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The purpose of this report is to update the Council on the outcomes from the recent Mayoral initiatives on revitalising the Central City (ie that area within the four avenues), and to recommend a way forward for the Council. This report is also going to the Environment and Strategy and Resources Committees.

## INTRODUCTION

The Central City of Christchurch is the city's largest employment location, with some 31,000 jobs, and is the largest shopping centre with over 500 shops. Further, it has the greatest concentration of tourist accommodation, the biggest grouping of heritage buildings as well as being the centre of the city's entertainment and attractions. It is located at the centre of the city, well served by the traditional roading patterns and public transport. Over 95% of residents visit the Central City over a year, 56% once a week.

Nevertheless, since the 1950s, as the city has grown outwards with an increasing number of citizens living in the suburbs (now over 85%), the overall proportion of the city's activities taking place in the Central City has steadily declined. In retailing terms, this is now under 20% of total turnover. With continuing restructuring of business activity, office functions are continuing to change and a good deal of office space in the Central City is vacant (currently 17%).

Offsetting these trends has been the growing role of the Central City in tourism and the growth of financial sector employment. The total number of jobs in the Central City increased from 27,000 in 1991 to 31,000 in 1998. The Council itself has continued to invest heavily in the Central City, including improvements to public areas such as City Mall, Victoria Square, Worcester Boulevard and Cathedral Square, as well as the Town Hall, Convention Centre, a new Art Gallery, parking buildings and the new bus interchange.

However, the Central City will continue to be challenged by the outward growth of the City as most of its citizens seek suburban lifestyles. As suburban shopping centres continue to grow, they will pass thresholds where they can start to provide services that were previously provided by the Central City only. Central City retailing can find it difficult to compete with well-organised and promoted suburban centres with high standards of amenity. Employers continue to seek modern premises with drive to the door access, or large, single floor, spaces, which is difficult to provide in the Central City but easy in suburban locations.

The Central City, nevertheless, retains many strengths, as demonstrated by recent increases in people choosing to live in the "urban" city as against "suburban" suburbs (over 900 new residential units built since 1991), the continuing importance of tourism (six new hotels over recent years), the increasing value the community places on heritage, the emerging café society, and the rebuilding and renovation of the three department stores located in the Central City.

It is to capitalise on these trends, and to ensure that the Central City can meet the continuing and real challenges from the suburbs, that the Mayor recently initiated a number of discussions to see how the resources of the Council, business and the community can be better harnessed to these ends.

## **MAYORAL INITIATIVES**

A major focus of the Mayor's initiative is to bring more people to live in the Central City, and the figure of 20,000 more residents mentioned represents a significant increase in the current rate of residential development. An increase in inner city residents is considered a vital step towards its revitalisation. At a strategic level, more residents living within the Central City could reduce the amount and rate of change within inner residential areas, reduce the need for outward growth of the City, and lead to a more sustainable City form. At the 'street' level, more residents would add life and activity, improve security, support and stimulate business activity, and lead to improved use of major facilities and services. In terms of the existing physical infrastructure, residential activities could reuse heritage buildings and under-utilised/vacant buildings.

To further these ideas, and others, for the revitalisation of the Central City, the Mayor brought together a core group of interested stakeholders. This core group was made up of about twenty people representing the following interest groups: residents, developers, investors, businesses, visitors/tourists, retail, entertainment, education, cultural, and sports and recreation. Refer to Appendix I (attached) for the current list of core group members.

The Mayor then invited David Yencken to Christchurch to facilitate workshops on the Central City. David Yencken, as the State Secretary for Planning and Environment in Melbourne, led a major transformation of the central area of Melbourne, including initiatives such as the Southgate complex and the transformation of the city section of the Yarra. That strategy for revitalisation focused particularly on opportunities for new housing, public works, public transport and the upgrading of public space.

Two days of workshops were held in Christchurch on 30 and 31 July. The core group, plus around seventy others invited to represent the various interest groups listed above, attended the workshops at different times during the first day. David Yencken facilitated the discussions and shared some of his experiences with the groups.

The level of agreement between the different workshops, in terms of issues facing the Central City, was high with common themes being repeated throughout the sessions. The common outcomes at the strategic level were as follows:

- a strategic vision for the Central City is needed
- full community support of the vision is vital
- the vision must be implemented in an integrated and managed way
- clear and focused projects must be part of any revitalisation programme

Under these outcomes, the workshops identified the key areas that a vision should cover as follows:

- responding to major issues and forces of our times, eg changing economic basis, technology, environment, social, cultural/artistic
- bringing more people and institutions into the Central City
- enhancing the cultural life of the Central City
- making the Central City attractive to people, ie improving the physical environment and facilities
- making the Central City as accessible as possible while reducing the impact of motor vehicles
- celebrating and marketing the Central City

In turn, specific actions were identified under those key areas. A list of these is attached as Appendix II.

