

2. **REPORT TO ANNUAL PLAN WORKING PARTY -
OXFORD TERRACE AMENITY IMPROVEMENTS**



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| Officer responsible City Streets Manager | Author Stephen Matheson, City Streets Manager |
| Corporate Plan Output: Major Amenity Improvements | |

The purpose of this report is to allow the Committee to determine if it wishes to proceed with further development of the river promenade on Oxford Terrace between Hereford Street and Victoria Square and if so how the works might be funded.

BACKGROUND

The Council has provided funding for work on Oxford Terrace in the 1999/2000 Annual Plan as follows:

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|---------------------------------------|----------------------|
| Hereford Street to Worcester Street | \$100,000 in 1999/00 |
| Worcester Street to Gloucester Street | \$155,000 in 2000/01 |

A report to the City Services Committee in October 1999 outlined that there was insufficient funding provided for the projects. The estimated cost of the work proposed between Hereford Street and Gloucester Street was \$570,000. The Committee resolved that the work be deferred until the priorities for all works in the CDB had been set.

These priorities were established at a seminar meeting in November 1999.

During the 2000/01 budget round meetings the City Services Committee resolved that these works be given a priority 3 and that they be deferred until 2005/06. The result of this is that they no longer appear in the 5-year program proposed in the 2000/01 budget.

SCHEME PLANS AND COSTS

Details of the scheme plans were provided in the October 1999 report, which is attached. The estimated costs for each section of the work is as follows

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|---------------------------------------|-----------|
| Hereford Street to Worcester Street | \$260,000 |
| Worcester Street to Gloucester Street | \$310,000 |
| Gloucester Street to Armagh Street | \$180,000 |

The proposal in the October 1999 report was that the section Hereford Street to Gloucester Street proceed as one project with the work spread over two financial years. The section Gloucester to Armagh could proceed at a much later date.

REVENUE

The work between Hereford Street and Gloucester Street has the potential to generate income from the hire of the widened footpath space to adjacent cafes. This income is estimated at between \$33,000 and \$45,000 per year. In addition there is an operational saving from the removal of two sets of traffic lights estimated at \$2,500 per year.

At present three cafes pay rentals of \$9,300 (total) for use of the footpath space on this section of Oxford Terrace.

FUNDING BY CAFÉ OWNERS

There has already been some widening of the footpath outside the Clarendon building. This work was done in 1998 at a cost of about \$18,000 and was funded by the café owners on the basis that they paid no rent for three years.

There has not been time to investigate if other property owners would be prepared to provide funding in a similar fashion. Indications are that a few are prepared to contribute something. However it is considered very unlikely that it would be possible to raise sufficient funds for the total project on this basis. Proceeding on a piecemeal basis is not desirable in such a high profile section of the city.

SUMMARY

If this project is to proceed then it will be necessary for the Council to provide funding for some and most likely the majority of the costs.

The revenue from the project is insufficient for it to be considered self-funding at current interest rates. However there would be a good revenue stream, unlike many other projects, and the project does assist the goals of the inner city promotion group in helping to provide for a more vibrant inner city.

From the City Streets Unit's perspective the asset is in good condition and there are only minor operational benefits from the work. However Oxford Terrace is an important amenity link between Cashel Mall, The Boulevard, and Victoria Square. It is well used by visitors to the city and it is desirable that the pedestrian nature of the street is enhanced.

Recommendation: That the information be received.

Chairman's

Recommendation: That footpath improvements in the blocks between Hereford Street and Gloucester Street be investigated on the basis that the cost would be fully recovered either by rents over a period or a direct capital contribution.