

**9. CHRISTCHURCH AND CANTERBURY MARKETING LTD  
TRANSFER TO NEW PREMISES**

RR 10684

<b>Officer responsible</b> Director of Business Projects	<b>Author</b> Ian Hay
Corporate Plan Output: Economic Development and Employment	

The purpose of this report is to update Councillors on negotiations for Christchurch and Canterbury Marketing to move to Cathedral Square and to request approval for the Council to cover the operational costs of the fit-out (depreciation and interest) for the first two years to help facilitate the move.

**BACKGROUND**

Councillors will be aware that the premises currently occupied by Christchurch and Canterbury Marketing are too small and difficult to manage with key team members spread over four floors and many visitors turned away due to overcrowding in the Visitor Centre on the ground floor. During the Annual Plan process it was agreed the Council would provide up to \$350,000 capital towards the fit-out of any new premises but the resolution adopted provided for Christchurch and Canterbury Marketing to be responsible for the ongoing operational costs relating to the fit-out.

**DISCUSSION**

Christchurch and Canterbury Marketing have held ongoing negotiations with property owners in Cathedral Square and have now reached an agreement in principle to move into alternative premises in Cathedral Square. From a Council perspective the move is in line with our vision to rejuvenate the heart of the city with Cathedral Square as the focal point. Christchurch and Canterbury Marketing by moving to the new premises will provide in excess of 500,000 visitors to the area with consequential development to provide other services to support the Visitor Centre.

I have made it quite clear and Christchurch and Canterbury Marketing have noted in their minutes that Council will not underwrite the rental and that if any shortfall arises they will be required to fund it from their own resources by finding savings in other areas.

To help facilitate the move and to enable Christchurch and Canterbury Marketing to work towards being self sufficient in meeting the additional costs in moving the Council has been requested to absorb the operational costs of the fit-out for a two year period. As the move will not take place until late this year the likely costs are as follows:

1999/2000	\$26,000
2000/2001	\$45,000
2001/2002	\$18,750

For the financial year 2001/2002 Christchurch and Canterbury Marketing will contribute \$26,250 towards the operational costs with full payment of \$45,000 p.a. commencing in the following year.

**Recommendation:**

1. That the Council agree to absorb the above operational costs for a two year period relating to the Christchurch and Canterbury Marketing fit-out costs in Cathedral Square.
2. That a source of funds be identified for 1999/2000 at the six monthly review and that the cost for years 2 and 3 be funded from unspecified operating in those years.
3. That a report be brought to the Environmental and Property Committees on the future use of the old municipal building currently occupied by Christchurch and Canterbury Marketing Ltd.