

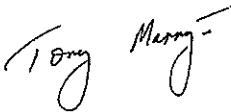
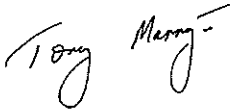
COUNCIL REPORT

Title of Report:		Cost Sharing Agreement between Council and the Crown			
Meeting of: (state which - Council/ Community Board/Committee)		Council			
Date of Meeting:		20 June 2013			
Date Required by Democracy Services:					
Typed by:		Katharine Louw			
Community Board Consultation:		Needed:	N	Complete:	Y
Public Excluded		N if PUBLIC EXCLUDED the section below MUST be completed			
REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON		WHEN REPORT CAN BE RELEASED	
To protect information which is subject to an obligation of confidence where if it was made available, would be likely to prejudice the supply of similar information and To enable the Council to carry on negotiations, without prejudice or disadvantage.	Sec.7(2)(c)(i) and Sec.7(2)(i)	Information provided by CERA in the course of negotiations with the Council is to remain confidential until such time as the outcome is confirmed by the Crown.		Once the matter is completed and the Crown approves the release.	

Confirmation of Statutory Compliance

In accordance with Section 76 of the Local Government Act 2002, this report is approved as:

- (a) Containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- (b) Is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

	Name and title of signatories	Signature	Date
Prepared by	Tony Marryatt, Chief Executive		18 Jun 2013
Approved by Chief Executive	Tony Marryatt, Chief Executive		18 June 2013

Purpose of Report

The purpose of this report is to obtain Council approval to enter into a binding agreement with the Crown. This agreement details the cost sharing in relation to;

1. Projects incorporated in the Central City Recovery Plan (Anchor Projects for civic facilities),
2. Response and Recovery costs (Horizontal Infrastructure),
3. Rock Fall (Port Hills Residential Red Zone land subject to rock fall and rock roll),
4. The Residential Red Zone (exit costs).
5. Legal considerations.

1. Projects Incorporated in the Central City Recovery Plan (Anchor Projects)

1. Council in the 2012/13 Annual Plan budgeted for expenditure of \$632.3 million for Central City Projects. The details of this budget are shown in Appendix 1.
2. In August 2012 prior to the launch of the Central City Recovery Plan, Council informally resolved to put a further \$155.1 million towards the Central City Projects included in the Recovery Plan. These increases being;

AMI Stadium, increasing capacity to 35,000	50.0
Multi-Sport Facility, purchase of site	24.0
Central Library, contribution of proceeds from sale of existing library	27.2
Central Library, balance for construction cost	24.0
Transport Interchange, contribution of proceeds from sale of Tuam Street Civic building and Lichfield Street bus exchange land	29.9
	\$155.1

3. The draft 2013/16 Three Year Plan incorporated the extra \$155.1 million as detailed in paragraph 2 as well as making a further allowance of \$17.5 million for cost escalation. The total budget for Central City Projects being \$804.9 million. Details of this budget are shown in Appendix 2.
4. Council agreed with the Crown to undertake a Three Year Plan as opposed to a nine year Long Term Plan in 2013. A condition of this agreement with Crown was that a binding cost-sharing agreement would be entered into between Crown and Council, the cost sharing agreement to cover both Anchor Projects incorporated in the Central City Recovery Plan and Response and Recovery costs.
5. Negotiations have been held with Crown over the scope and funding of all the projects incorporated in the Central City Recovery Plan.
6. We will now give details on each Anchor Project so that the differences between Council's draft Three Year Plan and the recommended position are understood.

The Frame

Project Description

The Frame redefines the central city and provides new greenspace and a range of commercial and residential development opportunities. It has three components – the East, South and North Frame, each with its own character.

The East Frame (13 hectares) retains the form of the historic Latimer Square and has street links through from the city to the east with paths for walking and cycling. A feature is “the country’s largest playground” which is on a 1.5 hectare site, including the current Centennial Pool site. Medium-density demonstration housing and long-term residential development will be sited between the playground and the proposed stadium site.