### **INTEGRATED MANAGEMENT OF THE CENTRAL CITY**

The City Council's Annual Plan for 1999 states that the 'Council is committed to ensuring the city centre remains the heart of the community'. It also recognises that a 'vibrant city centre benefits the local economy, employment and tourism'. This is reflected in the Council's strategic objectives, and in the service objectives for a number of Council Units.

The Proposed City Plan also recognises the uniqueness and importance of the Central City in its objectives and policies. It recognises the Central City's role as the principal focus for commercial, administrative, employment, cultural and tourism activities in the city. Specific objectives and policies address Central City urban form and amenity, transportation, community facilities, living environments and heritage. An issue that was identified at the workshop sessions was that of the effect of the expansion of suburban centres on the Central City. The Proposed City Plan's stance on the distribution of retailing has been weakened through the public hearings process, but this issue will be further addressed through the Environment Court appeal hearings to come. The Council will need to continue to use, and find new, non-regulatory methods to achieve Central City revitalisation.

There are also numerous Council policies and bylaws that give direction or govern the practical day-to-day functioning of the Central City, eg parking, buskers, signs, verandahs, outdoor seating, bus stops. The Council, of course, also manages the physical infrastructure, eg roads, refuse collection, services, cleaning, parking buildings.

In terms of the overall objectives, the Council has been, and is, involved with many projects aimed at maintaining and enhancing the Central City. A sample of some of those projects is as follows:

- public space enhancement, eg street tree planting, Cathedral Square, Victoria Square, Worcester Boulevard, High Street, Colombo Street, Oxford Terrace
- programme of events, entertainment and festivals
- tourist tram
- shuttle bus
- public bus interchange
- public carparking buildings
- City Centre marketing
- new convention centre
- support of museum renovation
- new art gallery
- inner city residential projects
- separate rating investigations
- one-stop consents process investigation
- art in public places
- urban design/urban form, eg compact and convenient, diverse, concentration of large scale building, pedestrian linkages, access, shape and form of buildings
- retention of character/heritage building redevelopment

Recommendations on matters affecting the Central City are currently split between all of the Standing Committees, depending on the issue, eg Environment Committee - the physical environment, urban design, bylaws, heritage; Resource Management Committee - City Plan policy and rules; City Services Committee - roading, traffic, parking, service delivery; Community Services Committee - housing, arts and cultural, employment; Strategy and Resources - City Centre Marketing; Projects and Property Committee - implementation of major projects in Central City; Parks and Recreation Committee - rivers and parks, which includes Victoria Square.

The Council, therefore, has long expressed commitment to the Central City, has objectives and mechanisms in place for its management, and is involved in numerous projects and addresses many issues in the Central City. It could, however, benefit from a more integrated management approach. Because of the way the objectives and projects are split between Committees and Units, they need to be consolidated into one overall vision/strategy document for the Central City, dealing with objectives for the following issues:

- a vibrant and prosperous economy
- enhanced culture, diversity and vitality
- increased housing with improved amenity and social liveability
- attractive physical quality and character
- increased innovation
- sustainability, enhanced environmental qualities

A draft strategic vision and charter prepared by Common Ground is attached as Appendix III. This could be used as a basis for a Council vision for the Central City.

It will be recalled that previous Councils found it necessary to set up working parties, subcommittees or full committees to ensure an integrated approach to the management of the Central City.

#### **IMPLEMENTATION OF A REVITALISATION PROGRAMME**

Many initiatives were suggested and discussed at the Mayoral workshops (see Appendix II). These projects could be, or are being, furthered by the Council or other agencies such as Christchurch and Canterbury Marketing or Canterbury Development Corporation. These bodies alone, however, will not be able to achieve many of the commercial initiatives, for example, the scale of residential activity sought in the Central City, without private sector support and input. It is vital that some formal structure for public/private partnership be established in order to achieve Central City revitalisation. Its success will depend on it.

A commercial agency working outside of Council would lend private sector independence and authority to the revitalisation programme. At the same time it would give focus and commercial drive to individual development projects. An independent agency would also be better placed to have an advocacy role on behalf of business, identifying any real impediments to development that is desired in the Central City.

