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Corporate Plan Output: +	

The purpose of this report is to put forward a request from the building owner for the Council to consider purchasing the Civic of Canterbury, Manchester Street.

## INTRODUCTION

The owners of the heritage listed Civic of Canterbury (former Council offices / chambers) have approached the Council, seeking to dispose of the property to the Council.

## PROPERTY DESCRIPTION

The distinctive former Christchurch City Council Chambers in the central city, 198 Manchester Street, currently part used for a bar / restaurant, function centre and other uses and part vacant.

## Legal Description

The property is contained within two Certificates of Title:

1. Lot 2 DP 47658 a freehold title of 2684m<sup>2</sup>.
2. Principal unit Q on Unit Plan 47716, accessory Unit AUQ1. A strata estate in freehold within the meaning of the Unit Titles Act 1972. Essentially this portion of airspace above carparking and common property on the immediately adjacent property to the south.

## Zoning

Commercial 4 under the Transitional District Plan. Central city frame under the proposed Plan.

## Buildings

The original property was constructed around 1924 and comprises a total area of 2741m<sup>2</sup>. There are currently six tenants occupying approximately 23% of the building. Three of these are in occupation on a monthly basis with the remaining two having leases that expire in March 1999 (two months away). The remaining tenant (Boodles Café / Bar) has a lease that expires in March 2000. None the current tenancies could be classified as providing sound security.

## **HERITAGE SIGNIFICANCE OF THE CIVIC OF CANTERBURY, MANCHESTER STREET**

### **Heritage Listings**

The Civic of Canterbury, Manchester Street, is listed as a group 2 heritage building in the Proposed City Plan and the street facades and interior of the building are listed for their historical and architectural significance in Appendix J of the Transitional District Plan. The whole building is registered as a category II historic place under the Historic Places Act 1993.

### **Heritage Significance**

The building has heritage significance for a wide range of reasons, but principally its historical significance, architectural qualities and its streetscape values.

### **Historical Significance**

The building was erected to house Canterbury's jubilee exhibition in 1900, comprising two large halls - the Canterbury and the Alexandra - offices and exhibition space. After the 1900 exhibition the company which had been floated to erect the building had difficulty finding a new use for it. In 1917 a large part of it was leased for 10 years to a vaudeville company.

Unfortunately, very soon afterwards the building was burnt out. It stood as an empty shell for three years until, in 1920, the Christchurch City Council bought it as a solution to having outgrown its chambers on Oxford Terrace.

Behind the original facade the Council constructed municipal offices at the northern end (opened in 1924) and then, at the southern end, the Civic Theatre (opened in 1928). The building served as council offices for the next half century, but the theatre (used temporarily as a television studio in the mid 70s and by the Salvation Army) fell into disuse after the opening of the new town hall in 1972. It was demolished, amidst controversy, in 1983, though some of the plaster work was salvaged and incorporated in the remaining building.

The building therefore has historical significance as both the centre of Council administration of the City of Christchurch for over 50 years and for its associations with commemoration of the founding of the city. The facade of the original jubilee hall remains and a Centennial Room in the building (decorated c. 1940) is clad in panels of various New Zealand timbers and an aerial photo of c.1940 Christchurch. As we approach the 150th celebrations of the founding of Christchurch, the historical function of the building in commemorating the founding of the city takes on renewed importance.

## **Architectural Qualities**

Architecturally, the facade of the building is the finest example of Edwardian Baroque architecture in Christchurch, and it is arguably one of the finest in New Zealand. The facade was designed by Clarkson and Ballantyne, a notable Christchurch firm which also designed the ANZ Chambers (1908-12), High Street (group 2), and Antonio Hall Riccarton Road (group 3), among other listed buildings.

The interior we know today (which dates from the 1920s) was designed by Greenstreet and Anderson (and further 'improved' by the addition of plaster work from the demolished theatre). It is characterised by large spaces with impressive classical detailing and a symmetrical and ceremonial approach to planning. It is remarkably intact and contains some of the most impressive public spaces in Christchurch. Heritage fabric includes extensive timber panelling, an impressive and ceremonial Coromandel granite staircase, wrought iron balustrade, extensive use of decorative plasterwork and mouldings and some leadlights, notably a remarkable leadlight ceiling in the former Council Chamber.

