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Government & Christchurch City Council: Cathedral Reinstatement Proposal - 4th July 2017

Dear Synod Members,

Attached is a proposal received by Bishop Victoria on 4th July 2017 from Hon Nicky Wagner, Minister supporting Greater Christchurch Regeneration. It makes changes to the Government offer of assistance for reinstatement of the Cathedral received of 8th March 2017.

At Appendix 2 [Page 13] of the *"Offer for ChristChurch Cathedral reinstatement"* document is a copy of the letter of 1st July 2017 from the Office of The Mayor, Christchurch City Council, advising that the Council have agreed to support *"in principle"* a \$10m grant, with terms to be determined following the Synod decision. Further, the Mayor has advised that the Council will, as part of its Long Term Plan process, consider contributing to operating funding to support the *"broader Cathedral visitor experience"*.



Office of Hon Nicky Wagner

MP for Christchurch Central

Minister supporting Greater Christchurch Regeneration
Minister for Disability Issues

Associate Minister of Conservation
Associate Minister of Health
Associate Minister of Tourism

4 July 2017

The Right Reverend Victoria Matthews
Bishop of Christchurch
PO Box 4438
CHRISTCHURCH 8140

Dear Bishop Matthews

In line with our discussions over recent weeks, the Government and the Christchurch City Council have both considered how we can best offer support to the Church Property Trustees for the reinstatement of ChristChurch Cathedral.

This proposal contains a revised Government offer and includes a Council contribution, alongside the confirmation of donor support from the Great Christchurch Building Trust.

The next few weeks are an important time for the Anglican Diocese of Christchurch as people discuss and consider the reinstatement plan developed from the conclusions of the Cathedral Working Group report and any viable alternatives. I think it important that these discussions and the forthcoming meeting of the Synod are informed by what the Government and other parties can commit in terms of an offer of support. Given the wider public interest in this issue, we also envisage that this material will be released publicly.

I look forward to hearing the outcome of your deliberations.

Yours faithfully

Hon Nicky Wagner
Minister supporting Greater Christchurch Regeneration

Offer for ChristChurch Cathedral reinstatement

The ChristChurch Cathedral Reinstatement Offer expands upon the work undertaken by the Cathedral Working Group, which was tasked with investigating and recommending a viable way to reinstate ChristChurch Cathedral.

The Working Group was established by the Government and the Church Property Trustees in June 2016. It produced the Cathedral Working Group Recommendation Report (November 2016), which outlined a reinstatement plan for the Cathedral.

The Government, with the support of Christchurch City Council, is in support of a reinstatement project in line with the conclusions of the Cathedral Working Group. The Government has made a revised offer to the Bishop of Christchurch, Right Reverend Victoria Matthews to support reinstatement. The estimated cost of reinstatement is \$104 million.

A reinstated Cathedral carries with it a wider set of regeneration and community interests and values. The Government and Council wish to express their support in a way that will enable progress to be made. This will also support the Church by enabling the Cathedral to be used again by its congregation and support the wider community by enabling Cathedral Square to be redeveloped as the heart of the city.

Summary of the offer of support:

- Cash contribution from the Government of \$10 million.
- Government interest free suspensory loan of \$15 million. Repayment of the loan will be suspended and forgiven if the loan conditions are fulfilled.
- Christchurch City Council grant of \$10 million, in principle, subject to public consultation and being provided for in the 2018-2028 Long Term Plan.
- Confirmed donor pledge of \$13.7 million from the Great Christchurch Buildings Trust.
- A joint venture is envisaged between the Church Property Trustees and the Fundraising Trust to govern and manage the delivery of the reinstatement project.
- An independent Fundraising Trust would be established to lead the public fundraising effort for the balance of the funds required for reinstatement and future maintenance. The Government would appoint the Trustees.
- The estimated initial fundraising target is \$15 million. An indicative additional commitment of up to \$14 million has been signalled by the Great Christchurch Buildings Trust.
- Legislation would be promoted to streamline project consenting and approval processes.
- An indicative timetable of 7 years for the completion of the main and ancillary buildings, and up to a further 3 years for the tower and spire.
- Church Property Trustees' liability will be capped at its insurance contribution, less an allowance for internal costs.
- The joint venture would establish a Maintenance and Insurance Fund at the outset of the project, and allocate \$5 million to the Fund.

- A final determination on the long-term level of maintenance and insurance funds that are required by the completion of the project will be made by an independent expert.
- Christchurch City Council will consider operating funding to support the broader Cathedral visitor experience as part of the 2018-28 Long Term Plan process.

What is reinstatement?