The South Frame (12 hectares) incorporates buildings in accessible open spaces. It is the site of the proposed Health precinct with education, health, commercial and innovation activity centres. Some remnants of heritage buildings will be retained in the Frame which has street and pedestrian links running from north to south.

The North Frame is an extension of the river, providing open space connecting the East Frame towards Hagley Park. There is a setting for new residential or commercial development on the edges of the Frame.

Agreement

1. Crown lead.
2. Council will sell the Centennial Pool site to the Crown at the agreed valuation of \$6.8 million.
3. Council will contribute the proceeds from the sale of the Centennial Pool site towards the development costs of The Frame.
4. Council will transfer to the Crown at no cost any land under stopped roads within The Frame.
5. The Crown upon completion of the “Public Realm” areas, such as green space, roads, cycleways, pathways and the children’s playground, will vest the land and improvements with Council at no cost.
6. Where practicable public infrastructure under stopped roads will remain in place and be repaired (if needed) through the Horizontal Infrastructure programme under easements in favour of Christchurch City Council.
7. Any incremental costs incurred because of the need to re-route infrastructure to facilitate development of The Frame will be met by the Crown from within The Frame project cost.
8. From 1 July 2014 rates for land to be used for future public realm will be waived.
9. Council to meet all operating and asset renewal costs for “public realm” area vested in the Council.

Estimate Project Completion Date: July 2015

Project Cost:	Land =	\$399.551 m
	Design and Construction =	\$81.450 m
	Total Project cost =	\$481.105 m
Project Funding:	Crown =	\$481.105 m
	CCC =	\$0.000 m

Convention Centre Precinct

Project Description

A world-class Convention Centre will be developed to attract new and exciting events to the city. The Convention Centre will be located on the block defined by Armagh Street, Oxford Terrace, Worcester Street and Colombo Street. Gloucester Street will become part of the centre itself. In this location the Convention Centre will connect to the Square, Victoria Square, Puari Pa, and Papa o Ōtākaro/ Avon River Precinct.

The proposed Convention Centre is designed to host 2000 delegates and can expand to 2500 people in future.

The precinct comprises of a number of new buildings that will generate new activity in the surrounding streets and public spaces.

Agreement

1. Crown to lead and fund this project.
2. The Crown or the private sector will operate the facility.
3. There is no expectation of any capital or operating grant from the Council towards this project.
4. The Council will contribute to the Crown its \$30.6 million insurance proceeds from the previous Convention Centre for the new Convention Centre.
5. The Crown will contribute the equivalent amount to Council to be used for another civic facility anchor project.

Estimated Project Completion Date: First Quarter, 2017

Project Cost:	Land =	\$116.740 m
	Design and Construction	\$167.400 m (convention centre only)
	Total Project cost =	\$284.140 m
Project Funding:	Crown	\$284.140 m
	CCC =	\$0.000 m

The Stadium

Project Description

A large multi-purpose sports and entertainment venue is proposed for central Christchurch.

The stadium will be located in the East Frame, over three city blocks between Hereford and Tuam Streets, bounded by Madras and Barbadoes Streets. With seating for up to 35,000 people, the covered stand's main purpose will be to host rugby union, rugby league and football up to an international level, and also entertainment events including concerts.

The stadium will include:

- 35,000 seat stadium with 4300 demountable seats to allow for staging and scaling of events.
- Corporate suites and lounge spaces with 4000 seat capacity.
- Option of a fixed, transparent roof to allow natural turf and enable multiple uses.

