

## 2. FORMER MUNICIPAL CHAMBERS: OXFORD TERRACE

This report was considered in conjunction with clause 1 of this report.

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Corporate Plan Output: Surplus Property	

The purpose of this report is to seek a decision as to whether the former Municipal Chambers in Oxford Terrace are to be used for operational purposes such as the proposed Environment Centre, or whether instead the market is to be canvassed for possible external uses.

### BACKGROUND

Until recently, this building housed Christchurch & Canterbury Marketing (formerly the Christchurch Tourism Council) which has now relocated to alternative premises in Cathedral Square.

The property is now vacant, and as required by the property decision making flow chart, all internal Council units have been notified of its availability for internal operational purposes. This process resulted in one expression of interest being received, being that lodged by the Environmental Policy and Planning Unit in respect of the proposed Environment Centre. A summary of the submission supporting this proposal is outlined later in this report. The proposal is also the subject of a separate report by the Environmental Policy and Planning Manager to the present meeting (clause 1).

The Annual Plan makes provision for the operational costs of an Environment Centre in 2000/01 and 2001/02, and capital provision for the proposed centre has also been included in the 2000/01 financial year.

At its meeting on 12 October 2000 the Environment Committee resolved:

1. *That it be recommended to the Property & Projects Committee that use of the former Municipal Chambers for "Our City" be endorsed.*
2. *That the Budget Sub-Committee consider additional operating funds to the extent of \$122,425 in the 2001/02 year.*
3. *That the "Our City-Past, Present and Future" business plan be approved to substantiate the proposal for the use of the former Municipal Chambers.*

### OPERATIONAL SUBMISSION

#### Introduction

The following is a summary of the submission and information which was provided as part of the business plan reported to the October Council meeting.

In 1995 the Council first considered the possibility of establishing an Environment Centre in Christchurch. For a number of years prior to that, local civic and professional groups had been pushing for a similar centre where city developments could be displayed and debated.

The general objective of such a centre would be to bring together at one accessible place, the public, the Council, interested professionals and community/residents groups to present and exchange ideas and knowledge about the city and important development, planning and environmental issues. It could also be a place where civic gifts, heritage items and art could be displayed. It may also be a place where various community groups connected with general environmental issues could locate.

The focus of such a centre would be on the city's environment with an emphasis on the built form and development as well as the natural context of the city.

Since 1995, a workshop to explore various options was held, a preliminary feasibility study was undertaken by Deloitte Touche Tohmatsu, and a seminar was held for Councillors. Overall, there was strong support for such a centre. There were various views however as to whether, on one hand, such a centre should grow from a modest, locally focussed centre, or on the other hand, it should be a major, interactive attraction that could target tourists as well (probably like the Antarctic centre). Most Councillors tended to favour something more towards the first view, with Christchurch residents being the primary target market.

#### The Purpose of the Centre

A City Environment Centre or "This is Our City" would have as its purpose, a combination of the following:

- A resource centre where information, plans and data about Christchurch City are brought together
- A focal point for education about the city's environment, its past, present and future
- An information centre where details, plans and maps of current new development projects, buildings, and subdivisions could be displayed
- A place where issues could be debated in public
- A centre where details of the environment of the City are available to visitors, such as a comprehensive list of historic buildings, creative housing projects and conservation parks
- A place where the historic development of the City could be displayed by maps, modules, aerial photos and computer simulation
- Civic memorabilia, awards, gifts and displays could be exhibited
- A place where Council archives could be located.
- A place where special features and art works from the Museum and Art Gallery relating particularly to the City, could be displayed from time to time.
- A place for presenting examples of good urban design and development, relating to housing, infill and redevelopment for example

If such a centre was already in existence, it could have been used to provide information on projects such as:

- Redevelopment of Victoria Square, Worcester Boulevard and Cathedral Square
- The ultimate future for the Travis Swamp Wetlands
- Proposals for new City parks
- Major land use changes such as at the Addington Workshop site
- Major roading projects such as the remaining link of the Burwood-Northcote expressway and the promotion of the 'ring road' as a concept
- Current projects relating to the retention of historic buildings
- Information about the City Plan, Resource Management Plan, Waste and Water Plans and the like.
- Central City revitalisation

As a feature, it could also display items about things that did **not** happen, eg the road across Hagley Park, the tower in Victoria Square, other designs for the Town Hall (and the new Art Gallery).