Reinstatement is a term to describe a combination of repair, restoration, reconstruction/rebuild and seismic strengthening. Some deconstruction is required to make the building safe. Largely reinstating the Cathedral would mean it would be indistinguishable in appearance, for most people, from the pre-earthquake building.

Reinstatement would involve upgrading and improving the building's functionality as a place of worship as well as the centrepiece of the city and key tourist attraction.

Refurbishments included within a reinstated Cathedral include:

Seismic strengthening

It is proposed that the strengthening works target 100 percent of the NBS (new building standard) for a building of IL3 level importance because it is both a public building and its heritage status. Full base isolation is provided for.

Flexible interior layout and seating options

Base isolation will require replacement of the existing tile floor which has already been significantly damaged. This will allow for improvements to be made, including improved service and seating layouts and the installation of a modern heating system.

Improved user comfort levels - heating, lighting and audio visual facilities

As well as installing modern lighting and heating, the existing organ would need to be removed, repaired and reinstated.

Improved linkages to the Square precinct

The western wall was extensively damaged and would need to be completely demolished and rebuilt. A new western entrance porch area that improves access from the pedestrian areas of the Square is recommended.

New ancillary facilities and buildings

Initial user requirements for new ancillary facilities include the need for choir practice rooms, church offices and education facilities. Ancillary facilities provided for include facilities such as a fit-for-purpose visitor centre, museum, shop and café that provide a high quality visitor experience and are capable of generating income.

Replacement tower and spire

A replacement tower and spire is envisaged that provides a high-quality visitor attraction and engaging tower climbing experience.

To find out more about the Cathedral Reinstatement Offer, go to: www.ccwg.org.nz

Offer of Support for the Reinstatement of ChristChurch Cathedral

The estimated cost of reinstatement is \$104 million, based on the Cathedral Working Group Recommendation Report (November 2016). The Government, supported by the Christchurch City Council, has put together a revised proposal on how to support the reinstatement of the Cathedral.

Funding Contributions and Pledges

- Government cash contribution of \$10 million
- Government interest free suspensory loan of \$15 million. Repayment of the loan will be suspended and forgiven if the loan conditions are fulfilled
- Christchurch City Council grant of \$10 million, in principle, subject to public consultation and being provided for in the 2018-2028 Long Term Plan
- Great Christchurch Buildings Trust confirmed donor pledges of \$13.7 million.

Fundraising Trust

- An independent fundraising trust will be established to lead the public fundraising effort for the remainder of the funds required to complete the reinstatement and provide for future maintenance
- The Government will appoint the Trustees.

Project Consents

- Legislation will be promoted to streamline consenting and approval processes.

Project Delivery

- A joint venture is envisaged between the Church Property Trustees and the fundraising trust to govern and manage the delivery of the reinstatement project
- An indicative timetable of 7 years for the completion of the main and ancillary buildings, and up to a further 3 years for the tower and spire
- Church Property Trustees' liability will be capped at its insurance proceeds and all interest received, less an allowance for internal costs.