Agreement

1. Project lead could be either the Council, the Crown or both jointly depending on the final decision on project scope.
2. Council to allow for its \$253 million contribution in its budget.
3. Stadium project scope in Central City Recovery Plan to remain unchanged
4. The Crown will review all options for building the stadium including entering into a partnership with the private sector as per the scope outlined in the Central City Recovery Plan.
5. By no later than the 30 June 2016 the Crown will advise Council on its final decision regarding the stadium. The options being:
 - I. Stadium built by the private sector with no need for public sector funding. Under this option Council would not be required to contribute the earmarked \$253 million.
 - II. Combined private sector/public sector funding model. Under this option Council would only contribute 50% of the public sector contribution. The other 50% of the Public Sector contribution would be met by the Crown.
 - III. Public sector construction. Under this option the Crown would match Council's \$253 million contribution.
 - IV. The Crown amends the Central City Recovery Plan with regard to the stadium to be what Council has provided budget for, but on the Central City site. Under this option Council would build a 35,000 seat uncovered stadium on the Central City site purchased by the Crown. The land would be vested in Council at not cost
6. If Stadium funded 100% by the Public Sector, a 50:50 joint venture company would be formed between the Crown and Council.
7. Under the public sector model, Council would operate the facility and meet all operating and capital renewal costs. The Crown's shareholding would reduce over time by an amount equivalent to 50% of any capital renewal costs met by Council.
8. Under the Public Sector Model, the Crown at any time can sell its shareholding in the Joint Venture company. This can only be done on the basis that the ownership is for "community benefit" and no return on that investment will be paid by Council or the Joint Venture company.
9. If a private sector/public sector partnership is the agreed delivery model, Council must agree on the funding and operating model.

Estimated project completion date: Second Quarter, 2017

Should option (a) be chosen by the Crown, the following is proposed to apply.

Project Cost:	Land =	\$36.106 m
	Design and Construction =	\$470.000 m
	Total Project cost =	\$506.106 m

Project Funding:	Crown =	\$37.106 m
	CCC =	\$253.000 m
	To be determined =	\$216.000 m

Metro Sports Facility

Project Description

The Metro Sports facility will be located in central Christchurch, near the health precinct, close to Hagley Park and the South Frame. It will be easy to access by public transport, private vehicle and new walking and cycling links.

The Metro Sports Facility will include:

- An aquatic centre with a 50m, 10-lane competition pool, dive and leisure pools.
- An indoor stadium – eight indoor courts including seating for up to 2800.
- A high performance centre with facilities for coaching and training.
- Day-to-day recreation, including fitness centre and outdoor landscaped space.
- Performance movement centre with studios and performance space.
- Administration facilities and parking.

Agreement

1. Crown will lead the project.
2. Council has final approval of the design and scope for this project. Council agrees to not unreasonably withhold its approval of design and scope.
3. Council will own and operate the facility.

Estimated project completion date: First Quarter, 2016

Project Cost:	Land =	\$45.296 m
	Design and Construction =	\$206.000 m
	Total Project cost =	\$251.296 m

Project Funding:	Crown =	\$104.300 m
	CCC =	\$146.996 m

Bus Interchange

Project Description

The central Christchurch bus interchange is on a 1.4 hectare site bounded by Tuam, Colombo, Manchester and Lichfield streets. The exchange will be the operational and administrative hub for the city's bus network. The system will have sufficient scale to cater for growth to 2041.

The Project Includes:

- New Central City Bus interchange.
- Two central city super-stops (Manchester St and Hospital).
- Riccarton and Northlands mall suburban interchanges.
- Riccarton Road bus-priority.

Agreement

1. Crown lead
2. Seek private proposals first and agree public funding contribution as backstop if there are no suitable proposals from the private sector. Share gains of any private sector proposal
3. Christchurch City Council own and operate the backstop model

Estimated project completion date: Second Quarter, 2014

Project Cost:	Land =	\$26.593 m
	Design and Construction =	\$63.900 m
	Total Project cost =	\$90.493 m
Project Funding:	Crown =	\$44.593 m
	Crown (NZTA) =	\$15.967 m
	CCC =	\$29.93 m

Papa O Ōtākaro/Avon River Precinct

Project Description

The 3.2 kilometre winding stretch of the Avon River, through the Central City from the Antigua boat sheds east and including Victoria Square will be transformed into the new Avon River Precinct.

