

6. LYTTTELTON PUBLIC BOATING FACILITIES

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The purpose of this report is to advise the Council of progress made in planning for the Lyttelton Public Boating Facilities and to obtain approval to proceed with detailed planning work and to complete a heads of agreement between the Council and Banks Peninsula District Council (BPDC) regarding the implementation of the proposed facilities.

BACKGROUND

Following the major storm which devastated the Lyttelton Marina in 2000 the Council appointed a subcommittee to "investigate and report back with recommendations on the provision of public boating facilities at Magazine Bay in Lyttelton Harbour". The subcommittee was re-established in December 2001 "to consider options and make a recommendation to the Strategy and Finance Committee on issues relating to any Council involvement in the provision of marina and public boat launching an associated facilities at Lyttelton".

The Council engaged independent consultants Ove-Arup to advise on all aspects of the work including the suitable design for a permanent breakwater and the public demand for boating facilities in the area. The report indicated that there were up to 40,000 water craft in the greater Christchurch area, ranging from board sailers to larger vessels which were potential users of the public facilities. The report also recognised that there were very limited boating facilities within the Christchurch area so there was a definite need for such facilities.

As a result the Council provided \$3m in its capital budget in 2002/03 and 2003/04 to provide the needed public boating facilities.

In the meantime the receiver continued to seek commercial interests to develop the yachting marina with a view to it being developed alongside the public facilities in a complementary way.

The subcommittee has met with BPDC on a number of occasions and been working co-operatively to agree a suitable design for the proposed facilities. At the same time various parties have shown interest in developing the marina alongside but no specific proposal has yet fully emerged.

As high level design work proceeded on the public facilities it became apparent that if a worthwhile facility was going to be developed that additional capital funds would be needed and BPDC made submissions to the 2004/05 LTCCP process seeking a further \$2.9m. The Council supported this submission and at its meeting on 30 June 2004 resolved:

"That an additional \$2.9M be added to the budget in 2006/07 subject to:

- (a) Before these funds are committed, a full report being prepared, setting out the detailed plans and financial arrangements with Banks Peninsula District Council; the report to be submitted to the December 2004 Council meeting.*
- (b) The Banks Peninsula District Council agreeing to share the benefits of any commercial land sales arising out of the development."*

PUBLIC GOOD FACILITIES

The subcommittee has met several times with BPDC and City Solutions have produced a draft design for the site and public boating facilities. A broad outline of the design is attached as Appendix 1.

BPDC has discussed the design (and design layout options) with stakeholders and the community. Various options have been considered for use of the site. The proposed design is considered the best option, but recognises that some current users of the site will be constrained in the future in order to allow an improved site use for the public.

The public good components that will be delivered include:

- Clearance of the site
- Ramp refurbishment and extension to six lanes
- Floating pontoon protection
- Sufficient area for boat queuing – in the water in front of the ramp
- Sufficient area for boat queuing – on land – traffic management
- Boat trailer parking area
- Partial improvement to road access and lighting
- Windsurfer/car parking area
- Windsurfer/dinghy rigging and launching area
- Public toilet facility
- Landscaping
- Boat wash pad

The total cost estimated by City Solutions for this work is \$5.87m which matches the funds now allocated in the budget by the Council. BPDC will be providing the land and facilitating the separation into public ownership the site needed for the public facilities.

In accordance with the need for this Council to fund this as a capital work it has been agreed by BPDC that assets worth the \$5.9m allocated by CCC to this project will be held in the name of this Council. The exact means by which this is achieved has still to be finalised in detail but could be either the transfer of some land (currently in private ownership) into the name of CCC, the built assets being subject to a long term lease to CCC or a combination of these options. The detail of this will be determined following the completion of public consultation by BPDC.

