

**MINUTES OF AN EXTRAORDINARY MEETING OF THE CHRISTCHURCH CITY COUNCIL
HELD AT 3PM ON FRIDAY 23 FEBRUARY 2007 AND (MEANTIME HAVING BEEN ADJOURNED)
RECONVENED AT 8.30AM ON TUESDAY 27 FEBRUARY 2007**

PRESENT: 23 February 2007

The Mayor, Garry Moore (Chairperson).
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox,
Pat Harrow, Bob Parker, Gail Sheriff and Norm Withers.

27 February 2007

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

1. APOLOGIES

23 February 2007

Apologies for absence were received from Councillors Anna Crighton, Carole Evans, Bob Shearing and Sue Wells.

It was **resolved** that the apologies be accepted.

27 February 2007

An apology for absence was received from Councillor Carole Evans.

It was **resolved** that the apologies be accepted.

2. DEPUTATION

DEVELOPMENT CONTRIBUTIONS POLICY

Mr Tom Kain made submissions requesting the Council to:

1. Allow the Development Contributions Working Group further time to continue its investigations.
2. Continue with the existing charging regime.
3. Commission and complete an analysis into restructuring of Council operating activities into Council-controlled organisations.
4. Utilise existing, proven and generally accepted economic models for cost recovery in determining the best options for funding services and infrastructure.
5. Ensure that these complied with disciplines imposed by statute, including avoiding differential charging of consumers and allow entry of other service providers onto a level playing field.
6. Where an element of expenditure was appropriately funded by a financial contribution from a development, use an economic model based on incremental or marginal cost pricing principles.
7. Ensure there was a direct link between population growth and the service, utility or infrastructure to be funded.
8. Assess all proposed capital expenditure on a "with growth" and "without growth" basis so that new residents were not disproportionately levied for the growth component of any proposed expenditure.
9. Did not finalise any proposals until accurate information had been collected and analysed and the opportunity of instituting the sustainable operation and funding of infrastructure had been fully evaluated.

It was **resolved** that the submissions be considered in conjunction with the recommendations tabled at the present meeting regarding the amendment of the draft 2007 Development Contributions Policy.

3. DRAFT 2007 DEVELOPMENT CONTRIBUTIONS POLICY

Consideration was given to a tabled list of recommendations regarding possible amendments to the draft 2007 Development Contributions Policy, such recommendations being made in response to the issues to be reported back to the Council pursuant to resolutions previously adopted by the Council on 8 February 2007.

Following consideration of the recommendations, it was **resolved**:

1. That, where applicable, a small unit weighting for development contribution charges be applied where two or more residential units are located on a single site.
2. (i) That an interim city-wide reserves charge, using the household unit equivalent cost based approach be applied to the 2007 Development Contributions Policy.
(ii) That the proposed policy acknowledge the Council's commitment to:
 - (a) Further developing the application of the household unit equivalent cost based approach (by catchments) as part of the 2009 review of the Development Contributions Policy.
 - (b) Applying an appropriate household unit equivalent rate per catchment, in line with the outcomes of the Open Space Strategy and the Long-Term Council Community Plan.

(Note: Councillor Broughton recorded her vote against the adoption of the foregoing resolution.)
3. (i) That, on application for building consent, any undeveloped non-residential lots created prior to 1 July 2004 receive a credit of the greater of one household unit equivalent per lot for each activity or the number of household unit equivalents per activity calculated on the basis of an average gross floor area or impermeable surface area ratio for the zone multiplied by the non-residential land use equivalences for that zone and activity.
(ii) That, on application for subdivision, any undeveloped non-residential lots created prior to 1 July 2004 receive a credit of one household unit equivalent per lot per activity.
(iii) That undeveloped non-residential lots created from 1 July 2004 receive a credit for the greater of one household unit equivalent per lot or the household unit equivalents assessed under the original Development Contributions Policy 2006-16.
4. That, in addition to existing cost shares and capital contributions projects, past projects which have a growth element continue to be included and charged for through the Development Contributions Policy.
5. That the following charging regime apply for the former Banks Peninsula area:
 - Water and waste – extending the common city-wide charge to the Peninsula;
 - Transport – extending the common city-wide charge to the Peninsula;
 - Reserves - move to a cost-based approach, initially with a single city-wide charge but moving towards using local catchments;
 - Surface water management – a separate Peninsula catchment, (noting that there is no charge at this point, as there is no capital expenditure proposed in the current LTCCP).
6. That the information regarding the relative charges of adjoining Councils be received and that the Council work via the Urban Development Strategy to improve alignment among the policies of the three Councils.
7. That the Council:
 - (i) Recognise the significant increase in proposed development contribution charges and the likely impact on the market in the early years of implementation.

