



# **CHRISTCHURCH CITY COUNCIL AGENDA**

**THURSDAY 8 MARCH 2007**

**AT 9.30AM**

**IN THE COUNCIL CHAMBER, CIVIC OFFICES**

**Council:** The Mayor, Garry Moore (Chairperson).  
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox, Anna Crighton,  
Carole Evans, Pat Harrow, Bob Parker, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

<b>ITEM NO</b>	<b>DESCRIPTION</b>
1.	<b>APOLOGIES</b>
2.	<b>CONFIRMATION OF MINUTES - COUNCIL MEETINGS OF 23.2.2007 AND 1.3.2007</b>
3.	<b>DEPUTATIONS BY APPOINTMENT</b>
4.	<b>PRESENTATION OF PETITIONS</b>
5.	<b>CORRESPONDENCE</b>
6.	<b>LOCAL GOVERNMENT RATES INQUIRY</b>
7.	<b>LTCCP MONITORING REPORT AS AT 31 JANUARY 2007</b>
8.	<b>JADE STADIUM REDEVELOPMENT; COUNCIL SUPPORT</b>
9.	<b>PROPOSED NATIONAL ENVIRONMENTAL STANDARD FOR WATER MEASURING DEVICES</b>
10.	<b>REPORT OF THE CANTERBURY CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE</b>
11.	<b>NOTICES OF MOTION</b>
12.	<b>QUESTIONS</b>
13.	<b>RESOLUTION TO EXCLUDE THE PUBLIC</b>

1. **APOLOGIES**
  
2. **CONFIRMATION OF MINUTES**
  - (a) **EXTRAORDINARY COUNCIL MEETING OF 23.2.2007 AND 27.2.2007**

Attached.
  
  - (b) **COUNCIL MEETING OF 1.3.2007**

Attached.
  
3. **DEPUTATIONS BY APPOINTMENT**
  
4. **PRESENTATION OF PETITIONS**
  
5. **CORRESPONDENCE**

**6. LOCAL GOVERNMENT RATES INQUIRY**

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services, DDI 941-8549
<b>Officer responsible:</b>	Democracy Services Manager
<b>Author:</b>	Max Robertson

**PURPOSE OF REPORT**

1. The purpose of this report is to seek the appointment of Christchurch City Council representatives to attend a meeting with the Independent Local Government Rates Inquiry Panel to be held in Christchurch on Thursday 22 March 2007.

**EXECUTIVE SUMMARY**

2. The Independent Local Government Rates Inquiry will hold a meeting in Christchurch with Councillors and senior Council management on Thursday 22 March 2007 at the Christchurch Convention Centre. The meeting will start at 9.30am and will run until 12.30pm. The meeting will be open to members of the public and the media as observers.
3. The Inquiry Panel, comprising David Shand (Chair), Christine Cheyne and Graeme Horsley, has extended an invitation for up to five representatives from the Christchurch City Council and management to attend the meeting.
4. The meeting is an opportunity for the Panel to meet with Councillors and Council management so as to:
  - Listen to Council views on key issues to be addressed by the Inquiry,
  - Obtain information to assist in its work.
5. Notes of the issues raised and comments made at the meeting will be recorded. While the Inquiry expects to receive formal submissions from many councils this submission process is separate from this meeting. Formal submissions close on 30 April 2007.
6. The meeting will commence with an introduction by the chair followed by a discussion around the main terms of reference and the key questions identified by the Panel. In view of time constraints, comments by the participants are expected to be brief.
7. A copy of the Inquiry background paper is attached to this report. This covers the consultation and submission process and identifies particular aspects of the terms of reference that the Inquiry would appreciate comment on.
8. The Inquiry Panel will also hold a public meeting at the same venue between 2pm and 4.30pm on the afternoon of 22 March 2007 to enable the Inquiry to listen to and question interested individuals and local organisations.
9. To permit the Council's representatives to attend the meeting with the Inquiry Panel on Thursday 22 March 2007, the Council meeting previously scheduled for the same date to consider the draft Annual Plan will now instead be held the following day, on Friday 23 March 2007.

**FINANCIAL AND LEGAL CONSIDERATIONS**

10. There are no direct financial or legal considerations relating to the subject of this report. However, it is important that this Council is represented at the meeting, as the Inquiry's eventual recommendations to central government could result in significant changes to the present legislation relating to local government funding.

**STAFF RECOMMENDATION**

It is recommended that the Council appoint up to two elected members, supported by the relevant staff, to represent the Council at the meeting with the Inquiry Panel to be held on Thursday 22 March 2007.