### **Relationship With Other Organisations**

It is not intended that the proposed centre be in competition with any of the City's other information providers, but rather to complement them. Existing facilities that already serve some of these functions would need to be consulted to ensure the best distribution of services. These other organisations include the Canterbury Museum, Art Gallery, Public Library, and the Christchurch/Canterbury Information Centre and the existing Community based Environment Centre.

It is also envisaged that support for the venture will be sought, both to establish the centre and provide information and displays. Sponsors could include the various professional organisations (NZIA, NZILA, NZIS, IPENZ, NZPI etc), the Law Society, and various environmental groups.

## **Property Considerations**

Officers working on the “Our City” concept have considered a number of sites including the Star/Lyttelton Times Building, the Avon Theatre, the former Municipal Chambers, Chief Post Office and Regent Buildings. While the use of any one of these buildings would secure a heritage building, all but one are privately owned. Some are in need of major renovations. Others do not have the prominence and history of visitor use.

Recommendations on the suitability of all of the buildings investigated for the “Our City” centre were based around the criteria which were identified as the key issues for the purpose of the centre in the report to Council, February 1999, ie:

*“A central location close to public transport and car parking, accessible to residents and visitors and possibly utilising a heritage building would be desirable.”*

Over the years feasibility studies for the housing of an environment centre have been done for the Avon Theatre, and the Civic of Canterbury in Manchester Street.

## **Preferred Location**

Following a review of the alternatives, the review group considered that the former Municipal Chambers is the best option for a number of reasons:

- This building is the only purpose-built “home” the Christchurch City Council has ever occupied. Now that the building’s current tenants are vacating it would be appropriate in cultural heritage terms, to return the building to a core civic use.
- The building is already owned by Council, and is available. It is a listed Group 1 heritage building in the City Plan and therefore this limits its range of uses.
- The building is registered as a Category 1 Historic Place, by the New Zealand Historic Places Trust (NZHTP) under section 23 of the Historic Places Act. Category 1 buildings are defined by the Historic Places Trust as being “Places of special or outstanding historic or cultural significance or value”.
- The public already associate the building as being a place for information about the City because of its association with the Canterbury Tourism Council.
- It is in a central location close to public transport and car parking and is accessible to residents and visitors. Foot traffic on Worcester Boulevard makes for suitable location for weekend opening hours.
- Availability and layout of office (administration) space, display areas, public meeting rooms, educational/resource space, reception area, archival area, storage space, library area, kiosk/shop.
- The building offers a unique presence with its stand-alone position/setting.
- The “Our City” concept is an appropriate use for a listed heritage building and allows for proactive heritage retention and good conservation practise.

## **Space Requirements**

As identified in Deloitte Touche Tohmatsu report a floor area of 500 to 600 square metres is necessary to accommodate exhibition and display spaces, a meeting space, offices and resource centre/library. The former Municipal Chambers has a floor area of 558.m<sup>2</sup> and as mentioned above can be developed in ways suitable for the proposed centre.

## **HISTORY OF THE BUILDING**

The former Municipal Chambers were designed by prominent local architect Samuel Hurst Seager in 1887. Seager chose the then popular Queen Anne revival style for his design which was selected by the Council from a number of competition entries for the new Civic Chambers. This building is the only purpose-built “home” Christchurch City Council has occupied.

The building is listed in Appendix J of the Transitional District Scheme and in Group 1, Appendix 1, section 10 Volume III of the City Plan. Heritage items in the Group are of international or national significance; the protection of which is considered essential.

The former Municipal Chambers is registered as a Category 1 Historic Place by the New Zealand Historic Places Trust under section 23 of the Historic Places Act. Category 1 buildings are defined by the Historic Places Act as being “places of special or outstanding historic or cultural heritage, significance or value”.