- (ii) Propose that the charges be phased in over three years as follows:

2007/08	33.33%
2008/09	66.67%
2009/10	100%

Provided that the transition shall not apply to reserve contributions.

(Note: Clause 7 of the resolution was **carried** on division no 1 by 7 votes to 3, the voting being as follows:

For (7): Councillors Condon, Corbett, Cox, Harrow, Parker, Sheriff and Withers.

Against (3): Councillors Broughton, Buck and the Mayor.)

8. That the working party be thanked for its work to date and that the working party be requested to continue advising the Council until an arrangement satisfactory to the Council for ongoing liaison with the development community can be reached.

4. **OMNIBUS REPORT: 2008/09 DRAFT ANNUAL PLAN AND AMENDED LONG-TERM COUNCIL COMMUNITY PLAN**

It was **resolved**:

- (a) That the report on inflation be noted.
- (b) That the remainder of the report be deferred, for reconsideration at a reconvened meeting to be held on Tuesday 27 February 2007.

5. **ADJOURNMENT OF MEETING (4.05PM)**

It was **resolved** that the meeting be adjourned, and reconvened at 8.30am on Tuesday 27 February 2007, to consider the omnibus report.

6. **OMNIBUS REPORT: 2008/09 DRAFT ANNUAL PLAN AND AMENDED LONG-TERM COUNCIL COMMUNITY PLAN (Cont'd)**

ONSTREET PARKING

It was **resolved** to note:

1. That based on the information provided, the following revenues had been budgeted for in the 2007/08 fiscal year:
 - Parking meter revenue of \$3,947,850 (\$300k up on the 05/06 budget) but \$1.9M (32%) less than the projected LTCCP budget)
 - Infringement fee revenue of \$2,501,680
 - Court recovery revenue of \$2,320,000
2. That the parking meter revenue figures shown were conservative, and would be reviewed as more information became available over the next few months.
3. That there were opportunities to work to increase compliance through marketing and enforcement, and that these would be explored by staff.
4. That a comprehensive report on parking in the central city would be submitted to the Council prior to 30 June 2007, addressing the issues raised by Councillor Cox at the meeting and the representations made previously by Mr Antony Gough.

HOSPITAL CAR PARK CHARGES

It was **resolved** to note that, subject to consultation with the Canterbury District Health Board, the charges for the hospital car park would increase from 1 July 2007, in line with other car parks and Council policy.

STREETS AND ROADING MAINTENANCE CONTRACTS

It was **resolved** that the Council:

- (a) Continue with restrictions on contractor discretionary work.
- (b) Request staff to review the KPIs in the LTCCP to determine if any levels of service were impacted for the draft Annual Plan, and then review the level of service for contracts if changes were made.
- (c) Request staff to report back on suitable action (including increased surveillance, enforcement and education) to reduce the volume of roadside litter.
- (d) Note that staff were conducting a contracting strategy review to address issues for the 2008/09 year.

KERB AND CHANNEL PROGRAMME

It was **resolved** that the Council:

- (a) Continue with the current programme of kerb and channel renewals as included in the LTCCP, but endeavour to bring forward kerb and channel projects that would provide the maximum subsidy level possible.
- (b) Undertake an in depth review of the total renewals programme as part of the Asset Management Plan update, to inform the next review of the LTCCP.

BANKS PENINSULA ISSUES

The Mayor moved *"That the Council address the shortfall by increasing rates by approximately 0.66%."* The motion was seconded by Councillor Condon.

Councillor Sheriff moved by way of amendment *"That the Council address the shortfall by introducing a special targeted rate in the original Banks Peninsula District area"*. The amendment was seconded by Councillor Buck and when put to the meeting was declared **lost**.

The motion moved by the Mayor and seconded by Councillor Condon was then put to the meeting and declared **carried**.

It was further **resolved** that staff be requested to report back to the Council on the possible utilisation of all or part of the \$4.2M currently budgeted for a new roadway for heavy traffic to access the port container area, to cover the cost of other Banks Peninsula capital works.

CEMETERY LAND PURCHASE

It was **resolved** that staff investigate the potential disposal of the Wigram Road block, with a view to using any funds generated for purchasing further cemetery land.

CENTRE OF EXCELLENCE

It was **resolved** that the Council allocate \$300,000 per year for five years (Centre of Excellence \$200,000 and Events \$100,000).

CAPITAL ENDOWMENT FUND AND ECONOMIC DEVELOPMENT INVESTIGATIONS

It was **resolved**:

- (a) That the 25% funding restriction for commitment of funds be removed.
- (b) That staff report back on the capital endowment fund and its operation.