The park zone will be about 30 metres wide on either side of the river. It will provide facilities for cyclists and pedestrians. Land facing north and west onto the river has high amenity value. Cafes and bars will re-emerge and new buildings, including hotels, will be able to take advantage of river views.

Agreement

1. Crown lead.
2. Old roads will be stopped; new river reserve (excluding river bed) will be created and will be owned and administered by Christchurch City Council.
3. New roads will be created as required and will vest in the Council.
4. Ownership of land under roads stopped in and around the hospital will vest in the Crown or DHB as appropriate.
5. Crown may expand a precinct to include land under closed roads and may sell such land to third parties to advance the relevant precinct.
6. Where practicable public infrastructure under stopped roads will remain in place and be repaired (if needed) through the Horizontal Infrastructure programme under easements in favour of Christchurch City Council. The Council will own the infrastructure and maintain it. If not practicable the infrastructure will be re-routed and the incremental cost of that will be met through the project cost.
7. Operating costs met by the Council.

Estimated Project Completion Date: Fourth Quarter, 2015

Project Cost:	Land =	\$0.000 m
	Design and Construction =	\$96.000 m
	Total Project cost =	\$96.000 m
Project Funding:	Crown =	\$89.200 m
	CCC =	\$6.800 m

The Square

Project Description

- Provide some change in surface levels to improve activity use and opportunities to improve circulation and connections to and through Square.
- Increase soft landscape area for informal gathering and daytime use.
- Limited edge treatments in selected areas to complement mixed uses e.g. retail/ food and beverage operations.
- Reuse of existing surface materials e.g. granite within the Square.
- Limited level of amenity lighting in selected areas.
- Limited integrated infrastructure in selected areas to facilitate and complement events and community activities on a regular basis.

Agreement

1. Joint Crown/Council lead with Council owning and operating the project once complete

Estimated Project Completion Date: First Quarter, 2017

Project Cost:	Land =		\$0.000 m
	Design and Construction =		\$9.200 m
	Total Project cost =		\$9.200 m
Project Funding:	Crown	=	\$4.600 m
	CCC =		\$4.600 m

Performing Arts Precinct

Project Description

The Christchurch City Council will decide what Performing Arts Facilities will be provided within the following Performing Arts Precinct.

Options for the precinct could include:

1. The existing Town Hall Auditorium, James Hay Theatre and a new southern entrance to the facility.
2. The existing Town Hall Auditorium with pre-function space and also a 500-seat auditorium, small theatre and the Music Centre on designated land between Armagh and Colombo streets.
3. The existing Town Hall Auditorium, James Hay Theatre and a new southern entrance to the facility, and also a small theatre and music centre on designated land between Armagh and Colombo Streets.

Agreed to work for a proposal for:

- Council to make decision on which option it wishes to proceed with by 31 August 2013.
- If Council decision is to proceed with the options 2 or 3 it will consult on design with the Crown.
- If Council decision is to proceed with option 2 or 3, the Crown will vest the required land in Council.
- It is agreed that a carpark should be provided as part of options 2 and 3.

Estimated Project Completion Date: Fourth Quarter, 2016

Project Cost depends on the option taken by Council. If either option 2 or 3 was accepted the costs would be:

Project Cost:	Land =	\$ 8.0 m
	Design and Construction =	\$ 165.5 m
	Total Project cost =	\$ 173.5 m
Project Funding:	Crown =	\$ 8.0 m
	CCC =	\$ 165.5 m

Central Library

Project Description

Christchurch City Council will build a new and much larger central library, having recognised the need to substantially enlarge the facility in line with other comparable metropolitan libraries in Australasia.

Agreement

- Council will lead this project.
- Council will cover the operating costs.

Estimated Project Completion Date: Third Quarter, 2015

Crown to provide required land.