The high level of heritage listing/registration by both Council and the New Zealand Historic Places Trust will also place constraints with respect to any work undertaken in the building in order to house a new use. The Conservation Plan currently being prepared for the building is not yet completed but a draft version contains the following recommendations:

- The building should remain in Council ownership.
- The possibility for using the building for ceremonial civic occasions and to house some Council functions be investigated.
- If this proves not to be feasible, expressions of interest should be sought to use the building as professional offices with the second floor possibly used for accommodation.
- Conversion of the building into a restaurant or similar function should be precluded.

It is important for Councillors to be aware that the Property Unit is, in early 2001, about to embark on a three year restoration programme to significant portions of the building. This will include substantial work to the brickwork, stonework, window joinery and roof of the building.

#### **MARKET OPTIONS**

- The Historic Status will give rise to a number of difficulties including extensive consultation surrounding any proposals for modifications. Irrespective of these known inherent difficulties and prior to advertising for expressions of interest, there has been considerable interest expressed in the future of this building from the private sector wishing to undertake some form of “commercial activity”.

Details in brief of those interested parties are as follows:

- A high profile restaurant operator is interested in the building for the establishment of a Japanese Restaurant.
- A tertiary education institute is interested in pursuing discussions further with regard to establishing a facility within the building.
- A tourism operator has expressed an interest in leasing the building.
- Other more general enquiries have been received from local real estate agents as to the future availability of this building for a commercial purpose.
- A Language School.
- A number of phone calls have been fielded from various parties enquiring as to the leasing possibilities.

High profile commercial real estate agents in the city have been contacted and their comments sought with regard to the building’s suitability for a commercial activity. As the Council is aware, this building occupies a unique site on the riverbank near the Oxford Terrace strip and bordering the paved Worcester Boulevard, and because of this there has been an extremely positive response from commercial real estate agencies as to its suitability for some form of commercial use.

It goes without saying that the best way to truly test market commitment is to formally undertake a structured marketing campaign. Having said this there is a reasonable amount of interest to indicate that we could expect to secure an external tenant willing to pay a commercial “strip type” rent.

#### **VALUATION**

Independent valuation advice has been obtained and these details are included in the public excluded section of this agenda.

## ADVANTAGES/DISADVANTAGES

<b>OUR CITY</b>	
<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• Meets the necessary criteria identified for such a centre</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial rent foregone</li> </ul>
<ul style="list-style-type: none"> <li>• Appropriate use for a Group 1 heritage building owned by the Council</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing operational costs to the Council</li> </ul>
<ul style="list-style-type: none"> <li>• In view of the three year restoration programme to the building the “Our City” use would be an opportunity to showcase the property</li> <li>• Some existing budget funding</li> </ul>	
<b>LEASE TO PRIVATE OPERATOR</b>	
<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• Maximise income potential</li> </ul>	<ul style="list-style-type: none"> <li>• likely difficulties in making modifications to historic building</li> </ul>
<ul style="list-style-type: none"> <li>• Synergy with the “strip”</li> </ul>	<ul style="list-style-type: none"> <li>• loss of control of building</li> </ul>
	<ul style="list-style-type: none"> <li>• risk associated with success or otherwise of business</li> </ul>
	<ul style="list-style-type: none"> <li>• major works to be undertaken over a three year period may cause disruption</li> </ul>

## SUMMARY

The Council has an estimated \$800,000 worth of capital tied up in this asset. Essentially the decision for the Council in considering to utilise the property for the “Our City” concept against the alternative of seeking an external tenant is whether the foregone financial benefit (the difference between the external income as assessed by Deloitte Touche Tohmatsu in the “Our City” Business Plan and the rental likely to be achievable in the private market) is warranted in light of the intangible benefits and costs outlined in the advantages/disadvantages listed above.

The internal interest in this building should be weighed up against the likely interest from commercial operators wishing to utilise this building for some form of restaurant/bar/cafe and/or possible office accommodation. To fully test such proposals, registrations of interest to lease the building would need to be sought from the marketplace.

As this report was considered in conjunction with clause 1, the information was received.