

## Proactive Release

The following document is proactively released by the Department of the Prime Minister and Cabinet, on behalf of Hon Dr Megan Woods, Minister for Greater Christchurch Regeneration:

**Title:** Global Settlement: Meeting between Minister and Mayor, 19 July 2019  
**Reference:** DPMC-2019/20-66  
**Date:** 18 July 2019

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- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion;
- section 9(2)(i), to protect the Crown's commercial activity;
- section 9(2)(j), to protect the Crown's negotiations.

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# Briefing

## GLOBAL SETTLEMENT: MEETING BETWEEN MINISTER AND MAYOR, 19 JULY 2019

<b>To:</b>	<b>Minister for Greater Christchurch Regeneration</b>  (Hon Dr Megan Woods)	<b>Mayor of Christchurch</b>  (Hon Lianne Dalziel)	
<b>Date</b>	18/07/2019	<b>Priority</b>	Urgent
<b>Deadline</b>	19/07/2019	<b>Briefing Number</b>	DPMC-2019/20-66

### Purpose

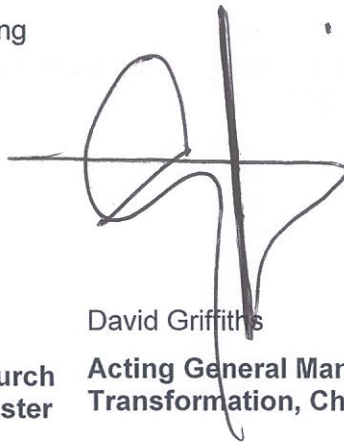
This paper recommends that you discuss progress in the global settlement, and some final matters requiring resolution, at your upcoming meeting on Friday 19 July 2019.

### Recommendations

1. **Note** the contents of this briefing



Anne Shaw  
Executive Director, Greater Christchurch  
Group, Department of the Prime Minister  
and Cabinet



David Griffiths  
Acting General Manager, Strategy &  
Transformation, Christchurch City Council

APPROVED / NOT APPROVED / NOTED

APPROVED / NOT APPROVED / NOTED

Hon Dr Megan Woods  
**Minister for Greater Christchurch  
Regeneration**

Hon Lianne Dalziel  
**Mayor of Christchurch**

Date: / / 2019

Date: / / 2019

**Contact for telephone discussion if required:**

Name	Position	Telephone	1st contact
Anne Shaw	Executive Director, Greater Christchurch Group	s9(2)(a)	✓
James Beard	Acting Deputy Secretary, Macroeconomics and Growth, the Treasury		
David Griffiths	Acting General Manager, Christchurch City Council		✓
Adela Kardos	Head of Legal Services, Christchurch City Council		

**Minister's office comments:**

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

# GLOBAL SETTLEMENT: MEETING BETWEEN MINISTER AND MAYOR

## Purpose

1. This paper recommends that you discuss progress in the global settlement, and some final matters requiring resolution, at your upcoming meeting on Friday 19 July 2019.

## Background

2. You are meeting on Friday 19 July 2019 to discuss the global settlement, as well as some other matters **Not relevant to Global Settlement**
3. In December 2018, you met to set the direction for global settlement negotiations, acknowledging the joint ambition of Crown and Christchurch City Council ("Council") for Christchurch to grow, regenerate and thrive. Both parties wanted to support positive outcomes for the people of Christchurch, to find breakthroughs on longstanding issues, to advance regeneration momentum by transitioning to full local leadership and control, and enable both parties to operate in a fiscally responsible and equitable manner.
4. As such, the goal of the global settlement was to ensure a full and final settlement to both Crown and Council's respective rights and extraordinary responsibilities in Christchurch city's regeneration, with the view to resuming a normalised and sustainable relationship between the parties (DPMC-2018/19-723 and CCC-18/1319256 refer).
5. Earlier this year, you both (along with the Minister of Finance) signed the Agreement in Principle ("AiP"), which set out a high-level scope for global settlement negotiations, including initial directions for future responsibilities for key assets and regeneration matters. The AiP noted the overall intent to support four outcomes:
  - a) **People:** support positive outcomes for the people of Christchurch, and provide certainty and confidence about the on-going regeneration;
  - b) **Momentum:** increase the pace of regeneration by [contributing] to the timely regeneration of Christchurch, with the best possible outcomes;
  - c) **Value:** enable the parties to operate in a fiscally responsible manner, while realising social, cultural, economic and environmental benefits for the City; and
  - d) **Future:** advance the transition to local leadership and a 'new normal' relationship between the Crown and the Council.

