

11. HERITAGE INCENTIVE GRANT GREATER THAN \$100,000

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PURPOSE OF REPORT

1. The purpose of this report is to seek approval from the Council for a Heritage Incentive Grant for the Riccarton Racecourse Tea House to the Trustees of the Christchurch Racecourse.

EXECUTIVE SUMMARY

2. The Riccarton Tea House was constructed at Riccarton Racecourse in 1903 as an ornamental recreational building, in its own distinct setting, west of the grandstand and is the only remaining building of this era and type in New Zealand. The Tea House has been subject to some modification over the years and was in a state of considerable disrepair. However, the primary architectural form and features of this significant and unique heritage building still remained. The Riccarton Park Restoration Charitable Trust was set up to ensure the retention and restoration of this important heritage property. The building is situated on land owned by the Trustees of the Christchurch Racecourse (incorporated under the Christchurch Racecourse Reserve Act 1878). This building has a City Plan Group 3 listing and a Historic Places Trust Category 2 Classification. See **Attachment 1** for details of the building and a Heritage Assessment.
3. On 14 November 2006 the Heritage Covenant Officer Subcommittee, under previous delegated authority, approved an application for a \$50,000 grant by the Riccarton Teahouse Trust. The original heritage-related costs were estimated at \$285,858 and are set out in Table 1. The \$50,000 grant therefore represented 17.5% of the then proposed restoration costs. This grant has been paid. A full conservation covenant was agreed at this time with the Trust.
4. The Trust has requested that a revised grant application be considered by the Council as the total heritage-related costs have increased to \$407,858. These costs are made up of the original costs (see Table 1) and unforeseen additional costs including asbestos removal, deteriorated timber, reinstatement of the veranda extension, fire protection upgrade all as detailed in Table 2 of this report.
5. Consideration of unforeseen works is provided for under the Council's Heritage Incentive Grants Policy, paragraph 6 of the Terms and Conditions – Extent of Work Underestimated: *“In some instances the full extent of the conservation and maintenance work is greater than anticipated. In such cases a further scope of work should be agreed and a revised Grant application submitted for consideration.”*
6. The policy also provides for retrospective approval at the discretion of Council, paragraph 5 of the Terms and Conditions – Retrospective Grant Approvals: *Where works have been undertaken without consultation with Council with regard to a grant application and where there has been no prior written agreement as to the scope of works applicable to the project for consideration of a grant, then no grant application will be accepted for the work other than at the specific discretion of the Heritage Grants and Covenants Committee, or the Council, having regard to any special circumstances which may apply.*
7. The current incentive grant request is retrospective but does reflect these special circumstances and may be considered for approval under the Grants Policy. The request represents a 12.5 per cent 'top up' grant request of \$35,760, based on the original \$285,858 estimate, and a further request for additional funding for unforeseen works of \$36,600 based on the additional \$122,000 of works identified.
8. Overall a further grant amount of \$72,360 (see Table 3) has been assessed by Council staff as being allowable within the Council's Heritage Incentive Grants Policy, based on the total amount of the Heritage-related costs calculated as per the Policy. The grant quantum recommended amounts to 30 per cent of total heritage-related costs. Tables of the original and additional works costs are shown below.

9. The Council's Heritage Grants and Covenants Committee has delegated authority to approve grants of up to \$100,000. Grants in excess of this amount therefore require Council approval.
10. As the proposed further grant of \$72,360 (\$35,760 + \$36,600) would take the total grant in relation to the Riccarton Tea House to \$122,360 (of which \$50,000 has already been approved and paid) Council approval is required. The special heritage qualities of the Tea House, the extent of previously unforeseen costs and the previous limited grant request of \$50,000, would justify consideration of the proposed retrospective re-assessment for grant approval.

Costs for the Riccarton Racecourse Tea House

11. Table 1 details the agreed cost of the original scope of works. Table 2 details the additional works which have become evident as a consequence of the project works being undertaken and Table 3 details the recommended additional grant.