Maintenance and Insurance

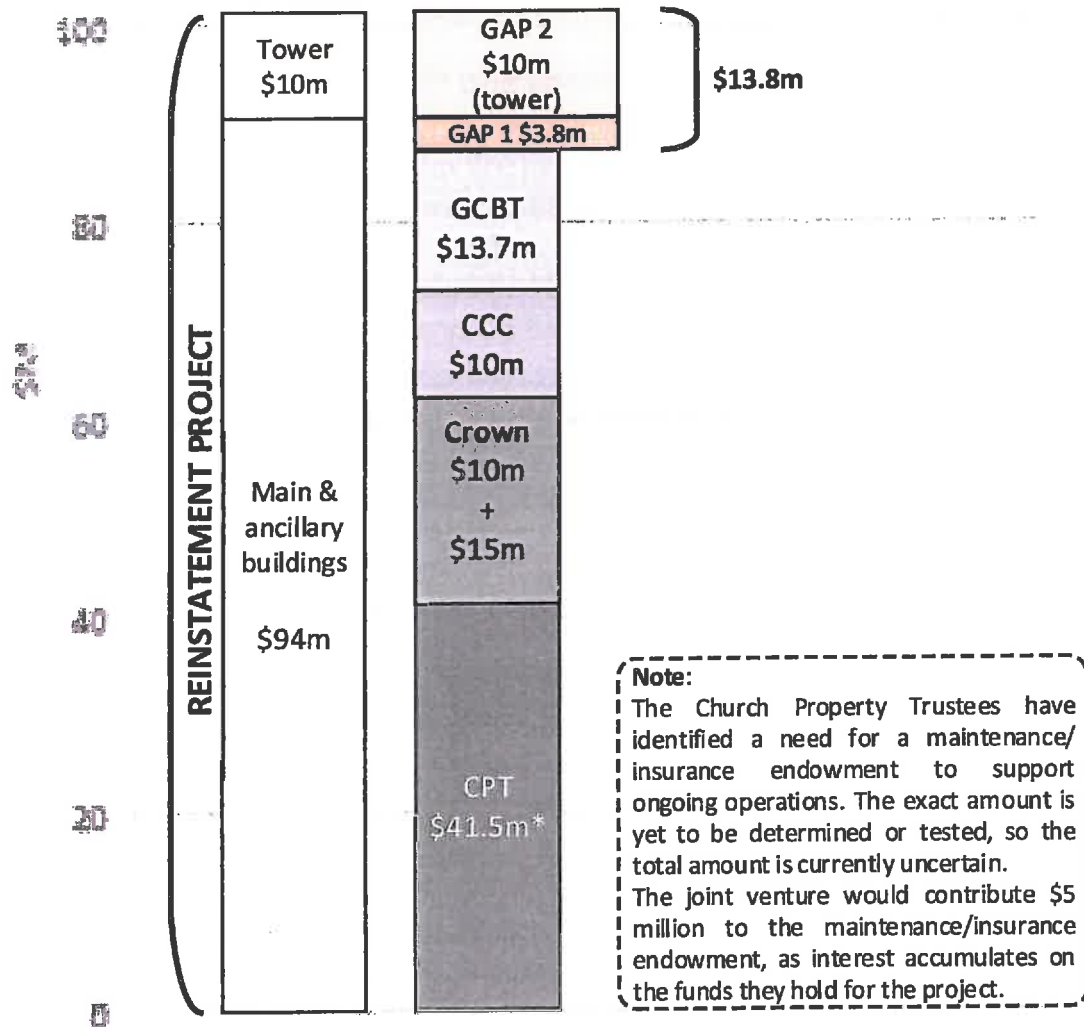
- The joint venture will establish a maintenance and insurance Fund at the outset of the project, and allocate \$5 million to the Fund
- A final determination on the long-term level of maintenance and insurance funds that are required by the completion of the project will be made by an independent expert
- Christchurch City Council will consider as part of the 2018-2028 Long Term Plan process whether it contributes operating funding to support the broader Cathedral visitor experience.

Reinstatement Costs

Costs are based on the Cathedral Working Group detailed cost estimates for the reinstatement project (\$104 million).

COSTS **FUNDING** **TOTAL GAP**

**CPT insurance proceeds exclude internal costs.*



1. Introduction

This offer of support has been developed by the Government, supported by the Christchurch City Council (see appendix 2). It outlines the financial contribution and other measures offered to the Church Property Trustees to assist in the reinstatement of ChristChurch Cathedral.

The Government and the Christchurch City Council are both in support of a reinstatement project in line with the conclusions of the Cathedral Working Group that completed its report late last year. The Cathedral Working Group was established by the Government and the Church Property Trustees to investigate and advise on a feasible way to reinstate ChristChurch Cathedral. It was comprised of two senior trustees of the Church Property Trustees, a nominee of the Great Christchurch Buildings Trust, and two independent members appointed by the Government including the chair. Following the delivery of its report, the Cathedral Working Group ceased on 7 December 2016.

‘Reinstatement’ is a term to describe a combination of repair, restoration, reconstruction/rebuild and seismic strengthening – largely ‘reinstating’ the Cathedral to the extent that, for most people, it would be indistinguishable in appearance from the pre-earthquake building. This is based on retaining as much as possible of the heritage features and integrity of the original gothic design of the building. Where practicable, materials would be re-used, similar to the approach taken with other historic buildings in Christchurch. Some deconstruction is required to make the building safe.

The Cathedral Working Group’s report outlined a reinstatement plan for the Cathedral that retains the integrity of the design and repairs, rebuilds and restores this nationally significant building. It also outlined how the reinstated building can be made fit-for-purpose for the future with improvements to its interior functionality.

This offer document supports a reinstatement project, which stems from the conclusions outlined by the Cathedral Working Group, but which has further developed some elements where there is now new information or opportunities.

2. Why Government and Council support for a Cathedral?

ChristChurch Cathedral has long been the iconic symbol of the city that bears its name. The Cathedral Square was designed and developed as the centrepiece of the city, and is linked to other Gothic revival buildings at the current Arts Centre and Canterbury Museum. The Cathedral tells the story of Christchurch – it was built by the city’s founders to reflect the values and faith that underpinned the development of the new settlement and the relationship of the Anglican Church with the Canterbury Association. Throughout its life, it has served as the mother church for the Anglican Diocese of Christchurch.

The Cathedral is one of New Zealand’s best known and most identifiable church buildings. It is of considerable heritage and architectural value. It is registered as a Category One site by Heritage New Zealand and as a Group One site by the Christchurch City Council.

