

3. CATHEDRAL SQUARE MANAGEMENT ISSUES

Officer responsible
Leisure Manager

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The purpose of this report is for the Committee to review the operating principles and day-to-day management for the Cathedral Square and to identify opportunities to enable greater utilisation of the Square in line with the original objectives of the Cathedral Square redevelopment project.

This report also takes into consideration the Council's vision for the central city "as a vibrant, exciting, safe and sustainable central city heart; a heart with a strong and healthy economy, environment, culture and society".

RECENT HISTORY

Stages 1–4 of the Cathedral Square redevelopment have been completed for the past two years. Since the completion of Stages 1-4 there have been further designs and options prepared by Ian Athfield (Architect) for improvements to the Square and progress is now being made on the redevelopment of Stage 5 in the north-west corner.

From an operational perspective the Square has continued to provide a similar level of functions to that provided before the redevelopment. However there have been two major changes which have affected the operation of the Square since the completion of the earlier stages. These are the relocation of the Visitors' Centre to the Old Post Office Building and the relocation of the bus stops to the Bus Exchange. This has lead to a significant increase in the number of people visiting and using the Square on a daily basis.

An internal Cathedral Square management team was formed on 19 March 2001 to monitor the activities and to improve communication between individual Council units. The members of the team are drawn from the following Council units and teams:

Environmental Services – Enforcement

Parking Unit – Parking

City Streets – Cleaning, roading management and repairs

Property Unit – Licences for food vendors and stall holders

Information Directorate – Central City Policy/Central City Marketing/Cathedral Square Redevelopment

Operations Directorate - Communications/marketing

Leisure Unit – Bookings, events, markets, Cathedral Square toilets

The team has met on a regular basis and has become aware of the need to review the day-to-day management of the Square and to look at ways of improving the number and variety of activities to make the facility more attractive to visitors and local users. It has also identified problems following the redevelopment of the Square and suggested means of improvements and ways of increasing public use and involvement with the Square.

In February 2002 the team was instrumental in organising and subsequently supporting a group of property owners and local businesses called the Cathedral Square Stakeholders' Group. The purpose of setting up this group was to improve the communication with the businesses and property owners and increasing their level of involvement in promoting and making the Square a more vibrant place.

The stakeholders' group has set up three subcommittees to concentrate on specific issues, including marketing and promotion, operations, and redevelopment issues and since coming in to being have made representations to the Council's Annual Plan, the Central City Mayoral Forum Executive Committee. They have also met with contractors on cleaning issues and reviewed parking issues in the north-east corner.

This report outlines a number of issues and recommendations which would significantly improve the management and use of Cathedral Square for the benefit of residents and visitors and would help achieve the outcomes of the Square redevelopment objectives. These proposals have been subject to discussion with the Cathedral Square Stakeholders' Group and they are currently preparing a business plan for the encouragement of activities in the Square.

ACTIVITIES IN THE SQUARE

Following discussions with the Stakeholders' Group it is believed that a more flexible arrangement needs to be established to manage the Square in order to respond quickly to opportunities as they arise. To facilitate this, a set of guidelines, with appropriate delegations, needs to be established to empower Council staff and to consider requests and issues as they arise.

Long term activities in the Square are subject to the Stall Site Licensing Policy. This requires that sites be tendered and determined by weighted attribute. At present there are only a handful of licensed operators in the Square. The opportunity exists to relax the policy and provide a level of delegation to the Cathedral Square Management Team that would allow short term licences to be issued for suitable activities and attractions. While the Cathedral Square Management Team should not take away the Council's or individual unit managers' responsibilities for what happens in the Square, if clear guidelines could be adopted it is believed that the Cathedral Square Management Team or some other appropriate group can allocate space and monitor the day-to-day activities successfully.

Currently, the Central City Streets Subcommittee oversees the redevelopment of Cathedral Square and applications for new activities on the streets in the Square. All other applications would need to be considered by the Property and Major Projects Committee. It is proposed that a new Policy and Procedures document for Cathedral Square be prepared and forwarded to the Property and Major Projects Committee for consideration. This would enable the processing of certain levels of applications to be undertaken under delegation with the longer term applications being forwarded to the Committee.

