

## 7. CENTRAL CITY BOARD – PROVISIONAL STATEMENT OF CORPORATE INTENT



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The purpose of this report is to recommend the adoption of the provisional Statement of Corporate Intent for the Central City Board.

### **Additional Background Information**

During discussion of this report by the Committee it was requested that additional background information be provided together with an explanation of how the Central City Board would relate to the Mayoral Forum and how each would relate to the City Council.

A lengthy report on Central City Revitalisation was adopted by the Council in October 1999. The following is a summary of some of its main points.

Although the Central City is Christchurch's largest employment and activity centre it continues to be challenged by the outward growth of the city and especially by the expansion of suburban shopping centres. Central City retailing can find it difficult to compete with well organised and promoted suburban centres with high standards of amenity. Employers continue to seek modern premises with drive to the door access, or large, single floor spaces which are difficult to provide in the Central City but easy in suburban locations. Nonetheless the Central City retains many strengths which can be leveraged to increase the rate of development and activity within the Central City.

A major focus of the Central City Revitalisation initiative is to bring more people to live within the four avenues. A significant increase in the residential population would add life and activity, improve security, support and stimulate business activity and lead to improved use of major facilities and services. In terms of the existing physical infrastructure, residential activities could reuse heritage buildings and under-utilised/vacant buildings.

To further these ideas, and others, for the revitalisation of the Central City the Mayor brought together a core group of interested stakeholders. Two days of workshops were held in Christchurch on 30 and 31 July last year involving the core group of some 20 plus around 70 other individuals representing the various interest groups. The key outcomes of this workshop were as follows:

1. A strategic vision for the Central City is needed (a concept plan).
2. Full community support for that vision is vital.
3. The vision (concept plan) must be implemented in an integrated managed way.
4. Clear and focused projects must be part of the revitalisation programme.

To achieve this vision of revitalisation will require the active contribution of many groups, individuals, and public agencies, with the City Council at the heart of that process. That is, application of the Community Governance model.

The October report identified the need for a commercial development vehicle as one element of that framework:

*“It is vital that some formal structure for public/private partnership be established in order to achieve Central City Revitalisation by property development. Its success will depend on it. A commercial agency working outside of the Council would lend private sector independence and credibility to the revitalisation programme. At the same time it would give focus and commercial drive to individual development projects. ... There are many public/private partnerships operating in Central Cities across the world, such as development corporations, public/private boards, private agencies with public funding, and building companies doing the actual physical works.”*

The objective of a new agency was identified as:

*“to promote, facilitate and participate in development projects that will contribute to achieving the objective of Central City Revitalisation... A commercially focused development company appears the best option, at this stage, to be charged with the responsibility of working with the Council and other interested parties to provide accommodation for a wide variety of residents and businesses along with associated services within the four avenues. A draft Statement of Corporate Intent (SCI), incorporating a development strategy should be prepared by an Interim Board. The final Board would have the opportunity to review, and add to, the SCI and strategy before coming back to the Council for final approval and adoption.”*

In considering this report the Council adopted the following resolutions:

1. That the Council endorse the concept of the establishment of a Board to facilitate or undertake property development projects that revitalise the Central City.
2. That an Interim Board be set up to progress the issue with the intention of establishing the Board on 1 July 2000.
3. That a draft Statement of Corporate Intent for the Board be prepared for approval by the Council.
4. That a provisional business plan be prepared by the Interim Board in order to provide a rough order of costs.

5. That the means of funding the Board be investigated and reported on by March 2000.
6. That the Council review its Central City landholdings and request that the Council's trading companies do the same, with a view to assessing what contribution such holdings could make to Central City Revitalisation.
7. That the (interim) Board report to the Strategy and Resources Committee.

There were also three recommendations which related to the process for putting in place the interim Board which were discharged at a subsequent Council meeting.