Six years on from the 2010-2011 Canterbury earthquakes, the Cathedral remains significantly damaged, without a clear pathway to a solution. Protracted litigation has delayed progress being made and there is widespread concern that continued delays are impeding the

regeneration of the city. Private development in this area has stagnated in comparison with the wider central city.

The image of the Cathedral is strongly linked with the city's image for domestic and international audiences. The Cathedral was a significant tourist site; pre-earthquake, being among the top three visitor attractions in the city. The current lack of progress on redevelopment of the Cathedral building and the Square is seen by many as a barometer for how well the city's regeneration is progressing.

A resource consent to demolish the Cathedral is expected to result in protracted litigation lasting the next 6 to 10 years, with significant uncertainty as to the outcome.

There is a real risk that the intended benefits of the Government and Council work on the recovery and regeneration of greater Christchurch will not be fully realised if the future of the Cathedral remains unresolved for another six years or more.

It is this wider set of regeneration and community interests and values that motivate the Government and the Council to offer substantial support for the reinstatement of the Cathedral. There is wider cross-party support from across Parliament for making a commitment to a reinstatement project. By acting now to commit to the reinstatement project the Government and Council wish to express their support in a way that will enable progress to be made as soon as possible. This will also support the Church by enabling the Cathedral to be used again by its congregation and support the wider community by enabling Cathedral Square to be redeveloped as the heart of the city.

3. Refurbishments included within the reinstated Cathedral

It is acknowledged that the Cathedral is first and foremost a place of worship. The Cathedral Working Group's report was clear that a reinstated building must be fit-for-purpose and meet the spiritual, functional and commercial requirements of the Cathedral Chapter, the Anglican Diocese of Christchurch, and the congregation. There are opportunities for innovative solutions that meet the needs of a modern church environment. A reinstatement project of this type is likely to attract international attention.

The Cathedral Working Group's report looked at how the interior can be adapted and modernised. The following factors were proposed in the report and fully covered in the cost estimates:

Seismic strengthening and user safety

It is proposed that the strengthening works target 100 per cent of the NBS (new building standard) for a building of IL3 level importance (because it is both a public building and its heritage status). Full base isolation is provided for, and may provide a greater degree of protection than the IL3 status strictly requires but is important in achieving a more resilient building and a less intrusive restoration of some key elements.

Flexible interior layout and seating options

Base isolation will require replacement of the existing tile floor which has already been significantly damaged. This will allow for improvements to be made, including a more uniform floor level throughout the building, improved service and seating layouts and the installation of a modern heating system.

Architects at Warren and Mahoney modelled how different service arrangements could be configured for services of different sizes and to create a more engaging space for services held in the Cathedral. Examples are shown in Appendix 1.

Improved user comfort levels - heating, lighting and audio visual facilities

Good heating and lighting are essential to make the building a welcoming and attractive place. The existing organ will need to be removed, repaired and reinstated and this is provided for in the cost estimates. There are options for a new placement of the organ to achieve a better acoustic effect.

Improved linkages to the Square precinct

The western wall was extensively damaged and will need to be completely demolished and rebuilt. The Cathedral Working Group's report recommended that consideration should be given to an improved western entrance porch area that provides better transparency and connectivity between the Cathedral and the pedestrian areas of the Square.

The Government and Council have allocated \$9.2 million for the redevelopment of the Square and the project is currently in the design phase. How the Cathedral, ancillary buildings and tower relate to the overall Square experience is a significant opportunity for the regeneration of the city.

New ancillary facilities and buildings

Initial user requirements for new ancillary facilities were developed in discussions with the Chapter and Church Property Trustees, and include the need for choir practice rooms, church offices and education facilities. Ancillary facilities are also provided for such as a fit-for-purpose visitor centre, museum, shop and café that provide a high quality visitor experience emphasizing the history of the Cathedral and the city. Such facilities should also be capable of generating sufficient income to contribute to the financial sustainability of the building.

The Cathedral Working Group's report proposed that the additions built in the 1960s at the eastern end of the Cathedral be demolished and the space replaced in a new ancillary building. The report did not include a specific design for the new building – that being the next phase of the reinstatement if it proceeds.

Since the Cathedral Working Group completed its work, further possibilities have been discussed that may provide opportunities to develop some new buildings for Cathedral-associated functions on adjacent land within the Square. This can be further developed if a reinstatement plan is adopted.

Replacement tower and spire

The Cathedral Working Group's report envisaged a replacement tower and spire that provides a high quality visitor attraction and engaging tower climbing experience are proposed, built in sympathy with the reinstated main Cathedral building.