MARINA AND COMMERCIAL FACILITIES

It is recognised that there is still a need for a marina and associated commercial development in this area to service the needs of the larger yachts. This Council has always indicated that it would only provide for public boating facilities but would do so in a way which would enable a private developer to complete the commercial marina development. Unfortunately the full \$5.9m is required for a public facility and so there is no ability to contribute directly to the breakwater for the marina. However the initial design work has been undertaken in such a way that it provides for:

- Land areas set aside for commercial development
- Land areas for boat repair/storage
- The water basin for a commercial marina including the breakwater.
- Relocation of the club rooms and Coast Guard rooms

The development and provision of these latter facilities will need to be undertaken by a private developer, arranged by BPDC. However, the design concept which has been developed, specifically allows for sufficient areas for a private development to have the flexibility to develop land based uses which are complementary to the marina itself. It is intended that the assignment of rights to these areas will be made subject to the private developer also undertaking the development and operation of a marina. However, this is a matter for BPDC.

The Heads of agreement (see below) will provide an undertaking that should BPDC sell or lease any of this land then it will share 50% of the net proceeds with CCC up to a maximum of \$2.9m, which is in accordance with the caveat put on the making available of the \$2.9m additional funds.

OPERATIONAL ISSUES

It is proposed that the operation of the public boat facilities be in the form of a joint venture between the two Councils with appropriate charges being made for use of the facilities. Initially this may involve some net cost being shared between the two Councils but in time it would be hoped that the direct costs of operations (excluding depreciation and capital servicing costs) would be self funding.

BPDC has asked that City Solutions be made available to assist in refining the design, managing the construction and assisting with any resource consent applications necessary to implement the design. The cost of this will be from the \$5.9m capital funds.

NEXT STEPS

The subcommittee has identified five phases for agreement and work:

1. The City Council approve the conceptual design attached and in general terms the Heads of Agreement with BPDC.
2. The detailed design of the public good facilities (including the intended use for the balance of the Magazine Bay site) will then be developed for BPDC to enable and take account of consultation with their community. This work will be undertaken by City Solutions as a first charge on the Council's budgeted funds and CCC will have opportunity to approve that design. There is an expressed preference for the public good facilities to be developed in conjunction with a commercial marina development.
3. Work will commence on cleaning up the site in preparation for the redevelopment funded from this Council's budget provision.
4. BPDC will continue work to obtain title to all the necessary land included in the reclaimed area.
5. The redevelopment works will commence in stages following BPDC consultation and final CCC approval of plans. CCC will then spend up to \$5.9m on public good capital assets on land owned by BPDC. The land of the public good will be under permanent Council/public good occupancy. The constructed public good improvements will be owned by CCC.

HEADS OF AGREEMENT

The subcommittee considers that the Council should enter into a heads of agreement with Banks Peninsula District Council to provide comfort to both parties regarding the intentions for developing public good facilities on the site. Some work has been done by the subcommittee which has identified the elements to be included in the Heads of Agreement and Appendix 2 (attached) sets out those elements, in brief.

It is important that such an agreement is reached so that BPDC can have some certainty before they go out for public consultation in the next few weeks and CCC can have certainty on the issues of principle before it starts to commit the funds provided in the budget for the capital project.

More work is needed with legal input and some negotiation before the exact detail of the Heads of Agreement can be finalised but the subcommittee recommends that the Director of Strategic Investment be authorised to approve the final detail so that the planning, cleanup and initial site works can be commenced in the next few weeks. Final detailed plans and arrangements will still come back to the Council for approval before the substantive work begins.

Staff

- Recommendation:**
1. That the conceptual design and general approach as set out in this report be approved in principle.
 2. That the draft terms of the Heads of Agreement set out in Appendix 2 be approved and the Director of Strategic Investments be authorised to make any amendments necessary and execute the agreement.
 3.
 - (a) That City Solutions be commissioned to assist in the planning, design and management of the construction of the public good area at the request of the Banks Peninsula District Council, including any resource consent processing, site cleanup and initial works.
 - (b) That these costs be met from the capital funding provided by the City Council.

Chair's

- Recommendation:** That the above recommendation be adopted.