## Significant progress has been made towards a workable deal

6. We consider excellent progress has been made towards the goals set out for the global settlement. Following agreement of the AiP, Crown officials and Council staff have worked

together to develop options through joint working groups on a range of matters arising from the AiP. The second tranche of negotiations has been well underway for a number of weeks and we have made substantive progress towards a deal that is workable for both parties.

7. We believe that we can achieve a global settlement at the officials' level that meets the goals and objectives set for it. Progress has been made in a number of areas – in particular, we have clarified the directions set by the AiP and established opportunities for binding commitments to be made by both parties that will support regeneration momentum and provide for a demonstrable transition to local leadership.
8. There are several outstanding matters to resolve (paragraphs 11-16 refer). Assuming these matters are resolved, under the current proposed deal, the following agreements would be reached:
  - a) **The Council will take on ownership of key regeneration assets:** Crown-owned residential red zone ("RRZ") land, the Bus Interchange, the majority of the Performing Arts Precinct land, and the Metro Sports Facility <sup>s9(2)(i)</sup> [REDACTED] enabling a demonstrable transition towards local ownership of these local assets. Additionally, while ownership of Te Pae (the Convention Centre) will not form part of the agreement, the parties will **continue to have the ability to discuss Te Pae's future;**
  - b) **The Crown will carry out title reconfiguration in the Ōtākaro Avon River Corridor ("OARC") RRZ,** subject to decision-making processes under the Greater Christchurch Regeneration Act 2016 ("GCR Act") and other statutory processes (e.g. Ngāi Tahu Claims Settlement Act 1998 and Public Works Act 1981). OARC reconfiguration will take place over at least two years, require intensive work and resourcing, and support the land being used more readily for regeneration purposes;
  - c) **RRZ land is likely to be transferred to the Council in tranches,** with timing relating to the progress of reconfiguration where relevant. Outside the OARC, land will be transferred from 1 July 2020, or following road stopping if this is agreed (noting there is an outstanding question about this in paragraph 11 below);
  - d) **A phased approach will be taken to increasing community involvement in land use governance** for the RRZ, with a consultative group established in Phase 1. In Phase 2, as the Council takes on more substantive ownership of land following reconfiguration, a community governance group/entity, with delegated decision-making powers, could be established. In both phases, the parties will recognise the important role of Te Rūnanga o Ngāi Tahu as Treaty partner;
  - e) **The Council will deliver car parking facilities** as part of the Performing Arts Precinct ("PAP"), <sup>s9(2)(j)</sup> [REDACTED]

s9(2)(i)