**TABLE 1
Riccarton Tea House – Original Costings**

STAGE I EXTERIOR CONSERVATION		
Demolition		\$7,875.00
Work Below Ground Floor Level		\$8,034.00
Walls		\$15,249.00
External Windows and Doors		\$40,850.00
Roof and associated costs		\$49,964.00
Fire Services		\$19,910.00
Painting		\$17,920.00
	Sub-Total	\$159,802.00
STAGE II INTERIOR CONSERVATION		
Internal walls repair		\$1,500.00
Ceilings restoration		\$13,794.00
Fire Protection		\$20,530.00
	Sub-Total	\$35,825.00
STAGE III INTERIOR CONSERVATION		
Doors		\$7,820.00
Finishes		\$13,845.00
Electrical (1/2 costs)		\$22,626.00
	Sub-Total	\$44,291.00
STAGE IV SECURITY		
Security System		\$3,000.00
	Sub-Total	\$3,000.00
STAGE V - FLOOR		
Floor tiling restoration		\$33,940.00
	Sub-Total	\$33,940.00
Site works		
Site and moat restored to the original as per the 1900's - partial		\$9,000.00
	Sub-Total	\$9,000.00
Total (original) conservation works		\$285,858.00
Original grant request of \$50,000 is 17.5% of the conservation and maintenance works.		
Assessment under the current Grants Policy (30%) \$85,760		
Additional re-assessed grant approval \$36,600 – (retrospective approval)		

TABLE 2
Riccarton Tea House – additional costs – (retrospective approval)

Item	Reason	Cost
Asbestos removal	Unknown asbestos discovery in boiler area – cost is related to professional removal and disposal	\$ 9,000.00
Borer treatment	To treat original material which was sound but infested – allowed the ability to retain the original fabric	\$ 2,000.00
Remove and replace rotten timber	This has been a major overrun particularly due to water damage in internal walls. The rear section had a greater degree of rotten timbers than able to be ascertained on the original inspection	\$50,000.00
Extend veranda west	During the initial preparation work the original form of the veranda was discovered inside a later addition on the western end. Following discussion with the HPT and CCC the decision was made to reinstate this as it was an original feature.	\$ 5,000.00
Drainage upgrade	Overrun of cost associated with connection of drainage to the main system. This is significantly important to the protection of the Heritage fabric.	\$ 9,000
Upgrade fire protection	Specialist Fire report - Sprinkler and fire alarm system to meet current building compliance for public building	\$42,000.00
Jockeys' Training Room	Extra cost associated with the work to this area to retain it within the original building mainly due to replacement of rotten timber.	\$ 5,000.00
	Total cost of additional Heritage-related works	\$122,000

TABLE 3

Additional Grant recommended
Value of the reassessed conservation and maintenance costs including assessment of additional costs \$407,858
Total grant entitlement under Council Policy is \$122,360 , which is 30% of total Heritage-related costs. (\$50,000 of this amount has already been paid)
The outstanding grant for approval is \$72,360 .

FINANCIAL IMPLICATIONS

12. Heritage Grants are budgeted for on an annual basis via the LTCCP. Larger heritage renovation projects may cover more than one financial period. For these projects it is important that the recipient has confirmation that Council support will be provided for the length of the project before commencement. The 2007/08 budget, including carry-forwards was \$1,123,243. The additional grant request which is the subject of this report can be accommodated within the current budget.

	07/08
Annual Budget	\$595,000
Carried Forward from Previous year	\$528,243
Total 2007/08 Budget including carry-forwards	\$1,123,243
Grants paid during the year to 30 April 2008	\$309,562
Grants Approved Waiting Up-lifting	\$666,113
Available Funds	\$147,568

If the recommended grant of \$72,360 is approved, the available funds for 2007/08 will be \$75,208

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

13. Yes. The Heritage Incentive Grant budget is an annual fund provided for in the 2006-16 LTCCP.

LEGAL CONSIDERATIONS

14. The Council's Heritage and Grants Committee has delegated authority as follows:

“The power to approve individual heritage grants to owners of heritage buildings, places or objects listed in the City Plan or the Banks Peninsula District Plan of up to \$100,000, on such terms and conditions as provided by the Council's heritage grant policies, provided that:

- (a) applications for such grants in excess of \$100,000 be referred to the Council for approval, or otherwise.”

15. Heritage Incentive Grants in excess of \$100,000 therefore require the approval of the Council.
16. A Full Conservation Covenant is required under the Heritage Conservation Policy for properties receiving Heritage Incentive Grants of \$50,000 or more. In this instance it will be necessary for the covenant to be registered on the Personal Property Securities Register because the land on which the Riccarton Tea House is located is legally a reserve under the Reserves Act vested in the Trustees of the Christchurch Racecourse. The form of the covenant to be entered into by the Trustees of the Christchurch Racecourse was approved under previous delegations existing prior to the establishment of the Council Heritage Grants and Covenants Committee by the Heritage Covenant Officer Subcommittee at its meeting of 12 February 2008. This covenant will be registered prior to the payment of the additional grant (if approved).

