



10. HERITAGE REINSTATEMENT PROGRAMME – POSEIDON CAFÉ REPAIRS

General Manager responsible:	General Manager Corporate Services DDI 941-8528
Officer responsible:	Property Asset Manager
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PURPOSE OF REPORT

1. To seek approval to move forward with the post-earthquake permanent repair at Poseidon Café (also known as Beachcomber).



EXECUTIVE SUMMARY

2. Poseidon Café is a non-listed Heritage Building located on the Esplanade in Sumner. It is listed in the City Plan as a Group 3 building with heritage significance on the basis that the building was constructed over a historic wharf structure.
3. The building suffered minor damage as a result of the February earthquake and additional damage from the 13 June earthquake event. As a whole the building performed very well. It is designed and well constructed to modern techniques and there are no structural vulnerabilities.
4. Damage is typical of a weatherboard construction. There is some damage to the timber floor, plaster cracking to walls and ceilings in isolated locations and one of the timber piles has cracked.
5. The building is insured for \$449,678, the total repair budget is \$288,472 designed to 87 per cent of code.

GEOTECHNICAL SUMMARY AND ENGINEERING ASSESSMENT

6. A Geotechnical assessment was carried out on the site and noted tension racking within the paved areas surrounding the building, differential settlement of the building and in particular the paved area to the east of the building. This damage is a result of liquefaction and lateral spreading.
7. The Geotechnical recommendation is for replacement of, or additional foundations in the beach zone (northern half of the building). This recommendation has been incorporated within the design solution.
8. The Qualitative Assessment completed in September calculated the building's strength at 87 per cent NBS.

INSURANCE AND STRENGTHENING COSTS

9. Tim Stephenson (Loss Adjuster for Cunningham & Lindsey) has provided the following statement:

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"Based on the specification and scope, Insight has tendered a budget of \$288,472 for the reinstatement of earthquake-related damage, without consideration of any betterment or repair of uninsured damage. This budget estimate may fluctuate as repairs progress.

Insurers accept the specification and scope as a fair and accurate reflection of insured damage and can support reinstatement accordingly, noting asset-specific sums insured apply in every case."

10. Strengthening is not required on this building. The minor damage does not require a building consent. There are no immediate plans or recommendations to further increase the strength of this building above 87 per cent NBS.

FINANCIAL IMPLICATIONS

11. The total cost of the project to be funded by insurers is \$288,472. This is 64 per cent of the insured value of the building (\$449,678). This amount will repair the building to its pre-earthquake strength of 87 per cent.

BENEFIT OF REPAIR

12. The repaired asset will provide the Council with a revenue stream of approximately \$23,000 per annum.¹
13. It will allow continued use of the building as a café, restaurant and bar. This creates additional choice for a community who have lost a number of eateries as a result of earthquake damage.
14. It will help to reinvigorate the Sumner area, both in terms of tourism and local foot traffic to the area.
15. Council will be observed as supporting local businesses to get back up and running.

RISK OF DOING NOTHING

16. The community are unable to benefit from the iconic location and café facility.
17. Tension from the tenant and other local groups will increase as Council is perceived as doing nothing.
18. The area will continue to look derelict.

Do the Recommendations of this Report Align with LTCCP budgets?

19. No. The purpose of this report is to gain approval for permanent repair/reinstatement works on heritage buildings as per Council policy.

LEGAL CONSIDERATIONS

20. Not applicable.

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

21. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

22. No. The purpose of this report is to gain approval for permanent repair/reinstatement works on heritage buildings as per Council policy.

¹ Figure based on revenue pre-earthquakes.

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

23. As above.

ALIGNMENT WITH STRATEGIES

24. Yes. The purpose of this report supports the facilities rebuild strategy and assists with the rebuild of Christchurch.

Do the recommendations align with the Council's strategies?

25. Yes. Refer above.

CONSULTATION FULFILMENT

26. Not applicable. Communication and consultation will be a project workstream.

STAFF RECOMMENDATION

It is recommended that the Council approve the insurance reinstatement/repairs for the Poseidon Café to the value of \$288,472 to be funded by insurance proceeds.