7. LTCCP MONITORING REPORT AS AT 31 JANUARY 2007

<b>General Manager responsible:</b>	General Manager Corporate Services, DDI 941-8540
<b>Officer responsible:</b>	General Manager Corporate Services
<b>Author:</b>	Roy Baker

**PURPOSE OF REPORT**

1. To update Council on the LTCCP performance (including financials) of the 2006/07 financial year.

**EXECUTIVE SUMMARY**

2. Attached are appendices showing:
  - LTCCP service delivery results as at 31 January 2007 (Appendix 1)
  - Financial Performance as at 31 January 2007 (Appendix 2)
  - Significant Capital Projects as at 31 January 2007 (Appendix 3).
3. This is the third monitoring report for the 2006/07 financial year. The next report will be on the results as at the end of March.

**Service Delivery Performance**

4. The January Horizon report (Appendix 1) is attached showing levels of service and capital project delivery.
5. Overall, Levels of Service are slightly down from previous months, but remain on track with 80% of LOS forecast to hit their service delivery target. Exceptions are listed in Appendix 1.
6. Overall, capital project performance stands at 70% of projects forecast to deliver to target. Exceptions are listed in Appendix 1.
7. Please note that the sections dealing with Forecast Finance measures the number of services and capital under/over and on budget. For details of the dollar impact, reference must be made to the Financials (Appendices 2 and 3).

**Financial Performance**

8. Overall we are still generally on track to deliver at both an operating and capital level.

**2006/07 Surplus**

9. With the shortfall in revenue (driven by lower parking revenue) and higher maintenance costs, our year end surplus (from a cash basis) is forecast to be \$2.5m worse than budget.

7 Cont'd

**Operating Costs**

10. Within the Streets and Transport activities, signs remain that contract costs will exceed budget significantly by year end (currently \$2.8m over budget). This activity is currently forecasting an overspend of \$6.6m. Three elements appear to be one-off costs - storm damage (primarily in the Banks Peninsula area) of \$1.350k, \$500k for power charges and \$300k dump fee costs. The latter two charges relate to expenditure that should have been accounted for last year.
11. Within the Solid Waste area, the negotiated META contract is producing savings helping to offset the above.
12. Total external costs are forecast to be \$2.8m over budget at year end.

**Revenue**

13. On-street parking fee income is currently behind budget by \$1.2m.
14. Vesting of assets are behind budget by \$4.6m, principally due to a timing issue. This is a non cash item. Development Contributions for reserves are ahead of budget, partly offset by contributions in other areas being behind. There is no rate impact as development contributions are reflected in the "surplus".
15. LTNZ subsidies are also behind budget by \$1.4m, which is largely an expenditure timing issue.
16. Currently there is a \$2.6m revenue shortfall forecast at year end.

**Capex**

17. Ocean Outfall: Is forecast to spend \$5.5m more than the 2006/07 budget, but we will be within the overall project budget.
18. Fifth and Sixth Digester: There is no change to the forecast to spend \$6.8m more than the 2006/07 budget, and we will still be within the overall project budget.
19. The Blenheim Road Deviation is forecast to spend \$1.7m more than the 2006/07 budget and is currently ahead of plan.
20. Strategic Land Purchases: These represent \$13.8m of our budget. The difficulty in identifying and securing appropriate land parcels was highlighted in the October report and the expected expenditure has been reduced to \$8.5m.
21. Overall we are forecasting to spend some \$174m (budget \$183m) this year which is our best performance for many years. Council should note that the "over" expenditure detailed above is offset by some \$16m worth of projects which are carried forward.

**STAFF RECOMMENDATION**

It is recommended that the Council receive the report.

**8. JADE STADIUM REDEVELOPMENT; COUNCIL SUPPORT**

<b>General Manager responsible:</b>	Roy Baker, General Manager Corporate Services, DDI 941-8540
<b>Officer responsible:</b>	Roy Baker
<b>Author:</b>	Roy Baker

**PURPOSE OF REPORT**

1. The purpose of this report is to consider the request from Vbase Ltd for Council support, and provision of funding facilities, for the redevelopment of Jade Stadium.