Calendar of Events: Bookings for Past 12 Months

Attached is a listing of the bookings for Cathedral Square over the past year indicating the number and diversity of events already held there.

Current Operators

The following is a list of the current activities and licensed operators in the Square:

7 Food Vendors – Midweek and weekend – Current licences apply for up to a further three years.
Chairs and Tables - Starbucks, Regent Building, Warner's, Millennium OGB
Photographer -
Scooter Hire - 6 month licence to May 2003
Market - 3 days per week (no current licence)
Guided Walks Kiosk
Speakers Corner – public activity
Chess Set (Leisure Unit put out and take in pieces each day)

Key Criteria

The following is a list of examples of activities which with proper licences and terms and conditions could be suitable for operating directly in the Square environs:

Allowed Activities

Cafés outdoor seating (already happening)
Food stalls (depending on vacant sites)
Entertainment/entertainers
Concessions/rides – depending on what they are eg photographer
Transport operations – Horse and Buggy – Scooters – Limitations imposed
Weddings
Religious activities
Large Movie Screens
Market days
Exhibitions/promotions
Outdoor leisure activities
Laser light displays

Activities that generate problems such as excessive noise, alcohol-related problems, gambling or sex industry-related could be automatically excluded.

Additional Criteria

To assist in the development of a new policies and procedures document for events and activities in Cathedral Square it would be helpful for the Council to give some guidelines and identify the types of activity it would like to, and alternatively not like to see.

For example is it suitable to have amusement devices operating in the Square during holiday periods? If so staff could identify sites that would be available for a 2-3 week period and advertise for interest. If a set of criteria is developed then the risk of having unsuitable types of activities would be avoided.

A recent suggestion at the stakeholder meeting was a night market. The current food vendors are licensed until 10pm. However, few operate that late. Does the Council wish to encourage this type of use and issue separate licences which could have the food vendors operating at night to attract more visitors and local residents to the Square?

Issues that need to be resolved are:

- Types of activities that are permitted.
- Periods and times they can operate.
- Places within the Square where they can operate.

Generally, there are two types of activities that occur in the Square:

One-Off Events or Activities

These occur on a day-to-day basis and are currently administered by the Leisure Unit. The largest of these is the Winter Carnival. At present there are no issues in dealing with the approvals for these types of events and controlling and managing them in their current fashion.

Permanent or Semi-Permanent Activities

These include the market stalls, food vendors and licensees/concessionaires (eg photographer), plus neighbouring business licensing part of the Square for their business (Starbucks).

Owing to the size and popularity of the Square it represents a number of commercial opportunities and the Property Unit receives regular requests from people wishing to operate some form of business in the Square. The aim of this policy/procedure is to encourage and attract those types of activities that we believe add value to the Square and the create the type of atmosphere that the Council and the public want.

The increased use in permanent activities would generate additional rent from this area which could subsequently be reinvested in further entertainment, promotion and/or offset the cost of a Square manager position.

The Cathedral Square Stakeholders' Marketing Subcommittee has been looking at a number of opportunities and ideas and support increased activity.

Delegations to the Property Manager

Under the Policy and Procedures Manual for the Square the approval process could enable separate levels of delegations, especially for trial periods and short term licences. Authority could be delegated to the Property Manager to approve:

1 week to 3 month trial of following activities subject to meeting specific criteria:

Food outlets and vendors
Tables, chairs, outdoor seating
Amusement devices
Entertainment

Any application beyond that period or in the opinion of the Property Manager would need to be referred to the appropriate Committee.

CATHEDRAL SQUARE MARKET

The Cathedral Square Market commenced operations in July 1988. Initially, a licence to operate was issued. However, the market has been operating on a month-to-month basis for the past few years. Initially, the market operated only on a Friday. However, since that time the operators, Joe and Gloria Verweij, have gradually extended its operation and the market now operates on Thursdays and Fridays with a smaller, informal market operating on Saturdays, more to keep other traders from operating illegally in the Square than as an attraction. The market has also opened on days when cruise ships have been visiting the city and in conjunction with other Council-run events eg. Kidsfest.