Total project cost

The total project budget over a 7 to 10 year period is estimated to be \$104 million (outturn dollars or total cash budget), including all interior enhancements, improved visitor centre, as well as the replacement of the tower but excluding any future maintenance and insurance.

4. Maintenance and Insurance

The Cathedral Working Group's report recommended fundraising efforts should also include money for ongoing maintenance of the building. It did not, however, include a business model to outline the requirements of the future maintenance, as it was considered too early in the design process, and because a business model needed to be considered in the context of operating income from visitor activities. Subsequent discussions between Church Property Trustees and Government representatives envisaged a process that would enable this issue to be determined, and hence settle on how much money should be allocated to the Maintenance Fund from fundraising, as well as, from commercial activities associated with the Cathedral, such as visitors, tower climb, events, and shops.

The need for material maintenance over and above standard operating costs (such as heating and cleaning) within the first 10-15 years is expected to be low, given the quality of the reinstatement project proposed. Maintenance would normally be anticipated to be required in years 15-25, in accordance with the expected life cycle of different building elements that are actually used in the building. However, it is difficult to be specific about the level of resources required at this early stage of the project when the design and materials have yet to be fully determined.

The standard approach for building maintenance is to establish a maintenance "sinking fund" and each year allocate a portion of any operating surplus to that fund in order to build up the required resources over a period of time. The required amount is based on modelling that links the asset management plan (based on the lifecycle of key building elements) with the financial resources required over a 20 or 30 year timeframe.

In terms of insurance, annual insurance premiums would normally be covered from operating income, but as outlined above the financial operating model has yet to be determined. Initial discussions with insurance brokers have indicated that a range of possible approaches may be feasible, including reducing the level of excess related to a major damage claim. It is too early to be specific until further design is undertaken, as the insurance premium is strongly linked to assessments of seismic stability.

While the Cathedral is first and foremost a place of worship, it is understood that the Church Property Trustees intend to maximise commercial revenue from the Cathedral to contribute towards operating expenses. Any surplus commercial revenue arising from the refurbished Cathedral's visitor facilities – such as the new tower – will be dedicated to the Maintenance and Insurance Fund. Pre-earthquake the Cathedral generated \$1.3 million per annum from all sources of income (church based, as well as commercial income), which covered expenses but did not generate a surplus.

In Britain, worship in almost all 42 Anglican Cathedrals has been on the rise over the last 15 years and there are more visits to cathedrals than to English heritage properties. Current cathedral turnover of \$380 million (NZ\$ equivalent) has almost doubled over the last decade. Cathedrals have become local champions of education, social welfare and urban regeneration (Simon Jenkins writing on "Why cathedrals are soaring" in The Spectator Australia, October 2016).

The intention is that requirement of additional funding for both the maintenance and insurance of the reinstated Cathedral (the extent of the Maintenance and Insurance Fund) will form part of the fundraising target for the reinstatement project, to be accumulated over time.

5. Offer of support for the reinstatement of the Cathedral

The offers of support outlined below are contingent on the Church Property Trustees contributing their full insurance proceeds and all interest received to date to the proposed joint venture, other than a reasonable allowance for Church Property Trustees' internal costs as a joint venture party (assumed to be \$1 million for the project). The Church Property Trustees' total liability for the delivery of the project would be capped at this insurance funding contribution. Chattels insurance proceeds are held separately so are not expected to be part of this contribution.

Offers of in-kind support towards such an iconic project are expected and will help to reduce the amount to be funded. A number of informal offers of assistance were made to the Cathedral Working Group, ranging from the supply of particular items and building systems through to offers to undertake works "at cost". However these were not able to be accepted or developed further until the project is more certain and therefore they are not counted here.

5.1. Funding Contribution and Pledges

A very tangible way the Government and Council can facilitate the timely reinstatement of the Cathedral is to provide financial support, in order to provide certainty and confidence that the project can proceed and therefore lay the basis for other private donations. Funding commitments to date for a reinstatement project include:

- Government cash contribution of \$10 million, to be paid to the envisaged joint venture as soon as it is established.
- Government suspensory loan of \$15 million, to be paid to the joint venture as soon as it can be arranged. Repayment of the loan will be suspended and forgiven if the joint venture meets reasonable building completion time and cost targets relating to the main and ancillary buildings. Other terms of the suspensory loan are to be agreed.
- Christchurch City Council contribution of \$10 million, in principle, subject to public consultation and being provided for in the 2018-2028 Long Term Plan.
- Pledges of \$13.7 million that the Great Christchurch Buildings Trust has received from a number of donors that are conditional on there being a commitment to, and implementation of, restoration of the Cathedral. The Great Christchurch Buildings Trust has advised that the implementation of the recommended solution of the Cathedral Working Group would satisfy that condition. The Great Christchurch Buildings Trust's letter is attached as Appendix 3. The Trust has indicated it may be able to secure additional commitments, as per the attached letter.

