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The purpose of this report is to assess a request from Christchurch Casino for some form of tenure to air space and portions of the street surface in Peterborough Street between Durham and Victoria Streets.

This matter requires consideration with reference to the process chart attached to the Lease of Airspace Over Public Roads policy (approved in principle by the Council on 22 July 1999), ie firstly the environmental and functional aspects and secondly the property disposal considerations.

INTRODUCTION

The Casino has expressed interest in this space to enable the erection of a commercial floor. That will be used for the purpose of restaurant/banquet facilities and a link between the existing casino structure and a four level car park to be erected on the north west corner of the intersection of Durham and Peterborough Streets. Portions of the road surface are required for the column footprints supporting the structure. The approximate area of the structure is 1000m². It will run almost the entire length of the current Casino building’s northern boundary covering a substantial portion of Peterborough Street from Durham Street to Victoria Street. There are coloured floor and elevation plans available for the development as it currently exists; these will not photocopy well in black and white and will therefore be tabled at the meeting.

STEP 1.A – ENVIRONMENTAL ASSESSMENT

This proposal is for an overbuilding; the primary purpose of which is to create additional commercial floorspace. The proposed Policy states that in such cases rights to the airspace will only be granted in exceptional circumstances. Since the additional floorspace could be met by siting the commercial floor in the proposed car parking building, there would appear not to be exceptional circumstances.

However, a second aspect of the proposal is to create a pedestrian link between the Casino and the proposed parking building. Therefore it was felt that the proposal should be assessed further against the policy criteria.

When assessed against the need and advantages guidelines, the proposal passes the test of meeting one or more of them as follows.

- 1(d) The structure will connect two uses at the upper level, which are associated or will benefit from each other’s pedestrian activity

- 1(e) The commercial viability of a project will be increased, particularly through linking to more potential customers
- 1(g) A more direct link or a choice of routes between buildings (including car parking buildings) will be created
- 1(j) The feeling of security for pedestrians will be increased
- 1(l) The new structure will provide an additional viewing point
- 1(m) The new structure will provide an opportunity for an architectural statement

Therefore the proposal has sufficient advantages to warrant further consideration under part 2 of the policy.

The overbuilding does not meet requirements a, b, and c of part 2, i.e.: -

- 2(a) The proposal could lead to a significant dilution of human activity at street level, particularly in the evenings
- 2(b) The design and location of the structure could cause excessive shading at street level and obstruct footpaths.
- 2(c) Joining buildings across Peterborough Street will result in excessively bulky built form, particularly along Durham Street

Peterborough Street is classified as a Secondary street under 2(g) of the policy, where airbridges may be allowed but overbuildings will only be considered in exceptional circumstances.

The above assessment leads to the conclusion that rights to airspace for an overbuilding as proposed should not be granted to Christchurch Casino. A pedestrian link, however, would have advantages. The Casino might therefore wish to explore the possibility of locating the restaurant and banqueting facilities in a car parking building and linking across Peterborough street with one or perhaps two, airbridges. Such a proposal would present opportunities to enliven a car parking building with activity and architectural interest and have all the advantages that a pedestrian link brings.

In terms of the City's Environmental Policy for air rights over public streets it is therefore suggested:

1. That the Christchurch Casino should not be granted rights to airspace over Peterborough Street for an overbuilding

2. The Council could agree in principle to granting rights to airspace for one or two elevated pedestrian links from the present Casino, across Peterborough Street to the present car park site.
3. That design aspects as listed under Part 3 of the policy will be taken into account when assessing any request to lease airspace for an airbridge. Any proposal will also need to comply with the Local Government Act 1974 Sec 341 and Christchurch City Public Places and Signs Bylaws 1992

Proposed City Plan - Requirements

The proposed development (comprising overbuilding over Peterborough Street and a four level car park) will require Resource Consent. The overbuilding will be located in a Special Purpose Road Zone and in the absence of any specific rules, will be assessed using rules for the adjoining zone as a guide. An initial evaluation of the preliminary proposal has identified that it does not comply with a number of City Plan rules. These non-compliances relate to setbacks and recession planes (along both Durham Street and the residential boundary to the north), plot ratio, cycle parking, on-site manoeuvring, queue distance and signage. It should be borne in mind that preparation of a Resource Consent application for a development project of this scale is a considerable undertaking, therefore it is essential for the applicants to resolve whether the airspace will be available before proceeding further.

