park or other recreational entertainment hub concepts.
16. It is also recommended that staff ensure they consult with key stakeholders in the New Brighton community as part of the report to Council, and recommend a process to Council on their ongoing engagement through the process.

Social Housing (Project 2406)

17. This project can be found on page 455 of the recommended Draft Three-Year Plan, but it requires clarification.

18. The project is that part of the Social Housing Repair and/or Rebuild programme that is not funded from insurance. In some cases this will be the replacement of units ahead of the end of their asset life in order to take advantage of opportunities to deliver better housing options for tenants. In some cases it will be major improvements to the housing units, such as earthquake strengthening, which is not funded through insurance proceeds.
19. It is recommended that this project schedule is clarified to identify that staff will work to enable these capital works through partnerships with the Government, Non-Government Organisations or private sector and/or using funds in the Housing Development Fund.

Projects Funded by the Crown

20. The unfunded capital works programme in the Draft Plan contains projects that are wholly funded by the Crown. These are the Central City Greenway (project 2204) and the Playground (project 2408). I recommend that for the sake of clarity and transparency these two projects be deleted from the Unfunded Programme as they are funded by the Crown and therefore not part of Council's Three-Year Plan.

Asset Sales

21. The Draft Three-Year Plan makes provides a budget provision for asset sales on pages 49, 50 and 52 but does not clearly identify what assets these are. To ensure this is clear to the community, I suggest that the following words are added to these pages:

The asset sales listed in the table above relate to land sales to the Central Christchurch Development Unit for The Frame and for the Anchor Projects. A small allowance is also included for the sale of Council vehicles at the end of their useful life and for other surplus Council land sales, such as surplus roading land.

22. In addition, the budget currently includes a provision for the sale of Lancaster Park. The proceeds of this land sale are intended to contribute towards the rebuild of Council's major community facilities. There has not yet been sufficient time to consider options for the future Lancaster Park nor to seek the views of the community. For this reason, I propose that the sale of Lancaster Park is removed from the Three-Year Plan to allow for options for the Lancaster Park site to be developed and considered by Council during the 2015-25 LTP process.
23. This affects the financial strategy for the major community facilities, however it remains possible to repay the debt required within the Council's required repayment period of 30 years.

Red Zone Land

24. During the term of this plan the Government will address the long-term redevelopment of the City's Red Zone(s). While strengthening and reuse of the land remains the Government's intention, there will also be opportunities to incorporate a range of enhanced environmental, social, physical, and recreational benefits.

25. It is recommended that the Christchurch City Council work closely with CERA to ensure that what is restored delivers strong, integrated and sustainable outcomes for red zone areas as part of the wider rebuild process.

Transitional City Projects

26. The funded capital works programme in the Draft Plan includes \$3.785 million per annum for transitional city projects and city heritage (projects 2736, 2738 and 2739). The unfunded capital works programme includes a project for transitional streetscapes. I recommend that \$1.085 million per annum is allocated to the transitional streetscapes project, to be funded by reducing the proposed budgets for the other transitional city projects and city heritage as follows:

Project	Name	2013/14	2014/15	2015/16	Commentary
2736	Central City Heritage	2000	2000	2000	Now called Landmark Fund
2738	Transitional City – special projects	400	400	400	Funding to support Gap Filler, Greening the Rubble, Life in Vacant Spaces, Transitional City Projects Fund
2739	Transitional City - CCP City and Community Grants	300	300	300	Funding to support Creative Industries Support Fund
1029	Transitional City Special Projects - streetscapes	1085	1085	1085	Transitional streetscape projects
	Total	3785	3785	3785	

Addendum to the Plan

27. On page 5, the Plan includes a note that highlights that the forecast financial statements in the plan have been prepared on the basis of the best estimates available. To add clarity to this note, I recommend the following is added to further explain relationship with the Crown:

“The Council and the Crown have a shared goal of ensuring an effective recovery for the city and the region.

This draft Three Year Plan contains the latest available information on cost forecasts, Crown subsidies and insurance proceeds.

This Plan has been prepared in advance of the Crown and Council reaching a long-term agreement on how the cost of repairing and replacing the Council’s earthquake-damaged assets, and delivering major Christchurch Central City Recovery Anchor Projects, will be shared.

Council acknowledges that the final agreement with the Crown relating to cost sharing may result in amendments to this draft Plan.”