5.2. Fundraising Trust

Fundraising for the reinstatement of the Cathedral is part of engaging the whole city in the project, but also people from across New Zealand and internationally. The funding commitments outlined above substantially close the gap on what was initially required in terms of fundraising. The fundraising amount has now reduced to around \$14 million to achieve the \$104 million estimated cost of the full reinstatement project. This is significantly lower than the initial amount estimated by the Cathedral Working Group (\$40-50 million), which independent expert advice signaled could be achieved through a public fundraising campaign.

However, the fundraising task may be more than \$14 million, depending on what is finally required regarding the future maintenance and insurance fund (an initial \$5 million provision will be made, see below).

It is accepted that the Church Property Trustees do not wish to undertake fundraising themselves. It is proposed that:

- The Government will establish an independent fundraising trust to raise money for the reinstatement project and for future maintenance.
- The fundraising trust, Church Property Trustees and Chapter will need to agree operational issues such as a gifts and donor recognition policy, and any ethical requirements on accepting donations.
- The Government will appoint the trustees, based on their skills for the role. The trust will run as long as required to raise the necessary funds, and may continue for a period of up to five years after the main and ancillary buildings are completed.
- It is envisaged that the fundraising trust and the joint venture will develop an agreement on operational issues and the timing of cash transfers. It is not intended that the fundraising trust will hold monies other than for regular payments to the joint venture.

5.3. Project Consents and Legislation

Given the importance of addressing the requirements of this project without further delay, it is proposed that the Government will promote legislation which may:

- streamline consenting and approval processes;
- remove specified historic reservations of title;
- make any necessary amendments to confirm Cathedral and land ownership; and
- recognise the establishment of the fundraising trust.

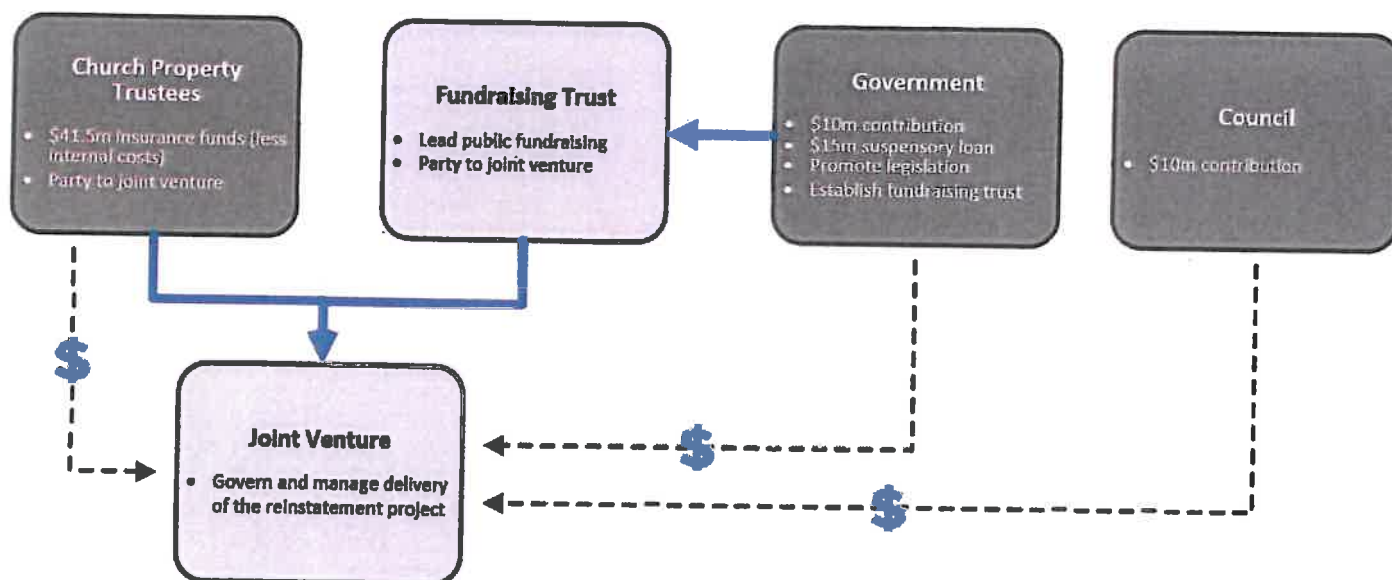
5.4. Project Delivery

It is envisaged that the Project be delivered through a joint venture between the Church Property Trustees and the fundraising trust. Both the Church Property Trustees and the fundraising trust will need to appoint directors that have the requisite skills and experience to manage a project of this type. Their skills to achieve the project's objectives within an

agreed budget will have a significant bearing on the confidence and success of the fundraising effort. It is proposed that:

- The fundraising trust and the Church Property Trustees enter into an unincorporated joint venture to deliver the reinstatement project. Details of the proposed governance of the joint venture are set out in the attached "Commercial Terms" in Appendix 4.
- The joint venture phase the project so that each stage is procured within the forward funds available at the beginning of that phase.
- The Church Property Trustees' total liability for the delivery of the project would be capped at its insurance funding contribution.
- The joint venture parties will work together to develop a streamlined project governance and assurance model.