A further progress report was made to the Strategy and Resources Committee in April, which included advice that there were significant difficulties involved in a special rate area being defined for the Central City so that a capital injection from the Council would be the preferred route if the Council wished to proceed with the initiative. The following statement was made with regard to funding:

*“However the Board itself, until the Statement of Corporate Intent and role are confirmed, has not considered this issue in detail to date. More analysis and discussion will need to occur.”*

The recommendations which were adopted by Strategy and Resources Committee reflected the importance of having a Board in place to develop a business plan on which a finalised Statement of Corporate Intent could be based. In the view of the Interim Board this task must be undertaken by the smaller Board of Directors proposed for the company rather than by the larger Council Subcommittee which comprises the Interim Board.

In fact it is now envisaged that the existing Subcommittee will be reformed as a Mayoral Forum. Attached is a proposal for the framework linking the City Council, Central City Mayoral Forum and Central City Board and also a terms of reference for the Central City Mayoral Forum. The provisional Statement of Corporate Intent for the Central City Board has been separately circulated, this was the subject of the report to the Strategy and Resources Committee.

This additional information has been included to provide the full context within which the recommendation from Strategy and Resources Committee should be considered. The rest of this report comprises the material which was considered by the Strategy and Resources Committee.

The Council endorsed the concept that a Central City Board be established “to facilitate and undertake property development projects that revitalise the Central City” (see Strategy and Resources recommendations 18 October 1999). An Interim Central City Board was created comprising a number of business and community leaders, as well as a number of Councillors, to establish a Statement of Corporate Intent.

The provisional Statement of Corporate Intent (SCI) was adopted by the Interim Board at its meeting of 23 May 2000. The SCI specifies the objectives, nature and scope of activities to be undertaken by the Board, as well as performance targets and measures. A copy of the SCI has been separately circulated to Councillors.

In general the SCI will require the Board to lead and stimulate central city revitalisation for Christchurch, in association with the City Council. Specifically the primary objective of the Board will be to provide leadership, to act as an initiator or investment catalyst on appropriate projects, and to actively market and participate in, through development projects, the revitalisation of the Central City.

The overall aim for the Board is *to position the Christchurch Central City as the Australasian capital of quality lifestyle and urban sustainability.*

To achieve this it is recommended that the Central City Board be formed as a Local Authority Trading Enterprise. The Board would have reporting responsibilities to the Council on development projects and associated Council planning processes reporting through relevant Council Standing Committees as appropriate, while reporting commercial performance requirements via Christchurch City Holdings Limited (CCHL).

The SCI recommends a Board structure of up to eight members (up to five independent and up to three Council representatives including the Mayor), with the chairperson of the Board to be the Mayor of Christchurch (or his/her nominee), and members appointed on a rotating three year term by the City Council.

It should be noted that it is not normal practice for a company to predetermine a board’s chair, as generally a constitution would provide for the board to select a chair, with the major shareholders having input on an informal basis. In this instance, however, the Interim Board believed that the Mayor should be appointed to chair the Board because of the importance and high profile of central city revitalisation for Christchurch.

A Council seminar was held on 12 May which identified the following points:

- That the formal reporting structure provide for the input of Standing Committees into central city projects.
- In selecting Board members, emphasis should be placed on business people with appropriate skills, and that it would be inappropriate for property developers to be Board members.
- The Constitution to provide for the retirement of Board members.
- The Strategy and Resources Committee rather than CCHL to recommend Board appointments to the Council.
- Chairs of Standing Committees should not be members of the Board.

These points have been or will be addressed and included during the process of Board selection and project/programme development by the Board.

**Recommendation:** That the provisional Statement of Corporate Intent be adopted by the Council subject to:

1. Rewording of the aim of the Board to read “to position the Christchurch central city as model of quality lifestyle and urban sustainability”.
2. Submission of the Business Plan to the Strategy and Resources Committee for approval.
3. An attachment to the Statement of Corporate Intent clarifying the role of the Mayoral Forum and its relationship to the Board.
4. The Director of Finance reporting to the Strategy and Resources Committee on an appropriate structure for the company and the process for establishing it.

(Note: Councillors Evans and Sheriff requested that their votes against the foregoing recommendation be recorded.)