



11. FACILITIES REBUILD PLAN – 245 MILTON STREET

<b>General Manager responsible:</b>	General Manager Corporate Services: DDI 941-8528
<b>Officer responsible:</b>	Strategic Property Analyst
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**PURPOSE OF REPORT**

1. To seek approval to demolish a functionally obsolete, derelict Council building at Milton Street yard to enable City Care to build a portable administration block, at their expense.

**EXECUTIVE SUMMARY**

2. City Care Limited (CCL) lease a property from the Council at 245 Milton Street, Sydenham. In the northwest corner of the CCL yard is a single storey building commonly known as ‘the stables’. It is believed to have been built in the 1930’s and is constructed of timber trusses with a corrugated iron roof supported on exterior load bearing walls. These walls are of unreinforced double brick cavity construction, with concrete bond beams, on concrete strip footings with a timber plank floor. The building was intermittently used for storage and was considered by CCL to be of limited use to them. The building was not in good condition prior to the earthquakes and had zero value attributed to it for insurance purposes.
3. Differential ground settlement is believed to have caused cracks to open up at intervals, in some places completely through the footings, walls and bond beams. The northern wing has an expansion joint in the walls within half its length, which has also opened up. The double brick cavity walls have sustained step cracking, along with cracks at the piers beside the doors and window openings. The joint at the original and extension has opened up the full height of the walls. The bond beam (or lintel) above the west face windows has cracked and opened up above the window openings. The junctions of the interior brick cross walls with the exterior walls show cracking as well as within the interior walls.
4. The building was red-stickered and the engineer’s report confirmed that the building suffered structural damage in the Canterbury earthquakes (September 2010 & February 2011) and in their view is not considered economic to repair or upgrade to current code. The engineer’s recommendation is that the building be demolished.
5. CCL is on a significant growth path to meet the requirements of SCIRT as well as the other earthquake-related construction work around Canterbury. Overall CCL is planning to double its workforce over the next 12 months. CCL thinks this is achievable at the Milton Street site if it can better utilise existing buildings and the site and put in place some additional office space. One of the key issues for CCL is balancing parking, storage and office space,
6. CCL is at a critical decision point with regard to its decision to stay on Milton Street or move to alternate premises. Its preference is to stay at Milton Street and better utilise the site to achieve its accommodation needs. CCL would like to demolish, at its cost, the badly damaged and structurally unsafe ‘stables’ building and to replace this with a large relocatable building on the same site, also at its cost. This would provide office space for around 40 people, meeting CCL’s need for the foreseeable future. The new facility is estimated to cost CCL approximately \$250,000.
7. The ‘stables’ building was, even prior to the earthquakes, considered by Council staff to be functionally obsolete and beyond economic repair, added minimal rental revenue and had already been removed from the list of buildings insured by Council. The building is not a listed heritage building. HPT advise the site is unlikely to contain heritage remains but this needs to be monitored during the demolition and excavation works. The proposed demolition and construction would be halted if any potential heritage items were observed and HPT consulted as required.
8. Council staff are currently completing a rental valuation to support the renegotiation of the lease with CCL for the property as a whole. The ability for CCL to address their staff accommodation needs is seen as critical to the success of these lease negotiations.

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**FINANCIAL IMPLICATIONS**

9. The cost of demolition is covered by CCL.

**Do the Recommendations of this Report Align with LTCCP budgets?**

10. No. The demolition of this facility was not contemplated within the 2009 – 19 LTCCP. .

**LEGAL CONSIDERATIONS**

11. Not applicable.

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

12. As above.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

13. Not applicable.

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

14. Not applicable.

**ALIGNMENT WITH STRATEGIES**

15. Not applicable

**Do the recommendations align with the Council's strategies?**

16. As above.

**CONSULTATION FULFILMENT**

17. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Approve the demolition of the building known as 'the stables' at 245 Milton Street, Sydenham.
- (b) Give permission to CCL constructing a relocatable building, subject to documentation of this arrangement within the new lease currently being negotiated.
- (c) Delegate to the Corporate Support Manager the ability to renegotiate the lease with CCL for the property as a whole.