Project Cost:	Land =	\$ 29.4 m
	Design and Construction =	\$ 60.0 m
	Total Project cost =	\$ 89.4 m

Project Funding:	Crown =	\$ 29.4 m
	CCC =	\$ 60.0 m

Car Parking

Project Description

The emphasis will be on providing short-term, on and off-street parking close to the city's core. Long-term commuter parking will be available either onsite or through on-street parking on the periphery of the central city, or a network of strategically located parking buildings accessed off streets leading from the Four Avenues.

Agreement

1. The Council will work with the private sector and Central City Development Unit on achieving a viable parking proposition to support the Central City Recovery Plan.
2. It is agreed that there is a need at this stage for three central city parking buildings.
3. The Council will use budgeted repair funds and insurance proceeds from the Manchester, Lichfield, Crossing, Farmers and Crown Plaza carparks to fund this project.

Estimated Project Completion Date: TBC

Project Cost:	Land =		\$0.0 m
	Design and Construction =		\$70 m
	Total Project cost =		\$70 m
Project Funding:	Crown =		\$0 m
	CCC =		\$70 m

Earthquake Memorial

Project Description

A place where people can spend time in reflection and honour those who lost their lives or were injured in the earthquakes will be developed in Christchurch. The national Earthquake Memorial will be a place of local, national and international significance.

The Ministry of Culture and Heritage, Christchurch City Council and Ngai Tahu will work together to identify the site and begin the community consultation and design process.

Agreement

Crown led and will consider Council maintenance under a contract to the Crown.

Estimated Project Completion Date: First Quarter, 2016

Project Cost:	Land =	\$0.0 m
	Design and Construction =	\$10 m
	Total Project cost =	\$10 m

Project Funding:	Crown =	\$0.0 m
	CCC =	\$0.0 m
	Non-Commercial (philanthropic) =	\$5 m
	To be determined =	\$5 m

Transport Plan

Project Description

Changes to the layout of the central city need to be carefully considered in terms of their impact on traffic flow within the central city itself and on passenger and freight movements across the wider transport network.

It was agreed that \$71 million be invested in the network. Of this \$44 million will be provided by the Crown and \$27 million by the Council.

This funding will cover.

Phase One

- Enhancement of roads adjacent to the Avon River Precinct (portions of Cambridge Terrace, Durham St, Colombo Street and Armagh Street).
- Enhancement of Manchester Boulevard/Street from Bus Interchange to Kilmore Street.
- Health Precinct/Avon River Oxford /Tuam swap. Enhancement of surrounding area (portions of St Asaph , Antigua, Montreal, Hagley and Selwyn streets).

Phase Two

- Two-way transformation of Kilmore Street
- Fitzgerald/Kilmore intersection/bridge enhancement
- Fitzgerald/Moorhouse intersection enhancement
- Lincoln/Moorhouse intersection enhancement

Agreement

Phase One – led by the Crown.

Phase Two – led by the Council.

Council will be responsible for ongoing maintenance.

Estimated Project Completion Date: Fourth Quarter, 2014

Project Cost:	Land =	\$0.0 m
	Design and Construction =	\$71 m
	Total Project cost =	\$71 m
Project Funding:	Crown =	\$27 m
	Crown (NZTA) =	\$17 m
	CCC =	\$27 m

The recommended funding contribution by Council towards the Anchor Projects is \$782.9 million. This is \$22 million less than the amount included in the draft 2013-16 Three Year Plan. These changes from the draft being;

Convention Centre	(150.7)
Stadium	2.0
Carparking	54.8
Cathedral Square	4.6
Metro Sport Facility	0.3
Central City Transport Plan	27.0
Performing Arts	30.0
Transport Interchange	10.0
	(22.0)

Appendix 3 shows the recommended funding breakdown.

Appendix 2 which details what is funded in the 2013/16 Three Year Plan showed debt of \$341.2 million. Appendix 3 which details the recommended funding following negotiations with the Crown shows debt of \$254.4 million. The difference being \$86.8 million.

