

24. 6. 99

**BUS INTERCHANGE SPECIAL COMMITTEE
1, 10 AND 23 JUNE 1999**

**Meetings of the Bus Interchange Special Committee
were held on Tuesday 1, Thursday 10 and Wednesday 23 June 1999**

PRESENT: Councillors Denis O'Rourke, David Close,
Ian Howell and Gail Sheriff.

APOLOGIES: An apology for absence was received and accepted
from Councillor David Close (1 June 1999).

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. BUS INTERCHANGE PROPOSAL

RR 9917

Officer responsible City Manager	Author Dennis Morgan, Mark Lovell
Corporate Plan Output: Public Passenger Transport and Parking	

The purpose of this report is to submit recommendations from the Special Committee appointed by the Council on 31 May 1999. The Special Committee was delegated power to act in finalising the contract to develop the bus interchange project and car park and the purchase of the same by the Council on completion. The Special Committee has reported the detail of the contact concluded with ABI in the public excluded section of this report.

COUNCIL RESOLUTION

The Council resolved at its meeting on 31 May:

1. *That the Council commit to the Cashel Mall hybrid off street/on street bus interchange proposal subject to:*
 - (i) *The developer entering into a contract to develop the bus interchange and car park and to sell the same to the Council on completion.*

1 Cont'd

- (ii) *The contract will ensure, among other elements:*
- *A total project cost to the City Council targeted at \$19.2m gross but not to exceed \$19.6m gross, that is, \$9.2m and \$9.6m net of savings in lease costs (at a 6% cost of capital).*
 - *A developer's margin of [reported public excluded] of the cost of land plus construction plus holding costs.*
 - *Fitout to be undertaken by the City Council within the overall project cost.*
 - *The Council to approve design and construction costs at appropriate stages.*
- (iii) *The project being funded through a combination of savings in capital and operating expenses from City Streets budget, car parking and a contribution from the capital repayment reserve.*
- (iv) *An understanding that the Canterbury Regional Council will meet with the City Council and give consideration to active measures in fares and frequency to increase patronage.*
2. *That a special committee be appointed with power to act in finalising the contract and to recommend to the Council a rates neutral way of funding the proposed development. The Special Committee to be Councillors Close, O'Rourke, Howell and Sheriff.*

It was further agreed that this project be a supplementary proposal submitted as an addition to the Annual Plan process and that a statement to this effect be issued once the contract has been signed.

FUNDING OF THE PROPOSED DEVELOPMENT

The Special Committee was tasked by the Council to recommend a rates neutral way of funding the proposed development through a combination of savings in capital and operating expenses from the City Streets budget, car parking and a contribution from the capital repayment reserve.

The Special Committee met on three occasions and considered various options for funding but on balance consider that the best option is to provide the \$10M funding required from repatriation of funds currently designated for transfer to the Economic Development Fund. The Economic Development Fund would then stand at \$31M.

An option (Option 2) providing for the deferment of capital works and reduced operational funding from the City Streets and Car Parking budget as requested by the Council has been prepared also. This would utilise \$8M of the repatriation funds.

1 Cont'd

The Special Committee view the bus interchange and car park development on the Arthur Barnett/Cashel Mall site as a major contribution to the Economic Development of the central city and the city as a whole.

The management support team of the City Streets Unit had identified possible items in the 1999/2000 Annual Plan which could provide funding for the central city bus interchange. This included both contributions from the operational budget and the capital budget. The Parking Operations Manager and the City Promotions Co-ordinator were also in attendance at the meetings to assist the Committee. The Special Committee's recommendation Option (2) which follows this report includes an annual provision of \$270,000 for the operating costs of the interchange. The annual operating cost of the bus interchange/car park Council owned is \$985,880 (this includes the provision for depreciation). There are however savings of \$320,000 being funding already required for the Council's commitment to the operation of the leased car park on the Arthur Barnett site.

The Special Committee has identified the amendments to the draft 1999/2000 Annual Plan:

The attached report summarises the effect of these changes on the draft Annual Plan.

- Recommendation:**
1. That the Council fund the bus interchange and car park on the Arthur Barnett/Cashel Mall site by utilising repatriated funds currently designated for transfer to the Economic Development Fund subject to the public consultation process recommended by the Director of Finance.
 2. That should this not be supported by the Council Option (2) above (or as amended by the Council) be adopted for public consultation as set out in the public consultant process recommended by the Director of Finance.

**PART C - REPORT ON DELEGATED DECISIONS
TAKEN BY THE COMMITTEE**

2. RESOLUTION TO EXCLUDE THE PUBLIC

The Committee **resolved** that the public be excluded from the proceedings of the meeting.

The general subject of each matter to be considered while the public was excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
BUS INTERCHANGE PROPOSAL) GOOD REASON TO) WITHHOLD EXISTS) UNDER SECTION 7	SECTION 48(1)(a)

This resolution was made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Commercial Activities (Section 7(2)(h))

CONSIDERED THIS 24TH DAY OF JUNE 1999

MAYOR