EVENTS STRATEGY

Councillor Corbett moved *“That the Council allocate \$300,000 per annum to the Capital Economic Development Fund, with \$200,000 of the sum being utilised to attract significant concert events to Christchurch, and the remaining \$100,000 being allocated for the enhancement of Christchurch’s garden city image”*. The motion was seconded by Councillor Cox and when put to the meeting was declared **lost** on division no 1 by 6 votes to 7, the voting being as follows:

Against (7): Councillors Broughton, Buck, Condon, Crighton, Shearing, Withers and the Mayor.

For (6): Councillors Corbett, Cox, Harrow, Parker, Sheriff and Wells.

URBAN DEVELOPMENT STRATEGY

It was **resolved** that funding of \$200,000 be made available from the Economic Development Activity 2008, to undertake the UDS Strategic Economic Inputs Study.

(12.20pm Councillor Harrow retired)

VISITOR STRATEGY

Councillor Corbett moved:

“(a) That the Council approve funding of \$500,000 per annum for three years to support the domestic visitor campaign identified in the Proposed Visitor Strategy, provided that equal funding is matched by the Christchurch Visitor Industry sector.

(b) That the \$500,000 per annum funding comprise \$200,000 per annum drawn from the Capital Endowment Interest Fund in recognition of the economic benefit to the city of a vibrant domestic visitor market, and \$300,000 per annum from rates.”

The motion was seconded by Councillor Condon and when put to the meeting was declared **carried** on division no 2 by 8 votes to 4, the voting being as follows:

For (8): Councillors Condon, Corbett, Crighton, Parker, Shearing, Wells, Withers and the Mayor.

Against (4): Councillors Broughton, Buck, Cox and Sheriff.

PROPOSED AUSTRALIAN MARKETING CAMPAIGN

It was **resolved** that the Council approve funding of \$350,000 per annum for three years to support the establishment of an Australian marketing campaign for the city and region, provided that funding of \$350,000 per annum was matched by the Christchurch visitor industry and that Christchurch and Canterbury Tourism contributed a minimum of \$100,000 per annum.

(Note: Councillor Parker recorded his vote against this resolution.)

CCHL DIVIDEND

It was **resolved**:

(a) That, as a shareholder, the Council request CCHL to increase the Council’s dividend income by a minimum of \$2M per annum.

(b) That staff incorporate provision in the draft Annual Plan for an additional \$2M of dividend income from CCHL.

(Note: As directors of CCHL, the Mayor and Councillors Condon, Corbett and Wells declared an interest in this item, and retired from the discussion and voting thereon, when Councillor Cox temporarily assumed the chair.)

DEPRECIATION

It was **resolved** to note:

- (a) That the revaluation of the streets and water assets was estimated to increase depreciation charges by \$4M more than budgeted.
- (b) That, as it was unclear whether or not the trend for revaluation would continue to exceed the Council's budgeted depreciation provisions, which were based upon the BERL estimates, the Council fully account for the increase but not rate for the increase for 2007/08.
- (c) That if the trend for revaluation continued above the present forecasts in the 2008/09 year, or did not from a cumulative perspective approximate the Council's budget provisions for 2007/08 and 2008/09, then the Council review its assumptions for this cost element, noting that it was likely that the 2008/09 rates would need to rise to accommodate the necessary catchup.

CHRISTCHURCH CATHEDRAL

It was **resolved** to note:

- (a) That staff had received an application from Christchurch Cathedral seeking a grant of \$1.1M for the electrical upgrading project for the Cathedral.
- (b) That the Emergency Capital Fund had previously been identified as a possible funding source for this work, which, if used would impact rates by 0.04%.

JADE STADIUM UPGRADE

It was **resolved** to note that a report on the proposed upgrading of Jade Stadium would be submitted to the Council shortly, and that if approved by the Council, provision would need to be included in the Annual Plan/Amended LTCCP.

(Note: Councillor Cox declared an interest in this item, and retired from the discussion and voting thereon.)

DEVELOPMENT CONTRIBUTIONS PROGRAMME AND CAPITAL PROGRAMME

It was **resolved** that the Council defer consideration and review of its remaining eight year capital programme until the 2009/19 LTCCP.

ADOPTION OF DRAFT ANNUAL PLAN

It was **resolved** that the Council meeting to consider and adopt the draft 2007/08 Annual Plan and amended LTCCP be held commencing at 9.30am on Friday 23 March 2007 (rather than the previously scheduled date of 15 March) to enable staff to give effect to the foregoing resolutions, and the Council's decisions relating to the Development Contributions Policy.

7. CONCLUSION

The reconvened meeting concluded at 12.45pm.

CONFIRMED THIS 8TH DAY OF MARCH 2007

MAYOR