Financial Implications

Since the completion of the main redevelopment, a closer level of involvement has been maintained by the Cathedral Square Management Team in the operation of the market and a number of changes have been encouraged. The range of goods sold has been extended which has resulted in an increase in numbers from 15–20 to 20–30 stalls each day. The Saturday market has been formalised to operate on the same conditions and procedures.

The market frames and canvas covers are no longer being used and stall holders are required to provide their own tables and umbrellas. Previously the Council paid for the erection and dismantling of the stalls each time they were used. Kolorful Kanvas Co were contracted to do this and charged the Council \$15.00 plus GST each time. The market operators charged the stallholders \$45.00 per day and \$22.50 was passed back to the Council. Net of GST this provided the Council with a return of \$5.62 per stall per day. Since the frames are no longer being used, the charge to stallholders has reduce to \$36.00 per day and the return to the Council is now \$5.78 per stall per day. (Note: Income is exclusive of GST.)

The anticipated revenue to the Council from the market operation for the 2002/03 year was \$26,000. However the bulk of this income was used to pay for the erection and dismantling of the stalls. The net income to be generated from the Cathedral Square Market under its current level of operation is approximately 24,000 pa. This allows for a reduction in stalls during the winter and a number of days when the market cannot operate due to inclement weather.

The Cathedral Square Management Team believe that the current operators have operated a successful market in the Square under very restrictive guidelines and have had little direction or encouragement from the Council to develop the operation until recently. It is therefore considered that they should be offered a licence for the market on the following terms as opposed to seeking tenders for the operation at this time. This would enable their performance based on the requirements of the new licence to be assessed and the opportunity to develop the market in accordance with the new guidelines.

The following are terms and conditions that should be included in a new licence with the current operators, Joe and Gloria Verweij:

Conditions of New Licence

1. Period: One year initial licence plus the opportunity for a further two years - contract reviewed after the first year based on set performance criteria and renewed for a further two year period if performance expectations met.
2. Days of Operation: Thursday, Friday, Saturday and one other day per week. However not a Sunday. Also Monday to Thursday of Show Week and other days as agreed by the Cathedral Square Management Team.
3. Theme Days: Requirement to operate 12 theme days per annum. (These can be held on their regular days.)
4. Maximum Number of Stalls: This needs to be established. However, it may be limited to the area of land allocated. The number of stalls allowed for theme days should not be as restrictive.
5. Clearly define the area allocated for the market operation on a plan of the Square and contained in the licence.
6. Provide an alternate area for the market if the allocated space is occupied for other events – also to be marked on a plan.

7. Fee chargeable by licensee based on existing fee \$36.00 incl GST per stall per day.
8. Rent payable to the Christchurch City Council - Currently \$6.50 incl GST per stall per day. Commission/rent to be reviewed annually.
9. Type of Goods Sold: Rather than trying to restrict the types of goods sold, the following items not to be sold may be more appropriate:

Goods not allowed to be sold in the market:
 - Tobacco and smoking related requisites
 - Alcohol and any alcohol advertising on t-shirts and apparel
 - Any printing or legend on any apparel which is classed as indecent and/ or objectionable to the public
 - Dangerous goods: Knives, bayonets, etc and any goods which may cause injury.
Types of goods allowed on theme days:
 - Produce
 - Second-hand items including clothing
 - Books, antiques, stamps, toys, bric a brac
10. Linking with other City Council Events - The licence should encourage the market operator to link in with other Council events and festivals eg:

Festival of Romance
Book Festival
Buskers Festival
Kids Fest
Winter Carnival
11. The Licensee should provide a number of monthly statistics and have set performance criteria e.g:
Total daily number of stalls
Average number of stalls per day 6 months November–April
Average number of stall per day 6 months May–October
Range of stalls being offered (these to be inspected and recorded three monthly)
Total income to Council for past year
Retain a complaints register
Number of theme markets and the performance of these markets
Number of additional markets (eg cruise ships)
Number of market days when other CCC funded events being held.