The proposed responsibilities and liabilities of the joint venture parties are also set out in the Commercial Terms. The diagram below shows the relationships between the various parties.



5.5. Maintenance and Insurance Fund

Once the Cathedral is fully refurbished and reinstated, it must be appropriately maintained and insured against any future material damage. It is proposed that:

- A maintenance and insurance fund will be established by the joint venture at the outset. The fund will transfer to the Church Property Trustees at the completion of the project.
- The proposed joint venture will allocate \$5 million from the interest that will accumulate on the funds it holds for the project.

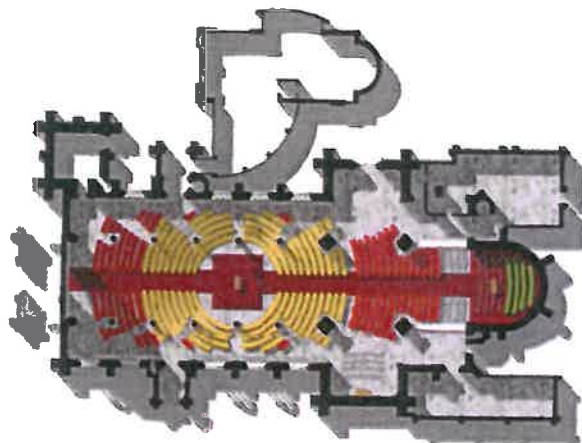
- The joint venture will develop a maintenance and insurance plan at the completion of the design phase to enable an independent expert to determine the final financial requirement of the fund, taking into account the commercial revenue associated with the Cathedral's activities.
- Christchurch City Council will consider as part of the 2018-2028 Long Term Plan process whether it contributes operating funding to support the broader Cathedral visitor experience.

Appendix 1

Warren and Mahoney – Seating Layout and Sight Line Study September 2016

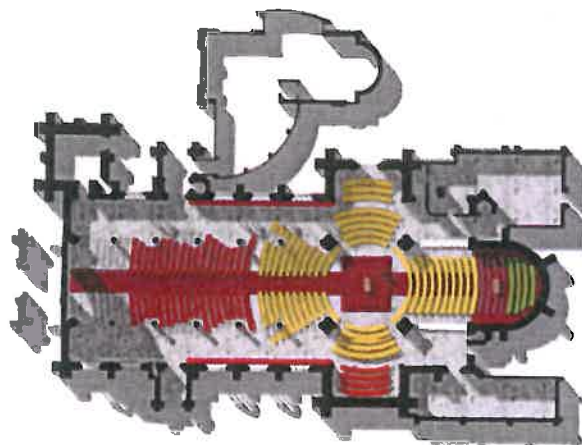
To assist with the assessment of repair strategies for ChristChurch Cathedral, Warren and Mahoney were asked to review seating layouts. In reviewing the layout, Warren and Mahoney were looking at the potential for services of varying sizes and whether the removal or modification of the nave or transept could improve the sightline.

Nave focussed / Radial



- Small prayer service _ Choir and 5-25-50 seats
- Sunday services _ Choir and 50-500 seats
- Synod service _ 900 seats
- High-days _ civic & school services _ 1100 seats

Transept focussed / Radial



1 July 2017

Right Reverend Victoria Matthews
Bishop of Christchurch

Dear Bishop Matthews

I write as someone privileged to have been elected to serve the city of Christchurch at this important time in our history. At this time, you are the leader of the Diocese of Christchurch, the 8th Bishop since the Diocese was established in 1856. This was the same year that Christchurch became both a city by Royal Charter (New Zealand's first city), and a seat for the Bishop.

In many respects, our interests are just as intertwined today as they were when the first European settlers to this part of the world established a Church of England settlement they called Christchurch. The images on the City's coat of arms above reflect this inextricable connection with the Mitre at its heart. The words underpinning those images; *Fide Condita, Fructu Beata, Spe Fortis* – commonly translated as "Founded in Faith, Rich in the Fulfilment thereof, Strong in Hope for the Future" – find resonance today in the decision the Church will make about the future of ChristChurch Cathedral.

