

28. 9. 2000

**SUPPLEMENTARY REPORT NO 2 BY THE
CHAIRMAN OF THE STRATEGY AND RESOURCES COMMITTEE**

PART A - MATTERS REQUIRING A COUNCIL DECISION

3. HORSE BAZAAR BUILDING – BEDFORD ROW

Officer responsible Property Manager Environmental Policy and Planning Manager	Author Property Projects Manager – Angus Smith
Corporate Plan Output: City Design and Heritage and City Planning and Development	

The purpose of this report is to submit for the Council's approval a proposal for the retention of the Horse Bazaar building, Bedford Row. This report should be read in conjunction with clause 11 of the report of the Strategy and Resources Committee.

At its meeting on 18 September 2000 the Strategy and Resources Committee appointed a subcommittee comprising the Mayor and Councillors Close, Crighton and Sheriff to meet with the owner of the building to discuss the cost to the Council of a heritage covenant.

The Subcommittee met with the building owner, Mr Simon Henry, on 27 October 2000. Mr Henry advised that while he had purchased the building with a view to demolishing it and constructing a car park on the cleared site, he was more than happy to look at proposals for its retention. Mr Henry indicated that it would only be feasible to retain the building if the Council were prepared to make a contribution towards the strengthening work and the cost of retaining the heritage features.

The following letter has been received from Mr Henry outlining the terms of his offer:

"As discussed in the meeting of 27 September 2000, I am prepared to consider a proposal whereby the Christchurch City Council places a covenant on the Horse Bazaar in exchange for granting funds to carry out the necessary work to bring the building up to a lettable standard.

I have spoken with Steven Young, the engineer who prepared the earthquake report, he advises that in his opinion it would be unlikely that any substantial savings could be made in respect to his report of 22 July 1999. The suggestion whereby the earthquake strengthening may only be done to say 50% of the relevant code could possibly make insuring the building prohibitively expensive, if an insurance company could be found to insure it.

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It is my opinion, that if we are to enter into an agreement to keep the building, then the funds required would be substantially more than the \$200,000 as discussed. As you are aware, the Council's own costings to bring the building up to a lettable standard were substantially more than the amounts we are talking about.

If the process to obtain an unconditional arrangement with the Council is going to take longer than a couple of weeks, then I would like the Council to consider extending the existing lease until such time that an agreement is reached.

If an agreement is reached whereby the Council will contribute funds for the upgrading of the building, then I would request that the funds be paid in advance, in order to obtain significant savings from contractors and supplies through dealing on a prompt payment basis.

If we are unable to reach an agreement, then I will proceed with my plans to demolish the building and use the site for car parking for Cashel Chambers.

I am sure you will appreciate my desire to resolve the future of the building, one way or another. I have a mortgage on the property and will be doing everything possible to generate a return from the building.

Attached is a copy of the Earthquake Report from Steven Young."

The Subcommittee was of the unanimous view the Council should make a financial contribution towards the strengthening and heritage retention work to preserve this significant heritage building.

The Chairman undertook to investigate a source of funds for this work through discussions with the Director of Finance and the heritage planners.

The Chairman reports:

As the heritage grant funds are almost fully committed over the next two years, the best approach for funding the project would be to make a loan from the heritage capital fund. This loan could be interest free and repayable after a certain period or on the sale of the building.

The Director of Finance is comfortable with this option.

Mr Angus Smith, Property Projects, Manager will consult the property owner on this option.

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**Subcommittee's
Recommendation:**

1. That the Council give consideration to the offer of the building owner for strengthening the building and the retention of the heritage features and to accept a heritage covenant in return for a financial contribution from the Council.
2. That the Subcommittee be given the power to negotiate an agreement with the owner up to a maximum of \$200,000.

CONSIDERED THIS 28TH DAY OF SEPTEMBER 2000

MAYOR