**EXECUTIVE SUMMARY**

2. The attached submission from Vbase, outlines the proposal for the next stage in the development of Jade Stadium.
3. The basis for the required upgrade is set out in detail in the attachment and was also discussed at the seminar with Councillors on 13 February 2007.
4. To recap, Jade Stadium and Christchurch are faced with the replacement issues surrounding the east side of Jade Stadium, with the existing stands being between 30 and 50 years old. It is fortunate that this replacement issue can be undertaken in the wider economic and social context that the Rugby World Cup 2011 provides.
5. The upgrade is estimated to cost in the order of \$60m of which \$40m can be funded by the business itself. Jade Stadium will, however, need to borrow the \$40m from the Council at commercial rates.
6. There currently is a \$20m funding gap that needs to be addressed and Council support is sought to actively work with Jade in securing funding from Central Government, the Lotteries Commission and other sources.
7. Vbase has indicated that resolution of the debt funding and current funding gap is required by 30 April 2007 for the project to proceed to the final design and tendering stages. The issue for the Council is that this matter would require an amendment to our LTCCP (refer legal section below) and therefore is a matter that the Council will need to consult upon. As such it is not until the Annual Plan/amended LTCCP consultation process has been completed and the Council has considered the matter in the light of the feedback, and until the Annual Plan/LTCCP is approved by the Council at its meeting on 28 June, that a definite commitment could be made.
8. The Council can, however, support the proposal in principle subject to the outcome of consultation resulting from the Annual Plan process.

**FINANCIAL AND LEGAL CONSIDERATIONS**

9. The submission seeks Council support in a number of ways and these are listed below:
  - Access to \$40m debt through the Council borrowing group at the normal margin above CCHL borrowing rate.
  - Work with Jade Stadium Ltd (JSL) to secure \$20m of other limited recourse, no interest funding from Central Government, and Lotteries Commission or other sources.
  - Provision of underwriting for the \$20m current funding shortfall so that the development can proceed as per the critical path leading up to the Rugby World Cup 2011.
  - Key partner support regarding the Canterbury Rugby Football Union (CRFU) and Canterbury Cricket Association (CCA).
  - Match allocation support.
  - Landscaping the surrounding area.
  - The Stadium Walk.
10. The \$60m upgrade, as set out, will have basically no impact upon rates. This is because with regards to the \$40m debt through Council borrowing, Council would have both a cost (being the money it borrowed from the market or CCHL and on-lent to Jade), and off-set by a revenue stream from Jade (being the interest it would pay on the \$40m we advanced them).

### 8. 3. 2007

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#### 8 Cont'd

11. As we anticipate the current \$20m funding gap to be met from Central Government, the Lotteries Commission or other sources, then there will be no financial and hence rating impact on Council. Please note, however, that should Council's underwrite be called upon for any shortfall of the \$20m, then there would be a rating impact. The projected cash flow requirements see \$4m of the \$20m being required for the 2007/08 year. Should the Council be required to contribute this amount, then the rate impact would be in the order of 0.1 per cent. Please note, however, as we do not anticipate this underwrite being exercised then no "provision" for this will be made in either the Annual Plan or the amended LTCCP.
12. With regards to the key partner support, and in particular the CRFU which is required to relocate from the current administrative headquarter premises as a result of the development, we are currently in discussions with both CRFU and Vbase regarding some options, which include the possibility of relocating CRFU administration and training headquarters and facilities to QEII Park. Such a move would strongly support and endorse the positioning of QEII as a regional (and potentially national) high performance training centre. However, it is too early to consider any firm options regarding this and, from a Council perspective, we would be looking to ensure that it was as rates neutral as possible. We expect to bring a separate proposal to Council in the near future with regard to CRFU and its relocation from Jade. We do not believe that this particular aspect of the submission from Vbase is either a prerequisite or determinate for Council to consider the \$60m upgrade request.
13. With regard to landscaping the surrounding area, and the Stadium Walk, while we do not have specific details or costings on these items, we believe that with reprioritisation of current work programmes in both these areas that we should be able to accommodate what substitution is needed within the existing budgets and therefore minimise any impact on rates.
14. The issue of Development Contribution levies on the redevelopment also needs to be recognised. The Stadium has some unique characteristics which suggest that a Private Development Agreement (PDA) would be an appropriate course of action. This is currently being explored with Jade consultants.
15. Some Development Contributions will be required if a redevelopment goes ahead. These cannot be confirmed at this time and no allowance for these has been made in the Jade proposal. The cost of these may, depending on their impact, need to be factored into any final financial support settled on by the Council.
16. Match allocation support revolves primarily around the Council supporting RWC 2011 as a New Zealand event while also maximising Christchurch's involvement and the economic benefits for Christchurch.