STEP 1.B ROADING ASSET ASSESSMENT

Peterborough Street (between Victoria Street and Durham Street) has a 14m typical roadway width, with 3m footpaths on both sides.

This section of road is the main access to the Casino car park and is mainly used for local traffic circulation. Its impact to the roading network is insignificant. It must also be noted that the majority of properties fronting this section of road are owned by the Christchurch Casino and it will appear to be to the Company's advantage that part of this section of the road be stopped, to enable a more desirable development. The stopping of a road to achieve a better development is not uncommon, for instance the Park Royal Development in the early 70s and Riccarton Mall in the 1990s.

City Streets will support either a partial or complete stopping of this road to enable an airbridge or overbuilding to proceed. Other issues such as alteration to bus and shuttle routes can be worked through with the affected parties.

STEP 2 – FINANCIAL AND PROPERTY ASSESSMENT

Benefits

- There is a tangible benefit in respect of income to be derived through sale or lease of this space at no capital cost to Council. A formal valuation exercise has not been undertaken in this regard, however the Property Projects Manager's views are expressed in the public excluded section of this agenda.
- Attached to this report is a presentation from the Casino providing justification for the Peterborough Street extension. In summary the benefits outlined therein are:
 - Increased full time employment, initially 30 positions increasing to 50 over time.
 - Increased financial viability for the casino, which in turn leads to increased economic activity for Christchurch.
 - Increased patronage through car parking and function centre type demand.
 - The casino is one of the South Island's largest foreign exchange processors and it is envisaged that this expansion will further increase this form of business activity.
 - They point out there has been an increase in public acceptance.
 - The intended banquet/restaurant proposal for the extension is anticipated to complement hotel facilities and improve Christchurch's ability to cater for local, national and international visitors.
 - They claim there is a demand for this type of facility and they are currently turning away bookings. It will enable the casino to operate more effectively and efficiently.
- The construction project itself will have an economic benefit for Christchurch.

It should be noted that many of these benefits would be generic to any proposal and are not just specific to building over the street.

Costs

- There are no identified tangible costs.
- The intangible costs mainly relate to environmental impact as outlined above.

It is always easy to place a value on identified tangible costs and benefits thereby facilitating easily understood evaluation and the development of recommendations.

Intangible costs on the other hand are difficult to value. They are inherently subject to an individual's perceptions. Accordingly when considered by a large diverse group it is expected that there will be range of value judgements placed upon these attributes. It is therefore not our intention to contribute to or compound this process through providing opinion on these matters.

From a property and financial perspective disposal of the space to the Casino could be supported for three primary reasons:

Increased economic growth and development.

Increased employment.

Provides the Council with additional revenue for what would normally be unproductive space.

If the Council has a mind to approve the proposal as it stands, it could do so in principle, with the details of the sale or lease arrangement including revenue to be reported to the Council via the Projects and Property Committee in due course following negotiations with the Casino.

CONCLUSION

Taking all matters into account the Environmental Policy and Planning Manager is of the view that an airbridge (or two airbridges) only should be approved, the Roading Manager considers the road could be stopped altogether and disposed of to the adjoining owners and the Property Manager could support the proposal as outlined.

There is considered to be value for the affected Committees and the Council to further debate this issue for the following reasons:

- It is the first proposal to be considered under new policy guidelines
- It contains significant trade offs, primarily financial benefits and environmental costs as outlined in this report
- It has city wide implications

- Recommendation:**
1. That the Council as landowner, approve in principle the proposal to construct an overbuilding, as part of the Christchurch Casino extension, over that part of Peterborough Street, as shown on the attached plan.
 2. That it be recommended to the City Services Committee that the section of Peterborough Street between Durham Street and Victoria Street be closed.

It was noted that the matter is yet to be considered by both the Strategy and Resources Committee and the City Services Committee.