## **Streetscape**

The location, size and architectural style of the building ensure that it makes a notable contribution to the aesthetic qualities of Manchester Street.

## **Heritage Summary**

In summary, the heritage significance of the building relates to:

- Its association with celebration of the founding of the city of Christchurch, via its construction as an exhibition hall to celebrate the 1900 jubilee and the historical associations of the Centennial Room with the 1950 centenary.
- Its civic importance as the offices of the Christchurch City Council for over half a century, and as one of three remaining listed buildings associated with the council administration. (The others are the Municipal Chambers, Oxford Terrace (group 2) and the current civic offices/ former Millers building (group 3)).
- Its importance as a notable work by Christchurch architects Clarkson and Ballantyne and Greenstreet and Anderson.
- The architectural and aesthetic qualities of both the interior and exterior.
- The contribution the facades make to the architectural character of Manchester Street.

As a final comment, Councillors will be aware of the Coachman building also listed in group 2 on the Proposed City Plan, and some comparison with that building may be helpful. Although the Coachman has considerable significance for the quality of its facade and as an important part of a precinct of heritage buildings, in our view the Civic of Canterbury possesses greater heritage values. It has special historical importance as an exhibition space commemorating the founding of Christchurch, and in the public administration of the city. The architectural quality of the interior greatly exceeds that of the Coachman.

## **BUILDING ASSESSMENT**

Messrs Smith, Richardson and Dally have inspected the building and its environs. We have been constrained by time in terms of carrying out a comprehensive assessment but note the following:

- The external walls appear to be brick and painted Oamaru stone. Considerable work is required to restore the natural beauty of the walls, estimated cost \$200,000.
- A casual inspection would indicate that the walls are structurally sound.
- Some securing work has been undertaken to the building. Full earthquake strengthening / fire protection / disabled access is required, estimated cost \$500,000.
- There is no sprinkler system.
- The carpets appear sound throughout.
- The boiler room section of the basement is flooded.
- Exterior window frames are of steel and require repair / repaint, estimated cost \$25,000.
- Internal spaces need refurbishment, estimated cost \$200,000.
- The building has a current W.O.F.

The building has been secured which in practice comprises minor structural works for the protection of people not property. This involved structurally tying some elements of the building together, strengthening single brick internal walls in the stairwells and other minor associated works.

Essentially the building is of reasonably sound structure providing minimum levels of earthquake protection for occupants. A change of use would require a full upgrade in this regard given the zoning, a change of use to apartments is likely to be the only one likely to cause any concern.

Upgrade work varies considerably between properties depending on the structure and level of upgrading. One of the major problems with the subject property would appear to be the fact that there are a lot of unreinforced single brick internal walls. These however can be easily removed or structurally strengthened.

A more detailed assessment of the building has been carried out by Rawlinsons Limited who confirm officers' observations and estimate upgrade costs at \$470,000 minimum (excluding strengthening). A copy of their report is laid on the table.

The strengthening costs vary greatly depending on the standard to be achieved. Full strengthening and upgrade has not been costed as it is not considered a commercially feasible option.

## **Summary**

Total estimated costs for refurbishment / painting / securing - \$470,000.

## **POSSIBLE FUTURE USE**

Because of its lack of functionality (for other than exhibition space), its location in Manchester Street, the high costs of setting up for traditional commercial use, and the surplus of good quality commercial space in the city, viable future uses for the building are limited.

In its current format the property is unlikely to be successfully tenanted if left in its current condition. In private sector ownership it is quite likely that the future of this property is for short-term, third-rate, marginally viable tenancies and the condition of property is only likely to deteriorate as such uses will be non-economic. This will eventually produce a situation where the most financially feasible option is demolition and sale or redevelopment of the land.

Because of the layout and interior configuration any alternative uses, i.e. apartments or office use will impact greatly upon the architectural features. In addition the location for such uses is not ideal with an abundant supply of far better located properties. The property could lend itself to an up-market bulk retailer. However, yet again this is not an ideal location.

Obviously the current owner and his representatives have been working hard for some time now in trying to add value with seemingly little success and this is a good indication of the market for this type of property.

## **Christchurch Symphony Orchestra**

The CSO are currently renting two premises – office accommodation in St Elmo Courts and rehearsal space in the old Cramner Centre. Total rent costs are \$30,000 pa plus GST and both leases may be terminated with one month's notice.