FOOD VENDORS

Food vendors have been operating in Cathedral Square since being actively sought by the Council in 1986. A significant process was undertaken by the Council in 1998 to determine the standard of food vendors' vehicles. A selection process was undertaken and prospective licensees were required to invest significant sums of money in their vehicles to meet the Council standards. This process has worked well. However a problem exists when one of the existing vendors decides not to operate for a period, i.e. winter months, as there are no other complying food vendors that can fill the site.

If it is the Council's aim to have food vendors in the Square then efforts need to be made to have these sites operating as often as possible. It is hoped that by increasing the activity in the Square this will encourage the food vendors to operate more regularly than at present.

As part of the redevelopment process the food vendors were allocated specific sites in the Square. From the Management Team's perspective this has not been successful and the team believes that the food vendors should again be co-located for the following reasons:

1. When hosting other events in the Square it is always necessary to relocate one or more of the vendors to an alternative site. This would then only need to be done for major events.

2. There is not a sense of a food area and people are not encouraged to stay in the Square and eat their food. If the stalls were co-located the vendors could then provide seating and tables with umbrellas encouraging people to stay in the Square for longer periods. The existing licences do not allow the food vendors to provide tables and chairs for clients. This area is particularly devoid of seating and shelter and it is recommended that the licences be altered to allow the food vendors to provide two tables and seating for up to 10 people.
3. Co-location of the stalls would encourage more visitors to the Square knowing the food vendors were operating.

At present there are nine sites available in the Square. Only seven are currently have licensed vendors and the following is a list of the food types and the current annual rent payable:

Food Vendors

9 Stalls Available 7 days/week

Fruit Stall
 Potato Stall
 Chinese Food Stall
 Lebanese Stall
 Fish & Chip Stall
 Coffee Cart
 Ice cream Site

Total Annual Rent Payable	\$50,465
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The opportunity to have other food vendors occupy the spaces not used by these licensees would also improve the revenue to the Council and help to attract people into the Square.

Closer management of food vendors could enable short term licences to be issued for existing sites when not occupied by the existing licensee. The opportunity also exists to consider the issuing of separate evening licences. The existing licensees have the ability to operate till 10pm. However, few choose to do so. It may be advantageous to alter the existing licences when due for renewal to enable allocating the evening period to other vendors.

Further investigation and discussion with existing vendors needs to take place before making any decisions on this matter. Increased entertainment provided in and around the Square could make it more attractive for the existing food vendors to extend their hours of operation, especially during summer months or when other events are being held in the city.

Consideration also needs to be given to the long term benefits of the food stalls and whether they should continue in the Square as more cafés are set up on the ground floor of adjoining buildings.

Clearer guidelines and more hands-on management would enable more activity in this area if this was considered appropriate.

CATHEDRAL SQUARE MANAGER POSITION

A presentation was made by the Cathedral Square Stakeholders' Group on 3 December 2002 to the Central City Mayoral Forum Executive Committee on revitalisation opportunities for Cathedral Square. The forum agreed to support in principle the establishment of a permanent position of Cathedral Square Manager. The creation of this position was also identified in the terms of reference for Stage 5 of the redevelopment project in September 2000.

The following are the issues that this position could be responsible for:

- Parking and vehicle access issues – not enforcement
- Monitor rubbish collection and cleaning contracts and lighting maintenance
- Monitor damage to pavers, planters, bollards and other fittings
- Undertake events management and major bookings
- Day-to-day co-ordination of activities
- Cathedral Square marketing and promotion
- Xmas decorations
- Heritage building attractions
- Proactive in generating activities
- General liaison with stakeholders
- Monitoring security

Liaison with Police
 Liaison with the Cathedral and its activities
 Bylaw enforcement within the Square
 Issuing and monitoring licences for market and kiosks
 Power supply and water supplies for events
 Notifying adjoining businesses of maintenance issues
 Health and safety
 Road stopping and diversion co-ordination
 Information service
 Monitoring of Speakers' Corner

As can be seen from the above list, there are a significant number of duties the manager could undertake. In some cases the manager would not "solve the problem" but would make the necessary contacts with the appropriate Council unit to get the work done.

It is envisaged that the salary and overheads for this position would be in the vicinity of \$60,000 pa. There is considerable opportunity for the Square to generate additional revenue from renting out space which in the long term would offset this expenditure.

