

9. PRODUCE MARKET – VARIATION OF LICENCE AGREEMENT

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The purpose of this report is to seek approval for a variation to the licence agreement between the Council and Christchurch Market Limited (CML) which currently operates a weekend produce market in the Checkers building opposite the Civic Offices in Tuam Street.

CONTEXT OF REPORT

Council officers have been working with CML for some time to establish a produce market within the city. It must be remembered that the produce market is a longstanding objective of the City Council and Mayoral Forum and therefore a lot of work has gone into establishing the market and working to ensure its continued success.

This matter was reported to the Council in September 2002 and it was resolved:

1. *That the Council consent to the utilisation of the Tuam Street car park including the Checkers building and land to the rear, for the purposes specified below, at weekends.*
2. *Finalise a licence agreement, including the fixing of rent, for the purposes of a produce market, car parking and similar activities.*
3. *That the Mayor and Mayoral Forum be requested to meet the interested parties.*

Since that time a formal licence agreement has been put in place which was in accordance with the terms and conditions set out in the report to the Central City Streets Subcommittee in October 2002.

On 18 January 2003 the market commenced operation at weekends.

In early April CML approached Council officers enquiring if it would be possible for CML to substitute Fridays for Sundays. After investigating and being satisfied about its feasibility in relation to the Council's weekday operations, officer level approval to amend the licence was given. It has subsequently been discovered that this is not a delegated matter and that a formal resolution of the Council is required.

EXECUTIVE SUMMARY

CML has been running a produce market at weekends within the Council Checkers building for approximately four months. The Sunday operation has not been successful, and the market requires two successful days of operation to make it a viable activity. CML is therefore seeking a variation to its existing licence agreement consenting to it opening the market on a Friday instead of Sunday.

RELEVANT CURRENT POLICY

Council officers do not have the delegated authority to vary this licence. The variation requires Council approval as the previous reports to the Council did not contemplate the market operating on Fridays.

A DESCRIPTION OF THE PROPOSAL

The original proposal received by CML was to operate a produce market from the Tuam Street car park on weekends. CML is now seeking a variation to this operation, which will allow it to open on Fridays instead of Sundays. It is intended to open the market on Fridays from 11am until 6pm although these hours may change depending on customer demand. However, CML would have access to the building from 9.30am. The Saturday operation would remain unchanged.

The intended opening will affect the Council's use of the building and building apron, which is currently used by the Parking Unit for the storage of Council vehicles and equipment. Council officers have been working through alternative ways in which Council operations can occur so that this market can go ahead on Fridays with minimal compromise to the Council's operation.

On Friday mornings Council vehicles, excluding the motorbikes, will be relocated to the Tuam Street public car park (although the majority of these vehicles will be in use most of the day). Motorbikes will be parked at the rear of the Checkers building adjacent to the market.

At the present time, pool vehicles access the pool parking area via the Tuam Street/Checkers building. This access point is to change for staff and does involve relocation of the barrier arm monitoring system to St Asaph Street where CML has already installed a gate for the market operation. The cycle lockup and pedestrian access to the building remains unaffected with this variation.

The current CML licence includes the Council pool vehicle parking area to the rear of the Checkers building. The proposed variation to the agreement does not include this area as it would be disruptive to the Council's normal weekday operations and would create logistical problems in terms of housing the pool vehicles. For this reason the licence fee will decrease by \$690 per annum.

ISSUES FOR CONSIDERATION

The request for Friday operation was received by Council officers in early April following which meetings were held and investigations carried out to work through the logistics.

Acceptable solutions/compromises have been found to enable Friday operation of the market to take place without undue interruption to Council activities. CML, with the support of the Central City Mayoral Forum, was keen to have Friday trading established in time for the "Heart of the City" Festival on 16-17 May and sought and obtained Council officers' consent to open the Friday prior to this festival (9 May) in case there were teething problems and issues which required resolution.

Since the market commenced operation some four months ago, it has been running successfully on Saturdays with consistently 25-30 stalls present. On Sundays, however, the market has struggled to attract stallholders even though CML has not been charging licence fees for that day. Continually the market has only attracted between 10-15 stalls, which makes this an unviable proposition. CML cannot continue to run on this basis and therefore it has investigated options, which will attract more stallholders. Friday is expected to prove more viable and would meet these objectives.

For the market to be a viable operation it needs to operate successfully two days per week with approximately 40 stalls each day. CML believe it will take 6 to 12 months to reach this sustainable level of operation.

CONCLUSION

The Central City Produce Market has been in operation for four months. The market is trading at an acceptable level on Saturdays, but the Sunday operation is not viable with limited stallholders, who are paying no licence fees, attracted to the market. CML has investigated other options to develop the market and believe that Friday opening is necessary to make it a viable operation. The alternative option of not approving this variation is likely to jeopardise the market's existence without affording it every opportunity to better establish itself. The Council and the Central City Mayoral Forum have previously identified the establishment of a successful central city produce market as a positive means of assisting central city revitalisation. However, the September 2002 resolution of the Council approving the market did limit it to weekend operation and legal advice now suggests that no officer delegation exists to extend the consent to weekdays.

Recommendation: That authority be delegated to the Property Manager to conclude negotiations to a variation to the licence agreement between Christchurch Market Limited and the Council, which provides for the market to operate on a Friday.