- f) Arrangements will be made for the transition back to local leadership for regeneration in Christchurch, including **reducing the functions of Regenerate Christchurch over time**, and a process for preparing a Transition Plan as soon as possible after reaching global settlement;
  - g) **Ōtākaro land holdings in the central city** that are surplus to the requirements of anchor projects will remain in Ōtākaro’s ownership until divested, but the Council will have the **option to negotiate their purchase**. We are still working through the appropriate timeframes for this option; and
  - h) **A number of outstanding payments will be made** from either party for various commitments previously agreed – e.g. the Crown will transfer its outstanding funding contributions towards the Square and public realm in the Performing Arts Precinct, and the Council will transfer its outstanding funding contributions towards the Bus Interchange, the Avon River Precinct, Margaret Mahy Family Playground, and the cost of the Crown purchasing certain properties in the Port Hills affected by rockfall and rock roll.
9. We also note that, through the Christchurch Regeneration Acceleration Facility (“CRAF”), the Crown has committed **\$300 million for regeneration projects as part of the global settlement**. As noted in the AiP, the Crown has advised the Council that accessing the CRAF is dependent upon the parties reaching a global settlement.
10. Outside the scope of global settlement, we note a number of decisions on the Canterbury Multi-Use Arena (“CMUA”) will be made through the CRAF investment case process, and discussions on the future of The Piano land, within the PAP, will continue.

**Some issues still need to be resolved**

- 11. Although the majority of the issues that required further work have been resolved, there are several issues that have not yet been resolved. For example, while the Crown has identified some steps that could be taken in response to Council requests, the extent to which it will support the following matters is uncertain and remains to be negotiated:

Council position	Crown position
<i>Any Crown support for decontamination of PAP sites</i>	
The Council is seeking that the Crown covers the estimated costs of \$3 million for decontamination of the PAP. This would include a reprioritisation of the \$1.5 million from the Crown’s public realm contribution.	The Crown has expressed openness to contribute a sizeable amount (for CMUA as well as PAP); however, funds are limited and any support will need to be traded off against other costs committed to through global settlement.

Council position	Crown position
<i>Any Crown support for title reconfiguration of non-OARC RRZ land (i.e. Port Hills, Brooklands, Southshore/South New Brighton)</i>	
<p>Seeking that the Crown undertakes road stopping as directed by the Council, and any other reconfiguration possible, as agreed. Will accept Crown offer of an additional \$1 million towards Council's reconfiguration costs.</p>	<p>The Crown's priority is to reconfigure the OARC, which will be a very resource-intensive process under tight time constraints. We do not consider reconfiguration of non-OARC areas is necessary for regeneration, and consider much of CCC's desired reconfiguration could be completed under its BAU processes over a longer period of time.</p> <p>The Crown could undertake some limited reconfiguration (e.g. potentially some road stopping) and has also identified a potential contribution of \$1 million towards Council reconfiguration; however, as above, any support will need to be traded off against other costs.</p>

s9(2)(i)

12. To achieve a global settlement in a timely manner, we recommend you discuss the way forward on these issues in your meeting.
13. There are some other issues the parties are still working through regarding how the agreement is drafted. These reflect **the desire to provide optimal certainty** about what actions are intended to be taken, **while also recognising key constraints** – for example, that the global settlement agreement cannot bind statutory decision-makers.
14. For example, we are working through the appropriate wording to reflect:

a) s9(2)(i)

b) The need to identify what happens if the Crown is unable to complete all the desired reconfiguration of the OARC within the GCR Act timeframes – for example, there may be circumstances outside the control of either party that impede the reconfiguration from occurring.

15. s9(2)(i)

16. s9(2)(g)(i), s9(2)(i)

## Next steps

17. We hope to confirm all outstanding issues as soon as possible. Following resolution, next steps include:

a) In consultation with the Crown, the Council is working towards releasing global settlement papers. It is now unlikely that these will be released by 29 June; however, we do not expect significant delays. At this stage, it is likely the Council will consider these papers in August, including their release for public feedback.

We note that some parts of the papers will be commercially sensitive and cannot be released to the public. Crown officials and Council staff will work together to ensure that any material that is released is appropriate for release;

b) The Council will consider the proposed global settlement agreement in August 2019; and

c) Cabinet will then consider the proposed global settlement agreement.

## Consultation

18. This paper was prepared jointly by officials from the Crown (the Department of the Prime Minister and Cabinet and the Treasury) and the Council. Land Information New Zealand was consulted.



Proactively Released by the Minister for Greater Christchurch Regeneration