Consideration should also be given for providing a marketing budget for the Square of \$10,000 pa to promote forthcoming activities and events on a weekly basis and/or including advertising for space available to rent in the Square for activities.

Projected Budget	2003/04	2004/05	2005/06
Salary	\$50,000	\$50,000	\$50,000
Overheads	\$10,000	\$10,000	\$10,000
Marketing/ Promotion	\$10,000	\$10,000	\$10,000
Total Cost	\$70,000	\$70,000	\$70,000
Additional Income	-\$20,000	-\$35,000	-\$50,000
Net Cost of Square Manager	\$50,000	\$35,000	\$20,000
Existing Surplus of Operation	-\$28,000	-\$28,000	-\$28,000
Total Cost of Square Operation	\$22,000	\$7,000	-\$8,000

With the existing surplus generated from the Square activities of \$28,000, the net cost in the first year of operation would be \$22,000. After three years this operation should be at nil cost to the Council. For the transitional three years the shortfall can be funded from the Central City Budget.

The position would also reduce the amount of time other Council staff currently devote to the Square.

In discussion with the Property Manager, it has been agreed that this position would best fit in the Leisure Unit for a number of reasons including:

1. The Square is seen as a facility.
2. Property issues only make up a small component of the position.
3. Property Unit is available for any licensing issues.
4. Leisure Unit is currently responsible for the market and provides lunchtime concerts.
5. Leisure Unit currently takes the bookings in the Square and operates the Cathedral Square toilets.
6. Leisure Unit has marketing staff and expertise.

OTHER ISSUES

Introduce a Jazz Corner or Artists' Area

A suggestion has been made that could attract people to some of the under-utilised areas in the Square (eg by BNZ) by designating the area as a jazz/music corner where groups and individuals could set up at set times and perform. This area would be for non-amplified music only. A further idea could be to create an "artists" area where artists are encouraged to set up and paint or create art works in full view of the public. Again, this would be managed and monitored by the Square Manager.

Sails/Shade areas for the Market and Spectators of Events

The Leisure Unit has capital funding of \$30,000 in 2002/03 and \$40,000 in 2003/04 for the replacement of the market stalls. Some preliminary investigations have been done on installing shade sails which would provide protection from both wet weather and sun for the market and possibly for use by events. The market operators, Joe and Gloria Verweij, consider the sails used in the Rocks Market in Sydney would be suitable for the Cathedral Square Market. No costings on these sails have yet been done, or what permanent fixtures need to be incorporated into the Square to facilitate their daily use. It is envisaged that more than one site would be prepared for the sails enabling them to be used for more than one function.

The Management Team considers the introduction of some form of shade in the Square is particularly important for spectators for events on hot days, particularly with the recent loss of a large shade tree in the Square. The provision of shade sails for the market and designated entertainment area will be investigated and reported to the Property and Major Projects Committee for consideration as part of the Stage V redevelopment proposals and plans.

CONCLUSION

As can be seen from the above there are still a large number of outstanding issues relating to Cathedral Square and how its operation can be better improved to achieve the original redevelopment design objectives. These objectives, together with the Council's vision for the central city, are a good reference point for future enhancements and improvements. A copy of these design objectives with comments from the Cathedral Square management team are also attached.

The following recommendations are a step forward in the achievement of these goals and recognise the need to proceed cautiously and take a long term approach to maintaining the right type of environment in Cathedral Square.

Staff

- Recommendation:**
1. That staff prepare for the Committee's consideration a draft set of policies and procedures to enable a more flexible operation of Cathedral Square which would encourage greater variety of use and a controlled increase in activity in Cathedral Square.
 2. That a new licence be issued to the existing operators for the Cathedral Square Market operation; the licence to require a higher level of activity, extend the number of operating days, introduce special market days and theme days and require better promotion and advertising of the market.
 3. That the Cathedral Square Management Team be authorised to co-locate the food vendor sites and amend the current and future licences to enable the vendors to provide limited seating, tables and umbrellas.
 4. That a Marketing Plan and Events and Activities Strategy be prepared which encompasses the whole Square and encourages and promotes the regular activities and one-off events.

Chairman's

- Recommendation:** That the above recommendation be adopted.