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

17. Yes, see above. There are no further legal implications with regard to this grant.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

18. Heritage protection is aligned to the Community Outcome ‘An Attractive and Well-designed City’. This provides for, among other things, ensuring “*our lifestyles and heritage are enhanced by our urban environment*”. The success measure is that “out lifestyles and heritage are enhanced by our urban environment”. Heritage Incentive Grants contribute towards the number of protected heritage buildings, sites and objects, which is the measure of the outcome.
19. One of the objectives under the Strategic Direction Strong Communities provides for “protecting and promoting the heritage character and history of the city” (Goal 7, Objective 4).
20. City Development Activities and Services aims to help improve Christchurch's urban environment among other things. One activity under City Development provides for Heritage Protection, whereby Council provides “leadership, advocacy, resources, grants and conservation covenants to conserve and rehabilitate heritage items”. One of Council's contributions is to ensure the city's heritage is protected for future generations. The Council provides information, advice and funding for city heritage and heritage conservation, and will be expected to continue to do so, as part of its objective to retain heritage items.

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

21. Yes.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

22. Alignment of the requirement for Heritage Incentive Grants and Conservation Covenants stems from the Heritage Conservation Policy which in turn is relevant to:

Greater Christchurch Urban Development Strategy (UDS)

Heritage development projects provide opportunities for increased commercial and residential activity in the city while at the same time enhancing the heritage townscape. The UDS considers heritage as an integral part of Christchurch and an aspect of growth management provided for is through the protection, maintenance and enhancement of heritage.

Christchurch City Plan

Heritage redevelopment projects are consistent with the Heritage provisions of the City Plan: Volume 2, Section 4, City Identity, Objective 4.3 Heritage Protection provides for objectives and policies in relation to Heritage protection. It recognises that Christchurch is a cultural and tourist centre, a role mainly dependent on its architectural, historic and scenic attractions. Much of its distinctive character is derived from buildings, natural features, other places and objects which have over time, become an accepted part of the cityscape and valued feature of the city's identity. Protection of heritage places includes cultural, architectural, ... areas of character, intrinsic or amenity value, visual appeal or of special significance to the Tangata Whenua, for spiritual, cultural or historical reasons. This protection may extend to include land around that place or feature to ensure its protection and reasonable enjoyment. A heritage item may include land, sites, areas, buildings, monuments, objects, archaeological sites, sacred sites, landscape or ecological features in public or private ownership.

New Zealand Urban Design Protocol

Heritage redevelopment projects improve the quality and design of the urban environment by protecting the heritage of the city, which is stated in the Protocol as being an attribute of successful towns and cities. The retention of Heritage will contribute towards the implementation of the New Zealand Urban Design Protocol, to which the Council is a signatory.

Heritage Conservation Policies

Heritage Incentive Grants are provided for under the Heritage Incentive Grants Policy section of the Council's Heritage Conservation Policies. Heritage Conservation Policies align with Community Outcome "An attractive and Well-designed City" through the indicator "Number of heritage buildings, sites and objects.

Heritage Conservation Policies are also aligned with Council's Strategic Directions, Strong Communities Goal 7: *"Celebrate and promote Christchurch's identity, culture and diversity by protecting and promoting the heritage character and history of the city."* and Liveable City Goal 4 of: *"Maintain and enhance the quality of development, and renewal of the city's built environment by protecting Christchurch heritage buildings and neighbourhood character."*

The Heritage Grants Policy is aligned with the ICOMOS New Zealand Charter for the Conservation of Places of Cultural Heritage Value, of which the Christchurch City Council is a signatory.

CONSULTATION FULFILMENT

23. There is no requirement for community consultation for Heritage Incentive Grants.

THE OBJECTIVES

24. The objectives are to work in partnership with private investors for the betterment of Christchurch City at present and into the future. The Heritage Grants Scheme is an effective non-regulatory tool towards this end. Heritage is a significant factor in the tourism sector and one of the city's main income generators. It is in the city's interests to preserve its heritage for economic and social reasons; it is thus in its interests to protect its investment towards this end by approving the grant.

STAFF RECOMMENDATION

It is recommended that the Council approve a further Heritage Incentive Grant of \$72,360 to the Trustees of the Christchurch Racecourse in respect of the Riccarton Tea House.