

4. CENTRAL CITY REVITALISATION – UNDERGROUNDING OF REMAINING OVERHEAD POWER RETICULATION IN THE SOUTH EASTERN CBD

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Corporate Plan Output: Underground Wiring Conversion	

The purpose of this report is to provide background information and obtain Council endorsement of the proposed undergrounding of the remaining overhead reticulation in the south-eastern corner of the CBD.

BACKGROUND

Recently Telstra Saturn announced they would commence with installation of the first 30 of the estimated 200 “nodes” around the city by Christmas. A “node” is defined as a distinct area of approximately 500 potential customers for Telstra Saturn’s telephone and cable TV system. One of the early nodes identified is an area of the CBD bounded by St Asaph Street, Fitzgerald Avenue, Madras and Worcester Streets. The poles carrying the overhead reticulation in this area are old or unsuitable and may well need to be replaced to carry the additional cable load. In discussion with Orion it has established that, in addition to the above, Armagh and Gloucester Streets between Barbadoes Street and Fitzgerald Avenue, the extension of St Asaph Street past Colombo Street and two minor streets are all that remain of the overhead reticulation network in this corner of the CBD. (See attached plan). It seemed sensible to try and negotiate a one-off proposal to underground all services in this area as a catalyst for revitalisation of this part of the central city.

The agreement between Orion and Telstra Saturn provides for a cost share arrangement where poles need to be replaced to accommodate the additional cable load or for all cables to be underground if they currently are or if a specific agreement is reached for a defined area, as part of the installation process.

Under the contractual arrangements Orion can declare that they will underground rather than replace poles as part of the upgrade and installation process and Telstra Saturn then follow suit. In my discussions with Orion we have agreed that as part of the central city revitalisation focus the undergrounding of services in this area should be viewed as a priority. The eastern side of Cathedral Square to Fitzgerald Avenue has been identified as a key area for residential development in the initial stages of central city revitalisation and undergrounding of services will be a significant milestone in this process.

FUNDING

Because of the importance of this area to central city redevelopment, discussions with Orion have been on the basis of a one-off special funding arrangement for the project. They have agreed to share the cost on a 50/50 basis for this project rather than the usual average 80/20 split for environmental undergrounding of reticulation. Orion also propose to complete the work over an 18 month timeframe which spreads the cost over two financial years. The Council share of costs is estimated at \$750,000 plus the cost of the street light poles and fittings estimated at \$200,000. All cabling is included in the cost share arrangement.

Discussion during the process has been ongoing with the appropriate staff in the City Streets and EPP Units to identify funding for the CCC share during the current financial year. John Dryden the Environmental Policy and Planning Manager has identified available funding from the inner city urban renewal budget and, by making adjustments to the City Streets inner city undergrounding programme for the current year, sufficient funds are available to fund a substantial portion of this year's proposed programme of \$375,000 plus approximately \$100,000 for light poles and fittings. City Streets also anticipate receiving unbudgeted revenue from Telstra Saturn for use of CCC ducts already established in some areas. Officers are confident 2000/01 funding for this project can be met with budget adjustments. If the decision is made to proceed with this proposal the Council will need to commit \$400,000 of the 2001/02 budget to this project. Both unit teams are very supportive of the project and believe the opportunity to underground the power reticulation in this corner of the CBD should be taken.

- Recommendation:**
1. That the Council endorse the proposal and request Orion to proceed with the undergrounding of the remainder of the south east corner of the Central City as identified in the attached map.
 2. That the funding required for the 2000/01 year be provided from the sources identified above.
 3. That Council commit \$400,000 of the 2001/02 budget to finish this project.