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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 report follows up on the resolution adopted at the Council meeting of 26 August 1999, which was to note the following recommendation of the Environment Committee:

- “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.”*

The report firstly outlines the proposal.

It secondly assesses the proposal from an environmental perspective and explains the background to the development of a policy for the granting of rights to airspace over public roads and elaborates on the parts of that policy which are pertinent to the request from Christchurch Casino for rights to airspace. Copies of the draft policy are available from Janet Reeves, Senior Planner, Urban Design & Projects.

The report thirdly sought the City Services Committee’s views on the stopping of Peterborough Street. This is essentially the nature and extent of the City Services Committee’s involvement in this process.

Finally, it assesses the financial and property implications of the proposal.

PROPOSAL

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. Coloured floor and elevation plans of the development are tabled.

ENVIRONMENTAL ASSESSMENT

A report was presented to the Environment Committee on 10 June 1999, outlining the issues relating to the use of airspace over public streets. Subsequently a policy was prepared entitled 'Granting Rights to Airspace over Public Roads', which was put to the Environment Committee meeting of 7 July. It was resolved that the policy be approved in principle subject to public consultation, this decision was discussed and ratified by the Council on 22 July. The results of public consultation were reported to the 9 September meeting of the Environment Committee.

The request from the Casino for rights to airspace over Peterborough Street has been assessed against the Granting Rights to Airspace over Public Roads Policy. As discussed in the background report to the policy, using airspace above public space for creating additional commercial floorspace in the central area is not to be encouraged. Considerable additional development potential could be released by leasing the floorspace above streets or other public spaces. Given that there is already surplus floorspace within the City Centre and that a large range of redevelopment options remain available, it would be unwise to release further space. Furthermore, releasing public space for commercial use without good reason could set an undesirable precedent.

Because of these concerns, the proposed policy states that rights to airspace for the sole purpose of creating additional floorspace will only be granted in exceptional circumstances. The relevant extract from the draft policy is as follows:

The Council will not generally grant rights to space above roads for the sole purpose of creating additional floorspace (i.e. for an overbuilding) unless there are exceptional circumstances, such as where there is a clearly demonstrated need for increased floorspace that cannot be met in any other way, i.e. by expansion upwards, sideways or backwards or by moving to another site.

The applicant will therefore need to demonstrate firstly, that there is a clearly demonstrated need for additional floorspace and secondly that that need cannot be met in any other way than by an overbuilding. Leaving aside the question of whether there is a need or not, the additional floorspace could be met by siting the commercial floor in the proposed car parking building. Therefore, there would appear not to be exceptional circumstances in this case and the release of the airspace is contrary to the (agreed in principle) policy.

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

The proposal has also been assessed against Part 2 of the policy. Part 2 states that if the Council is satisfied that there is both a need and clear advantages of granting rights to airspace, then the request may be considered if it meets the requirements outlined in Part 2. An assessment of the proposal against these requirements finds that the following are not met:

- 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. The combined length of the frontage of the existing casino, the overbuilding and the proposed car parking building along Durham Street would be approximately 134 m (as a comparison, the frontage of the Civic Offices is approximately 55m).

Under Part 2(g) of the policy, Peterborough Street is classified as ‘a secondary street where airbridges may be allowed but overbuildings will only be considered in exceptional circumstances, where the relative merits of closing the street rather than building over it have been assessed’. As discussed above, there do not appear to be any 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.

Note: At the Strategy and Resources Committee meeting, Barry Dacombe of Warren & Mahoney advised that a pedestrian link between the proposed car parking building and the Casino is not part of the proposal. Pedestrians will not be able to pass directly from the car parking building to the Casino at first floor level as everyone must pass through the front entrance for security reasons. Therefore, the references to the advantages the proposal has in creating a pedestrian link should be disregarded. In terms of the Granting Rights to Airspace over Public Roads Policy, the request by the Casino is to use the space above Peterborough Street for the sole purpose of creating additional floorspace.

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.

PETERBOROUGH STREET - ROAD FUNCTION

Peterborough Street is classified as a local access street in the City Plan. Peterborough Street is similar to Chester Street in that there is limited traffic that travels more than one section. Its location between the one way pair of Salisbury Street and Kilmore Street reinforces its function as predominantly an access road and local circulation route.

Peterborough Street presently has a carriageway width of 13 metres and a widened footpath on the south side containing street trees and kerb extensions. On the north side there is a standard width footpath.

The traffic volumes on this street are fewer than 2,000 vehicles per day and a large proportion is generated by the Casino off street parking areas.

The shuttle bus uses Peterborough Street after 6.00pm. It travels via Peterborough Street from Colombo Street to service the Casino. Peterborough Street was used as a bus route in the past to avoid using the Victoria Street approach to the traffic signals at Kilmore Street. Buses now use the one way system as it provides a quicker route into the city.

TRAFFIC ENVIRONMENT

The Casino presently occupies some 80% of this section of Peterborough Street. The balance is occupied by a reserve on the south side and on the north two properties, one of which has two vehicle entrances.

At the eastern end of the street, at the intersection with Durham Street, there are traffic signals. These traffic signals are generally under utilised and consideration could be given to removing them. At the western end of the street there is a Give Way control on Peterborough Street at its intersection with Victoria Street. The two approaches of Peterborough Street have been off set to provide two separate "T" junctions.

There are 11 metered parking spaces along this section of Peterborough Street as well as some provision for cyclists and motorcyclists. In the past a taxi stand was provided adjacent to the Casino but as a result of the failure of a call system it has been necessary to relocate the taxis to Victoria Street.

ROAD STOPPING CONSIDERATIONS

There are no proposals to stop this section of Peterborough Street in the City Plan. The Council has the ability to stop this section of road under the Local Government Act, but its powers are limited if there are objections, which could reasonably be expected. Nevertheless, the Council does have the ability to create easements for structures to be erected over or on the road.

There are benefits to stopping this section of Peterborough Street as road as it would enable the Casino to provide a layout that can be tailored to more readily suit their requirements. There are also disbenefits, with the possible loss of use of this road as a local circulation road.

In conclusion this road serves an important local access function with the Casino playing an important part in the use of the street. There are benefits and disbenefits to stopping the road and making the land available to the Casino for development.

The City Services Committee's views on the road stopping were sought at the Committee's 7 September 1999 meeting. The Committee's recommendations are detailed at the end of this report.

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.
- The Casino's proposed use of road reserve would be in competition with the nearby Convention Centre and Town Hall.

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 by 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 should 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 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

Note: Councillor O'Rourke requested that his objection to a matter being referred to the Strategy and Resources Committee which is not within the Committee's terms of reference, be recorded in the minutes of the meeting.

**Recommendation of the Environment
and the Strategy and Resources**

Committees 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.

(Councillors Evans and O'Rourke requested that their votes against the foregoing recommendation be recorded.)

Recommendation of the City

Services Committee

1. That the road stopping proposal for Peterborough Street, for the purposes of development of the Casino, be rejected.
2. That the proposal as presented to the City Services Committee be declined, and the Casino company be invited to consider a proposal for a smaller scale building.