CHAIR'S RECOMMENDATION

I recommend that Council resolves to agree to the staff recommendation in item 3 of this agenda subject to the following amendments:

1. **Active Travel (Cycleways & Head to Head Walkway)**

- (a). Agree to funding the five year programme of Key Cycleway Projects as outlined below

(\$'000)	2013/14	2014/15	2015/16	2016/17	2017/18	Total
University to City	600	1,300				1,900
Papanui to City via Grassmere	1,000	1,500	500			3,000
Southern Motorway pathway to City connection (part of the Little River Route)	650	1,050	700			2,400
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Western Orbital Route	300	200	2,100	3,000	3,000	8,600
Heathcote River/Heritage Trail Route	0	100	300	1,000	1,600	3,000
Airport Route	0	200	200	1,900	2,000	4,300
Hornby Rail Route	300	500	200	4,000	7,600	12,600
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Cycleway Targeted Improvements Programme	250	250				500
Total	7,000	13,500	14,000	17,100	17,200	68,800

- (b) Agree to the introduction of a Uniform Annual Charge of \$20 per ratepayer to provide a contribution to the Council's Active Travel initiatives. This would be offset by an equal reduction in the general rate.
- (c) Agree that interest and debt repayment for the additional cycleway projects be funded from reductions in the Council's renewals programme of \$96,693 (2013/14), \$626,128 (2014/15) and \$1,579,819 (2015/16) and the general rates beyond 2015/16.
- . Agree to the Lyttleton Harbour Head to Head walkway (project 408) to move to the funded programme and the budget for 2014/15 be increased to \$300,000 to be funded by the Cash in Lieu of Reserves fund.

2. **Suburban Masterplans**

- (a) Agree that the following suburban masterplan priority projects be added to the funded capital works programme:

Centre	Project	Commence	Duration	Cost (\$'000)
Sydenham	N3 Buchan Park remodel	2013/14	2 yr	586
Lyttelton	N1 Civic Square	2013/14	2 yr	2,835
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- (b) Agree to that the interest and debt repayment on these projects is funded by reducing the amount of inflation protection set aside in the Capital Endowment Fund \$103,472 in 2013/14, \$529,324 in 2014/15 and by \$872,428 in 2015/16.
- (c) Agree that Council consider ongoing funding for the suburban masterplans as part of the 2015-25 LTP, including whether the Capital Endowment Fund funding should be replaced by general rates funding.

3. New Brighton Plan

- (a) Request a report to the Planning Committee on the Draft New Brighton masterplan, to address the process and steps required to integrate the masterplan and Waterpark concepts at New Brighton.
- (b) Request staff to consult with key stakeholders in the New Brighton community as part of the report to Council, and recommend a process to Council on their ongoing engagement through the process.

4. Social Housing (Project 2406)

- (a) Agree that the project schedule for project 2406 (Social Housing: Council Funded) is amended to state that staff will work to enable these capital works through partnerships with the Government, Non-Government Organisations or private sector and/or using funds in the Housing Development Fund.

5. Projects Funded by the Crown

- (a) Agree that the Central City Greenway (project 2204) and the Playground (project 2408) be deleted from the Unfunded Programme as they are funded by the Crown and therefore not part of Council's Three-Year Plan.

6. Asset Sales

- (a) Agree that the following note be added to pages 49, 50 and 52 of the Draft Plan:

The asset sales listed in the table above relate to land sales to the Central Christchurch Development Unit for The Frame and for the Anchor Projects. A small allowance is also included for the sale of Council vehicles at the end of their useful life and for other surplus Council land sales.

- (b) Agree to remove the sale of Lancaster Park from the Three-Year Plan to allow for options for the Lancaster Park site to be considered and deliberated by Council during the 2015-25 LTP.

7. Red Zone Land

- (a) Request staff to work closely with CERA to ensure that the restoration of the red zones delivers strong, integrated and sustainable outcomes for red zone areas as part of the wider rebuild process

8. Transitional City Projects

- (a) Agree that the funded capital works programme for central city transitional projects and heritage is amended as follows:

Project	Name	2013/14	2014/15	2015/16	Commentary
2736	Central City Heritage	2000	2000	2000	Now called Landmark Fund
2738	Transitional City – special projects	400	400	400	Funding to support Gap Filler, Greening the Rubble, Life in Vacant Spaces, Transitional City Projects Fund
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9. Addendum to Plan

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