#### Legal

17. As indicated, the request for funding will effectively have no impact on rates (the \$40m being fully met by Jade and the \$20m shortfall covered by Central Government). However, agreeing to the Council borrowing group raising this level of funding is a decision that can only be made by the Council following adoption of the special consultative procedure. This is because the significance of the decision is such that it has to be provided for in the LTCCP.
18. It is intended that the proposal be included in the process that has already commenced for adoption of the Annual Plan which will also include amendments to the LTCCP. This process will be completed by 28 June 2007. Although the Council cannot commit itself to the Jade Stadium Redevelopment at this stage, it can indicate support in principle for the project including the Council's underwriting of the \$20m shortfall for which funding will be sought from Central Government.
19. As stated in the report from Vbase, it was decided some time ago that the Victory Park Board be wound up and the Board's assets transferred to the Council. Council staff are working with Vbase on the provisions of the Christchurch City Council (Lancaster Park) Land Vesting Bill that will go to Parliament. A report on this will come to the Council shortly. The process of getting the Bill passed will not restrict the Jade Redevelopment Project.

**STAFF RECOMMENDATIONS**

It is recommended that the Council:

- (a) Receive the report.
- (b) Support the further development of Jade Stadium as outlined.
- (c) Note that the funding requirements for the further development of Jade Stadium will require amendment of the LTCCP.
- (d) Support, in principle, the funding proposals identified by Vbase, subject to the outcome of the special consultative procedure.



## 9. PROPOSED NATIONAL ENVIRONMENTAL STANDARD FOR WATER MEASURING DEVICES

<b>General Manager responsible:</b>	General Manager City Environment, DDI 941-8656
<b>Officer responsible:</b>	Mark Christison, City Water and Waste Manager
<b>Author:</b>	Diane Shelander

### PURPOSE OF REPORT

1. The purpose of this report is to seek Council endorsement of a submission on the Ministry for the Environment's proposal for a national environmental standard for water measuring devices.

### EXECUTIVE SUMMARY

2. At the 15 February 2007 meeting, the Council considered a report on the proposed National Environmental Standard for Water Measuring Devices (NES). The Council resolved that Councillors Buck and Harrow work with staff and Environment Canterbury to revise the draft submission to reflect the Council's concerns regarding the likely financial implications for local authorities, and report back to the Council.
3. Following consultation with Environment Canterbury and Councillors Buck and Harrow, staff prepared a revised submission (Attachment 1).
4. After the 15 February Council meeting, staff requested that the Ministry for the Environment extend the deadline for submissions on the NES. An extension to 23 February was granted. In order to meet the 23 February deadline, staff provided a submission to the Ministry, advising them that while the submission had been reviewed by Councillors, it had not been formally endorsed by the Council.

### FINANCIAL IMPLICATIONS

5. As noted in the 15 February 2007 report, costs may be incurred by the Council in order to comply with the standard, which could include the purchase and installation of new water measuring devices where none are currently installed as well as replacement of existing non-conforming devices and calibration and maintenance of equipment. Because the Ministry has not yet completed a cost benefit analysis and the NES has not yet be drafted, the impacts to the Council are not fully known at this point.

### Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

6. Pending the final form of the NES, there may be costs to the Council which have not been included in the 2006-16 LTCCP budget.

### LEGAL CONSIDERATIONS

6. The Legal Services Unit has been consulted, and advised staff to make a submission on 23 February in order to meet the Ministry's extended deadline. They also advised that staff put this report to the Council as soon as possible for consideration and subsequent follow-up with the Ministry.

### Have you considered the legal implications of the issue under consideration?

7. As above.

### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Aligns with the LTCCP, page 60, strategic directions; page 62, goals and objectives; page 165, water supply.

### Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

9. As above.

**9 Cont'd**

**ALIGNMENT WITH STRATEGIES**

10. Aligns with the Water Supply Asset Management Plan.

**Do the recommendations align with the Council's strategies?**

11. Yes.

**CONSULTATION FULFILMENT**

12. Environment Canterbury was consulted.

**STAFF RECOMMENDATION**

It is recommended that the Council endorse Attachment 1 as the submission to the Ministry for the Environment on the proposed National Environmental Standard on Water Measuring Devices.

**10. REPORT OF THE CANTERBURY CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE**

Attached.

**11. NOTICES OF MOTION**

**12. QUESTIONS**

**13. RESOLUTION TO EXCLUDE THE PUBLIC**

Attached.