It is not recommended that the budget provision in the 2013-16 Three Year Plan be amended for the following three reasons;

- i. VBase currently has debt of \$32.4 million that relates to the former AMI stadium. This debt cannot be serviced by VBase if it is only operating CBS Arena and the Town Hall / James Hay Theatre.
- ii. Full insurance recovery of \$143 million on AMI Stadium will be difficult as Council's insurers are aware that the Recovery Plan does not envisage the rebuild of the existing stadium and
- iii. The size of the new Central Library allowed for in the Recovery Plan is less than Council had provided for in the 2009-19 Long Term Plan. It is felt that the budget for this project may be a bit low.

The recommendation is that this debt reduction be allocated as follows;

1. Retire VBase Debt	34.2
2. Additional Provision for Library	15.0
3. Insurance Contingency	<u>37.6</u>
	86.8

This report recommends Council providing funding of \$782.0 towards the Anchor Projects shown in the Recovery Plan. The binding agreement with the Crown shows the Crown contributing \$1,065.1 million towards the Anchor Projects. This contribution is detailed in Appendix 4.

This report clarifies the funding for each project. To also ensure clarity around the decision making process, I have prepared Appendix 5.

2. Response and Recovery Cost

The Crown has agreed to the Response and Recovery cost subsidies being 83% for subsidised roading and 60% for sewer, water, stormwater, client control costs and emergency and response costs.

The Crown's preferred position was to agree a figure as their total contribution to response and recovery costs.

A figure which Council staff were prepared to recommend to Council for acceptance was however not achieved.

The recommended position is therefore that:

- a) Council note that the Crown estimate that their contribution to response and recovery costs is \$1.8 billion. The estimate in the draft 2013-16 three Year Plan is for the Crown contribution to be \$2.039 billion. The Crown has requested that Council reduce its estimate of Crown contribution for response and recovery costs in the 2013/16 Three Year Plan to \$1.8 billion.
- b) Because not all the damage assessment and design of repairs has been completed it was felt appropriate that the Crown and Council jointly commission a report to be completed by December 2014 on the estimated cost and split of response and recovery costs.
- c) That both the Crown and Council commit to the funding split identified in the December 2014 report.
- d) A new governance structure is proposed to increase the Crown and the Council's control over the horizontal infrastructure programme and associated expenditure. This structure reflects the transition from recovery to rebuild and the new environment established by an agreed cost sharing arrangement. The Client Governance Group (CGG), consisting of an independent chair and a representative from CERA, NZTA and the Council will link to the Alliance contractors through the SCIRT board and provide the Board with decisions and instruction on the monthly programme.

3. Rock Fall and Rock Roll

The Council resolved on 15 August 2012 the following on Rock Fall and Rock Roll:

- *(b) Contribute 50 percent of the net costs relating to red-zone rock roll property acquisition or mitigation costs in the Port Hills at an estimated cost of \$57,945,100 (that is an additional \$24,945,100 to the 2012/13 Annual Plan).*
- *That these costs outlined in recommendation (b) form part of the Earthquake Response and recovery expenditure as outlined in the 2012/13 Annual Plan.*
- *Agree to contribute as per recommendation (b) above, on the basis that all rock roll property acquired that adjoins existing Council reserves will be vested in the Council.*
- *Note that the review process to be undertaken by CERA may result in the acquisition of further or fewer properties in the Port Hills.*

It is intended that this position be reflected in the binding agreement with the Crown.

4. Residential Red Zone

The Crown would like to have total ownership of the Residential Red Zone land to facilitate planning for the future uses of the land.

What is recommended to Council is that:

- a) The Council will not receive a sale and purchase offer from the Crown.
- b) The Council will transfer to the Crown at no cost all land and buildings it owns in the Residential Red Zone.
- c) If any land transferred from the Council to the Crown is used by the Crown for Commercial purposes Council will be paid by the Crown the market value for that land.
- d) Council will be consulted on the options for use of the whole Residential Red Zone.
- e) The cost of infrastructure removal will be met by the owner/developer of the land. For example if commercial, the Crown, but if a park vested in Council, Council would meet the costs.
- f) Council will be permitted at no cost, easements for major water, wastewater or stormwater infrastructure that is required to traverse through the Residential Red Zone.
- g) It is noted that Council will be required to undertake some internal funds transfer because a portion of the land being transferred relates to social housing.