The CSO have inspected the Civic Of Canterbury and confirm that if sufficient space, suitably partitioned and decorated, is available to meet their needs they would seriously consider relocating, subject to costs being affordable, the central chamber being able to accommodate the full orchestra in terms of both space and acoustics, and no restrictions being imposed on individual or ensemble rehearsal times because of noise pollution interference.

## **Miscellaneous Tenants**

There appear to be five miscellaneous tenants currently occupying space on a fairly casual basis, being a small wholesale bakery, a computer systems company, a small commercial operation and two small residential flats. They are probably paying concessional rents.

A dance company and similar organisations rent space on a regular basis.

## **Permanent Tenants**

Boodles Café and Bar occupy the north west corner of the building. They have a lease for two years with four rights of renewal each for two years.

We are also advised that their lease has some exclusivity for café/bar services for the building.

## **Christchurch Environment Centre**

For about five years now, the Council has been considering the possibility of establishing a Christchurch Environment Centre. The purpose of such a facility would be to provide information for residents and visitors about the built and natural environment of the city including:

- Past, present and future environments of the city
- Current development, building and subdivisional projects
- A place where current issues can be debated.
- A display of special historical features and art works about the city.
- Storage of Council archives.

A central location close to public transport and car parking, accessible to residents and visitors and possibly utilising a heritage building would be desirable. Exhibition and display spaces, a meeting space and resource centre library totalling about 500-600 square metres, with friendly access to significant pedestrian areas is required. Capital costs would depend on whether space was leased or owned and fit out costs, but on-going operational costs would be at least \$150,000 per annum.

There have been past discussions as to whether such an Environment Centre should be at one end of the scale, a small community based group of two or three rooms or at the other, an attraction in its own right with proactive displays that would draw tourists. There was general agreement that it should develop from the community base and be rather modest in its beginnings but with scope for its to grow over time. It could also provide accommodation for a number of environmental groups including the existing Environmental Centre as well as a number of other community based groups. The Institute of Architects, for example, has often promoted the idea of a location where new building designs could be displayed (eg new art gallery) and debates about them take place before the building commences.

Likewise, new developments in the city would be on display. If the Committee agrees that the next year or two is the time to proceed with such a project, it will need to make budget provision in the next and succeeding years.

There is no doubt that public information / recreation / entertainment are the best future uses of the building which incidentally was designed as an exhibition hall.

A theatre for screening film with an environmental / heritage theme, interactive displays etc could be quite exciting. A lecture hall, some complimentary retail / office space all sounds possible.

The retention of a heritage building with good public use must also be good for the “mainstreeting” of Manchester Street.

## **FUNDING**

There is no budget provisions in the Annual Plan now or in the future for the purchase of this property. The Director of Finance’s comments are as follows:

*“I am concerned that the Council should exercise the utmost caution before entering into the purchase of this property. On the surface of it there is clearly work to be done before the building can be occupied and past experience shows that final costs in such exercises normally exceed those which are superficially assessed. Therefore not only will the purchase cost be required but also costs of at least \$470,000 and possibly more.*

*The proposed rental uses of the building are unlikely to produce a reasonable rate of return and both tenants are relatively closely associated with the Council. The Christchurch Symphony Orchestra’s financial situation is tenuous and while they can afford to pay an equivalent of the present level of rent, the potential exists for seeking a subsidised situation into the future rather than a pure commercial return. In addition, while there has been an aspiration to have a Christchurch Environment Centre there is no budgetary provision for this centre either as to the servicing of the rental on the property or the staffing of the centre. Effectively this use of the building will add an additional operating cost and output centre to the budget which has not received priority in Council’s budget deliberations on previous occasions.*

*There was no capital provision in the budget for the purchase of this property and as identified in the six-monthly review, there is a shortfall in budgeted receipts for the sale of other properties. Any purchase of this property effectively adds in the long term to the debt levels of the Council and while these can be maintained within manageable proportions, this is being achieved by smoothing of the capital budget over a longer time frame. The question has to be asked whether the investment in this property is of priority importance to the Council.*

**Recommendation:** That the information be received.

## **Chairman’s**

**Recommendation:** That officers monitor the situation and report back as required.