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<p>Corporate Plan Output: City Streets 9.5.75, 9.5.99 - Passenger Transport Infrastructure</p>	

The purpose of this report is to background progress on the Bus Interchange and associated projects and to seek policy direction in respect of some related issues.

UPDATE

Following the decision of the Council on 31 May last to proceed with entering into contractual arrangements with AB Investments Ltd for the provision of a bus interchange and car parking building in Lichfield Street and the subsequent Annual Plan approval for funding the project, the following progress has been made in relation to this and the related on street and bus system related projects.

- The Interchange design has been refined and is proceeding to working drawings. This has followed a study trip to Sydney and Brisbane, further Consultant advice and ground testing of the layout on two occasions. Significant changes include the widening of the road space between the two passenger lounges to allow for a bus passing lane, and the replacement of the long pedestrian ramps with a lift (small lounge) and a lift and escalators (large lounge). Following an assessment of future parking needs, issues over resource consent, structural design and it’s associated costs the building is being designed to provided for only one future additional level of car parking rather than the two as originally proposed.
- Costings have been finalised within a “guaranteed maximum price” agreed with Mainzeal as provided for in the agreement with AB Investments, and all changes have been accommodated within the sum budgeted by the Council for the project.
- Resource consents have been applied for and granted.
- Developer negotiations to purchase part of Cashfields have been completed, and settlement has been effected with vacant possession.
- OCTA have been appointed as Project Managers for the Interchange development, following a tender process. Ryder Hunt has been confirmed as Project Quantity Surveyors and Peter Zillman (Buchan Group) as Project Architect. Project Control Group meetings are currently being held fortnightly.

- Within the City and Regional Councils a number of sub-projects have been identified, and teams established to progress them. These include on-street changes (Colombo and Lichfield Streets), bus routing changes, including peripheral termini and stops, ticketing, timetabling including “real time” information systems, budgeting, communication and marketing, facility management. The “Conditions of Use” requirement as set out in the CRC resolution supporting the interchange is being addressed as part of this process. A CCC/CRC Officer Management team is meeting weekly to monitor progress.
- A target date of 13 October 2000 has been set for completion of the Interchange building, including fitout. The related projects are working towards this as a suitable date for initiating the significant bus system changes and commencing operations from the site.
- At a seminar meeting of the CCC/CRC Joint Committee held on 18 August members were updated on the project (s) and discussed the objectives and key criteria for central city route changes and peripheral termini planning.
- Further meetings have been held with the Bus Interchange Consultative Group, representing key stakeholder interests, working through the various elements of the interchange and the related projects. This group is providing valuable feedback in respect of a number of the options being considered.
- The contract/sale and purchase agreement with AB Investments is now unconditional.
- For practical reasons, economies of scale and obvious benefits in communication and administration, the same project team for the shell has been retained for the Council fit-out.
- Negotiations are currently under way with Mainzeal for appointment as fitout construction contractor. We have justified their unilateral appointment on the basis that it will enable the fit-out contract to run in parallel with the main contract, thereby facilitating earlier practical completion, i.e. October next year, thus saving Council funding costs as provided for under the sale and purchase agreement. Additionally, from a practical perspective it makes sense to limit the number of contractors on site, there are also economy of scale benefits along with the advantage of facilitating easy and good communication and administration. In further support there are financial benefits outlined in the public excluded portion of this report. As is the case of the shell development, all trades will be tendered.

- It has always been recognised that financing for this project constitutes the single largest risk item. The Council will recall that the agreement provided for the Council to elect to provide financing for AB Investments so as to ensure a competitive rate and reduce the end cost for the Council. It has transpired that this represents the best option for the Council accordingly a suitable financing arrangement has been developed to assist this project in meeting budget and minimising Council's cost as purchaser.
- There have been a number of design alterations completed within the overall budget. This has, however, resulted in a re-organisation of the budget structure that is summarised in the public excluded portion of this report.

ISSUES FOR CONSIDERATION

There are a number of issues for consideration, the first in respect of future management once practical completion is achieved. While this is relatively minor in respect of an issue for consideration by Council, the Council's views are sought. A second issue, however, relates to a decision in respect of developing an extra level of car parking and is, therefore, more significant and, unfortunately, requires an almost immediate decision. Thirdly the need to carefully cost and budget for related on street and other changes is also drawn to attention, for consideration during the next annual plan round.

Management

Ongoing future property management of "The Interchange" as it relates to financial management, insurance, power, contractors, etc. will obviously be attended to by the Property Asset Management section of Council. There is, however, a possible role for an on-site manager for attendance to the retail matters, cleaners, overall appearance and operation, security, etc. Consideration needs to be given to the joint appointment of such a person/sub-contractor for the whole of "The Crossing Development" including the "Arthur Barnetts development" and the remainder of Cashfields. AB Investments and Council officers consider there is merit in such an appointment, however the subject is yet to be broached with Cashfields. Bus operation issues need to be carefully worked though with the Canterbury Regional Council, and at this stage an officer project team is commencing to work through the issues.

Car Parking

An extra level of car parking that would provide approximately 100 car parks could be erected as a variation to the existing development contract at a price outlined in the Public Excluded Report. However, due to the method of construction and a development timetable a decision to allow for this is required no later than mid November 1999. To defer this decision and elect at a later date to erect the extra floor, once the interchange is open, would have significant cost implications as shown in the public excluded report. In addition it would significantly impact upon the operation of the bus interchange, to the extent that it may involve periods of closure. The top level of car parking would also need to close for a period of six months resulting in lost revenue.

The addition of this floor by way of variation would affect the project timetable by adding three months to the practical completion. However, the interchange and at least one-level of car parking could still be operational by mid October 2000.

There is no budget provision to carry out this project variation, however a funding option is outlined in the public excluded section of this report.

Because of the urgency required for the making of a decision in this matter, it is suggested that a Special Committee of the Council with power to act be established.

Associated Projects – Cost issues

While the interchange itself is fully provided for in the current and next year's Annual Plan, there are costs in respect of the associated projects for which provisional sums only have been included. There is therefore a need to consider detailed budget provision in the 2000/2001 budget in respect of such matters as the roading changes, peripheral termini, real time information, and interchange and bus system marketing. This will be reported through the Annual Plan process over coming months.

CONCLUSION

The project is now proceeding well, with the parties confident that the interchange will be constructed on time and within budget. The question of the third level of car parking however needs to be resolved with some urgency. As the various subprojects get under way, progress reports will be made to this Committee and also the Joint CCC/CRC Committee as appropriate.

Recommendation:

1. That the report be received.
2. That a subcommittee of the Council be appointed comprising Councillors O'Rourke, Close, Buck and Howell to investigate the proposal further.
3. That the subcommittee report back to the City Services Committee by 15 November 1999.
4. That the City Services Committee has power to act in deciding on the addition of a third level of car parking at the Bus Interchange site.
5. That funding options for the project be recommended by the Committee to the 25 November 1999 Council meeting should the decision be made to proceed.