5. Legal Considerations

The Council's contribution to the rebuild of the horizontal infrastructure and a number of the anchor projects in the central city recovery plan will not change as a result of the Council entering into the cost sharing agreement with the Crown. The spread of that contribution may vary but the level of funding won't.

The views of the community on the extent of the proposed commitment have already been sought through the special consultative procedure undertaken before the Council considers the adoption of its 2013/2016 3 Year Plan (TYP). The Plan must be adopted before 30 June 2013.

The level of Council funding is predicated on the Crown also contributing funds to the infrastructure rebuild and some of the anchor projects. The cost sharing agreement is - a document recording the share that each of them has agreed to commit to the rebuild as well as future ownership and operational arrangements. In the Council's case this is the amount consulted on as part of the TYP process.

To the extent that the cost component for the Council has not changed the decision to enter into the cost sharing agreement flows consequentially from the funding decision made in the TYP. In such circumstances it is open for the Council to consider not undertaking a further consultative process (the Council's significance policy).

Also the decision whether or not to enter into the cost sharing agreement is required to be made urgently so that the Minister can report the outcome to a cabinet meeting on 24 June. A delay in making the decision could result in the Council losing the opportunity that it currently has to secure funding from the Crown. This is critical to achieving the strategic objectives that the Council seeks for the rebuild.

And negotiations with the Crown have not been on the basis that the Council would consult with its community before it entered into the cost sharing agreement. There may be opportunities for some engagement in respect of aspects of the implementation of the arrangements already mandated by the community but there is no expectation on the part of the Crown that this could change any fundamentals of the agreement.

In relation to the ownership changes there is the issue of whether or not section 97(1)(b) of the LGA 2002 is relevant to this discussion. The section states that a decision to transfer the ownership or control of a strategic asset to or from the Council can only be made if it is expressly provided for in the Council's LTP (or TYP). The cost sharing agreement contemplates the transfer of land and buildings to and from the Council for the purpose of developing some of the anchor projects.

The significance policy in the draft TYP already records that the Convention Centre, Central Library and the Bus Exchange will not become strategic assets again until such time as they are rebuilt and owned either by the Council or a CCO.

Of the other transactions between the Council and the Crown the Stadium, Metro Sports Facility and the Performing Arts Precinct don't yet exist. The Avon River Park will remain as a Council reserve. Changes to the city's roads and carpark buildings, as set out in the Central City Recovery Plan affect only part of the Council's assets. The Council's roading network and carparking facilities are strategic in total, not separate elements of them.

Recommendations

1. That the report be received.
2. That Council enter into an agreement, binding on both future Governments and future Councils on the projects outlined in the Central City Recovery Plan Response and Recovery costs Rock Fall and Residential Red Zone land as per the details included in this report.
3. Given the time constraints and confidentiality required to meet the Crown's expectations there has been no opportunity for consultation beyond that already undertaken by the Council.
4. That the Chief Executive and the Mayor be delegated the authority to sign the binding agreement on behalf of Council.
5. That the funding allocation changes between the draft 2013-16 Three Year Plan and the negotiated position be incorporated in the adopted 2013-16 Three Year Plan.

