

CHRISTCHURCH CITY COUNCIL LTCC PLAN SUBMISSION

16 April 2009

From: Antony T. Gough
Chairman Hereford Holdings Limited – major central city property owners

Chairman CCBA – Central City Businesses Association

Executive Member of NZ Property Council

Request To Discuss My Submission

I request time to present and discuss my submission

Submission:

1 Central City Tram Extension

We fully support both stage one and stage two of the proposed Tram extension at a total budgeted cost of \$11.5 million over the next five years. The Tram has become an icon for Christchurch and tourism but unfortunately tourists who travel on it see less than half our central city and often miss our primary central city shopping precinct City Mall and the world class café areas of Oxford Terrace, The Terrace, and SOL Square off Lichfield Street.

At present the Tram is principally used by visitors but with a large network it is more likely to become an integral part of Christchurch residents' transport options.

2 Finishing City Mall

We fully support the extra \$5.8 million to fund the completion of the City Mall redevelopment. This is a major part of our Central City and having not seen any major upgrades for 25 years was in urgent need of a total face lift. Suburban malls if left not upgraded for 25 years become deserted and we need to learn lessons from these operators.

The new City Mall is looking very good and I applaud the final design, speed of construction and improved consultation process being done here. Originally we had only one building front with limited consultation with neighboring businesses. Today we have three separate fronts being worked on and regular weekly site meetings for any affected parties to attend. Well done.

3 Central City Parking

a First Hour Free – essential to remain.

I fully support the continued first hour free in the four council off street car parking buildings, Lichfield, The Crossing, Farmers and Manchester Street. This had been the single biggest positive initiative to help central city that the council has ever done.

b Some Off –Street parking areas need automating

It is unbelievable that we have all our parking buildings still a manual operation. We need to look to automate the bulk of these so that they run for extended hours with minimal extra cost to run extra hours. To have Lichfield parking building close at 6.15 pm when most cafes and some businesses near by run much later into the evening is not matching the needs of the area. I recognize that automating car parking buildings to run like our airport car park involves some major capital investment in equipment, signage and a dedicated security centre.

It will need video cameras to monitor all pay stations, entry point and exit points. Remotes to open exiting barriers at car park exits where someone is blocking an exit and mobile help patrols will also be needed. The total capital cost is likely to be in the range of \$2 million to \$4 million and a twenty four seven security centre could cost up to \$1 million per year to run.

However the pay back in labour savings and missed revenue is substantial. Depending upon the number of car parking buildings converted annual savings can be up to \$1 million per year. I do not see running council off street car parking facilities a core council activity and this should be tendered out.

Setting car parking fees, minimum hours of operation and special offers are core council activities.

4 Central City Business Association (CCBA) Funding

The CCBA has a current focus area bounded by Oxford Terrace, Lichfield Street, Manchester Street and Hereford Street. It covers properties and businesses on both sides on these boundary streets.

It has been in operation now for eighteen months using left over funds given by council to the Canterbury Chamber of Commerce to promote the Central City. It has one paid employee and an elected board from the business focus area. It has over 400 members now and has signed up 98% of all owners and businesses in its focus area.

What it needs is council help to provide reliable future funding for the long term so that it can promote the central city and work in areas of central city, security, consistent shopping hours, cleanliness and parking.

We see long term funding from the following areas.

- a To implement a targeted rate for all properties in the focus area. Requires council help here.
- b A change or additional local by law to enable charging for footpath sandwich boards in its focus area. There are currently around 380 sandwich boards in the CCBA focus area and in some cases these simply clutter areas. By charging \$10 per week for a sandwich board license we would expect these signs to halve in number but would still produce a reliable income of close to \$100,000 per annum.

Some 24/7 dairies have up to five footpath signs and by charging for each one we would expect to see reduced clutter.