#### **A COMMERCIAL AGENCY**

There are many public/private partnerships operating in central cities across the world, such as development corporations, public/private boards, private agencies with public funding, and building companies doing the actual physical work.

In Christchurch we have the Council, Christchurch and Canterbury Marketing and Canterbury Development Corporation involved in many of the issues identified at the workshop sessions. A new commercial agency should not duplicate these roles, but complement them. The objective of the agency would be to promote, facilitate and participate in development projects that will contribute to achieving the objective of Central City revitalisation.

This could be done by a Board in a variety of ways, by direct intervention through seed funding of development projects, by the facilitation of development projects through incentives and/or the provision of expert advice, by being an advocate for business with Council and other agencies, etc.

The brief for a Board should include the provision that completed projects progressed are to be fully operationally self-sufficient and not require on-going Council financial support.

As proposed in Appendix IV, the core activities of the Board relate to housing additional residents and commercial and industrial businesses in the Central City, and the development of associated amenities and support services to service the residents and provide on-going opportunities for business development and growth. The appointment of an appropriate Chairperson is critical to success.

It is important these expectations are clearly defined and that the Board selected has a mix of the broad range of commercial skills and vision to deliver on the plan and to structure projects and developments in a financially sound and cost-effective way. To be sustainable the developments need to be self-supporting and provide a return on investment that can be reinvested back into the Central City.

A commercially focused development company appears the best option at this stage, to be charged with the responsibility of working with the Council and other interested parties to provide accommodation for a wide variety of residents and businesses along with associated services within the four avenues.

A draft Statement of Corporate Intent (SCI), incorporating a development strategy, should be prepared by an Interim Board. The final Board would have the opportunity to review, and add to, the SCI and strategy before coming back to Council for final approval and adoption.

### **FUNDING**

The Board will, of course, need to be funded in terms of operational costs and depending on how it decides to meet the revitalisation objective. It will need to decide the most appropriate ways of meeting its objective, eg it could involve land acquisition, incentives, actual development projects, engagement of expert consultants, marketing and promotion.

A separate rate is one way of obtaining funding. That would involve levying a separate rate on Central City ratepayers, which could then be used to fund some initiatives. Another alternative is through a grant of capital from Council. The use of existing Council land holdings as a basis for new development projects could be another source of capital. As the strategy for the Board develops, the source/s of funding will be further assessed.

### **INTERIM PROJECTS**

In the meantime, before the Board is established, there are a number of development projects that have been identified as being stepping stones in the process of Central City revitalisation, eg inner city housing, establishment of a produce market, 'Gown to Town', student accommodation and ICAN.

It is important to continue work on these and James Lunday, of Common Ground, has been engaged to further them, recognising that some of them may become the responsibility of the Board once it is established.

## CONCLUSION

The Central City of Christchurch is facing challenges, and we must look at new ways to contribute to its revitalisation.

The recent Mayoral workshops identified that a community-supported vision for the Central City is needed. That vision must be implemented in an integrated and managed way. The workshops identified a number of projects and actions that will contribute to Central City revitalisation.

The Council and related agencies, such as Christchurch and Canterbury Marketing and Canterbury Development Corporation, could implement much of the vision, but it is considered that a Board would better achieve the independence, commercial focus and private sector support that is necessary.

The objective of the Board would be to promote and facilitate development projects that will achieve the objective of Central City revitalisation. They would work with the Council and other interested parties to provide accommodation for a wide variety of residents and businesses along with associated services within the four avenues.

Options for funding of the Board will be assessed in parallel with development of a strategy for the Board.

In the meantime, a number of projects aimed at the revitalisation of the Central City are proceeding, eg inner city housing, produce market, 'Gown to Town', student accommodation and ICAN.

- Recommendation:**
1. That Council endorse the concept of the establishment of a Board to undertake projects that revitalise the Central City.
  2. That an Interim Board be set up to progress the issue with the intention of establishing the Board on 1 July 2000.
  3. That a draft Statement of Corporate Intent for the Board, be prepared for approval by the Council.
  4. That the means of funding the Board be investigated and reported on by March 2000.
  5. That Council review its Central City land holdings, and request that the Council's trading companies do the same, with a view to assessing what contribution such holdings could make to Central City revitalisation.
  6. That the (Interim) Board report to the Strategy and Resources Committee.

**Chairman's**

**Recommendation:** That the officer's recommendation be adopted.