Appendix 1: 2012/13 Annual Plan Budget for Anchor Projects

Projects (\$000's)	Gross	Funded by		Insurance	Council Funding from:		Borrowing
		Crown	Council		Land	Improvements	
Convention Centre Replacement	220.7	70.0	150.7	30.6	10.8		109.3
Former AMI Stadium Replacement	201.0		201.0	143.0			58.0
Lichfield Street Carpark Repairs	8.9		8.9	1.0			-
Manchester Street Carpark Repairs	6.3		6.3	0.8			0.5
Central City Multi-Sport Facility	122.7		122.7	77.6			45.1
Town Hall Repairs	127.5		127.5	68.9			7.3
Central Library	8.8		8.8	8.2			-
Avon River Park	6.4		6.4				6.4
Total	702.3	70.0	632.3	330.1	10.8	64.8	226.6

Appendix 2: 2013/16 Draft Three Year Plan Budget for Anchor Projects

Projects (\$000's)	Council Contribution	Council Funding from:			
		Insurance	Land	Improvement	Borrowing
Convention Centre Replacement	150.7	30.6	10.8		109.3
Former AMI Stadium Replacement	251.0	143.0			108.0
Lichfield Street Carpark Repairs	8.9	1.0		7.9	-
Manchester Street Carpark Repairs	6.3	0.8		5.0	0.5
Central City Multi-Sport Facility	146.7	77.6			69.1
Town Hall Repairs	127.5	68.9		51.3	7.3
Central Library	60.0	8.2	27.2	0.6	24.0
Avon River Park	6.4				6.4
Transport Interchange (& 4 Suburban)	29.9		29.9		-
TYP Escalation	17.5		0.9		16.6
Total	804.9	330.1	68.8	64.8	341.2

Appendix 3: The Negotiated and Recommended Position on Anchor Projects

	Council Funding Source:				
	Council Contribution	Insurance	Land	Improvement	Borrowing
Frame (net)	0.0				
Convention Centre Precinct (net)	0.0				
Stadium	253.0	143.0			110.0
Carparking	70.0	41.6	15.0		0.5
Metro Sports Facility	147.0	77.6		12.9	69.4
Town Hall / Performing Arts	157.5	68.9		51.3	37.3
Memorial	0.0				0.0
Central Library	60.0	8.2	27.2	0.6	24.0
Avon River Park	6.4				6.4
The Square	4.6				4.6
Transport Interchange	39.9		39.9		0.0
Transport Plan	27.0				27.0
Convention Centre Insurance / Land	17.5	30.6	10.8		-41.4
TYP Escalation			0.9		16.6
Total	782.9	369.9	93.8	64.8	254.4

Appendix 4: Total Contribution by Crown and Council to Anchor Projects

Project	Estimated Cost	Funded by		Council
		Crown	To be Determined	
The Frame*	281.1	281.1	-	-
Convention Centre Precinct*	406.4	406.4	-	-
Stadium	506.1	37.1	216.0	253.0
Metro Sports Facility	251.3	104.3		147.0
Bus Interchange*	90.5	50.6		39.9
Avon River Precinct	96.0	89.6		6.4
The Square	9.2	4.6		4.6
Performing Arts Precinct	165.5	8.0		157.5
Central Library	89.4	29.4		60.0
Carparks	70.0	-		70.0
Memorial	10.0	10.0		-
Transport Plan	71.0	44.0		27.0
TYP Escalation	17.5			17.5
Total	2,064.0	1,065.1	216.0	782.9

* These costs are net costs after the sale of surplus land valued at \$245 million.

Appendix 5: Lead on Decision for each Project

Project	Project Lead	Decision Maker
The Frame	CCDU	CCDU after consultation with Council
Convention Centre Precinct Stadium	CCDU	CCDU
• Jointly Govt Council Funded	CCDU/CCC	CCDU/CCC
• Funded by the Private Sector	CCDU	CCDU
• Funding fully by Council	CCC	CCC
Metro Sports Facility	CCDU	CCC
Bus Interchange	CCDU	CCDU after consultation with Council
Avon River Precinct	CCDU	CCDU after consultation with Council
The Square	CCDU/CCC	CCDU/CCC
Performing Arts Precinct	CCC	CCC
Central Library	CCC	CCC
Carparks	CCC	CCC after consultation with CCDU
Memorial	CCDU (MCH)	CCDU after consultation with Council
Transport Plan		
• Phase 1	CCDU	CCDU
• Phase 2	CCC	CCC