- c Footpath rental
All other central city business associations in other major cities in New Zealand receive substantial council funding. We propose that the CCBA receive all footpath rents for areas within its focus area as the council contribution towards the organization.
- d Security
The CCBA currently funds \$120,000 annually for daytime central city security. This would otherwise need to be paid by council or not happen. We believe the community is getting a bargain priced, seven day a week, day time central city security presence at no cost to the council. This is why we believe forwarding foot path rental to the CCBA would almost cover the cost of this Christchurch City Ambassador programme.
- e Business Group Funding Model
The proposal we are looking at above would allow the council to allow other registered and proven business groups a funding system at no real cost to the council or rate payers.

5 Commercial Rates Differential

The latest LTCCP proposes a thirty eight percent rates differential so that commercial properties pay 38% more in general rates than residential properties. This commercial property sector on average has substantially higher government valuations than residential properties. An extra 38% on top is a major cost for businesses to absorb.

In respect of my personal properties, council rates remain the largest single expense item and often can be the straw that breaks the camel's back when attracting businesses into Christchurch.

6 Funding Capital Works

I fully support borrowing to pay for capital works and that these costs should be spread over the expected life of the asset so that the full cost is not born on today's rate payers but on those who will in future use the asset.

7 Funding Depreciation

I am pleased to finally see the practice of revaluing all council assets every three years and then charging depreciation to rate payers on the revised new replacement costs being stopped. This was the principal reason rate rises regularly ran at twice the rate of inflation.

8 Central City Security

- a Day time – 10.00 am to 8.00 pm seven days. This is fully funded and run by the CCBA at a cost of Approximately \$120,000 per annum. We call this the City Ambassador programme.
- b Night time – 9.00 pm to 5.00 am. Thursday, Friday and Saturday nights only. This is funded by Council and currently costs around \$450,000 per annum. This night time security needs to put open tender and the whole programme reviewed with the CCBA to ensure it meets the objectives of improved security and better perception of the central city.

Currently the CCBA has around seventy hours of security per week at an average cost of \$33 per hour. The council has 24 hours of night time security at an average cost of approximately \$360 per hour. This means the council is paying more that ten times the cost per hour for its night time central city security that the daytime CCBA is. I question is this is value for money.

9 Roothing Costs

The LTCCP puts fifty five percent of all roading cost against the commercial sector. I know the argument is that one heavy vehicle does the damage of 10,000 cars. However a large proportion of our central city heavy vehicles are busses and these deliver people not products. There is a very good argument that these vehicles are more residential related activities that commercial. I am aware that the Red Bus company site is owned by the council as is the Central City bus exchange. It is not clear whether these properties pay rates as a good number of council properties do not. It would be a particularly cruel situation if these very vehicles that cause most of the heavy traffic damage to roads inside the four avenues did not actually contribute to roading costs!

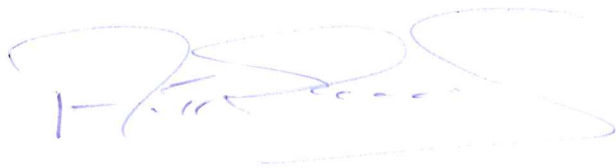
To select one sector of rate payers who form only nineteen percent of the capital value of total properties, and then ask them to pay fifty five percent of the cost of the largest single expense item, roading at \$72.8 million is total unfair. Roading costs should be spread evenly over all properties.

10 Car Parking Charges

I note with concern that the council proposes to increase both on street parking by 11.5% and off street parking charges by 9 %. At a time when the central city is struggling, we are in a serious financial downturn and the council already makes over \$4 million of profit on parking we believe parking charges should not be increased this year. Increasing parking charges by around five times inflation is price gouging and only serves to hurt the central city. There is no justification for it. Parking cost per hour for casual parking should remain fixed from the current year.

Some review of permanent car parking fees should be considered to free up more casual parking and to encourage all day parkers to park out side central city.

Again I wish to speak to all of the above.



Antony T. Gough