Since the Minister supporting Greater Christchurch Regeneration, Hon Nicky Wagner, released the Cathedral Working Group report, it has become apparent that the Government's extremely generous offer needs to be backed by the City of Christchurch. We need to do that in consultation with our community; but in the meantime we have taken stock of the overwhelming support your poll showed for action to be taken. Inaction is holding the city back. If a decision were made to demolish the Cathedral, the inevitable legal proceedings mean years of further uncertainty.

The Cathedral Working Group Report provides a solution that everyone can back – the Government, the Council, the Heritage groups, both statutory and community-led. We as a Council have now carefully considered the report and are fully prepared to back that solution. Having a statutory framework agreed across the political spectrum means that we do not have to contemplate any legal proceedings, and the planning can get underway.

On Friday night the Christchurch City Council voted unanimously to support in principle the Government's offer with a \$10 million grant of our own, the terms of which will be consulted on immediately following the Synod decision. The Council will also consider as part of its Long Term Plan process contributing to operating funding to support the broader Cathedral visitor experience, and noted that the Chief Executive can execute her authority to provide in-kind support for the reinstatement process.

Although this is a recognition of ChristChurch Cathedral's heritage status and the important contribution it makes to civic life and the Christchurch visitor experience, it is in fact the desire for certainty about the future of Cathedral Square and what that means for our city's recovery that drives my desire to see resolution.

In 1856, we needed city status to have a cathedral, and now in 2017, we need our Cathedral to help restore our city's status and to enable the heart of our city to beat once more.

I am pleased the Government has been able to draw together an offer of support for reinstatement; an offer which will allow the Church Property Trustees to proceed with certainty, and which meets the Church's present-day requirements for a Cathedral.

It is also a proposal that I consider enables the Trustees to avoid a decision that will inevitably lead to costly and lengthy legal proceedings.

As the Mayor of Christchurch, I hope that the Anglican Synod, having been offered the responsibility to determine the fate of the ChristChurch Cathedral, understands that the recovery of the heart of the city now lies in their hands as well – we need certainty for our city to fully recover and fulfil the potential that regeneration offers.

I am available to speak to members of the Synod and respond to any questions they may have.

I remain yours 'strong in hope for the future'.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lianne Dalziel', with a long horizontal flourish extending to the right.

Lianne Dalziel
MAYOR



**GREAT CHRISTCHURCH
BUILDINGS TRUST**

14 June 2017

The Minister
Greater Christchurch Regeneration
Salisbury St
Christchurch

Dear Ms Wagner

Funding Pledge to the Crown by the Great Christchurch Buildings Trust

1. The Great Christchurch Buildings Trust (GCBT) has received and reviewed the report of the Cathedral Working Group. It supports the recommended solution proposed by the CWG.
2. The GCBT acknowledges that there is a projected shortfall in funds between the cost of the recommended solution, the insurance proceeds held by the Church Property Trustees for the Cathedral and the indicated Government support.
3. The GCBT confirms its commitment to fundraise for the restoration of the Cathedral. It has received pledges of \$13.7m from a number of donors. These pledges are conditional upon there being an commitment to, and implementation of, restoration of the Cathedral. The implementation of the recommended solution of the CWG would satisfy that condition.
4. The GCBT will continue to fundraise for further funds toward the restoration. It has indicative additional commitments of around \$14m. The GCBT will work with those individuals and organisations once the restoration has been commenced to secure those donations.
5. The fundraising commitment would be assisted by the provision of a tax efficient vehicle for overseas based donors. This has been raised specifically by UK based tax residents. GCBT understands that this may be achieved through the Christchurch Earthquake Fund which was established in 2011 in the United Kingdom. Further consideration needs to be given to this aspect.

Yours sincerely

Philip Burdon

Co-Chair
Great Christchurch Buildings Trust

Trustees

*Jim Anderton, Graeme Brady, Peter Graham, Linda Hennessey,
Celia Hogan, Michael Norris, David Morrell,*

CHRISTCHURCH CATHEDRAL: COMMERCIAL TERMS

The Church Property Trustees (CPT) and the Crown intend to progress the reinstatement of the ChristChurch Cathedral on the basis of the following principles:

- 1. Objectives:** The parties' objectives are to:
 - a. Procure the reinstatement of the Cathedral and construction of the new ancillary buildings and tower/spire;
 - b. Upgrade the Cathedral buildings to meet current seismic and building code requirements (applicable to the construction of a new church of the size and capacity of the Cathedral);
 - c. Meet the spiritual, functional and commercial requirements of the Cathedral Chapter, the Anglican Diocese of Christchurch and the congregation;
 - d. Procure the reinstatement of the Cathedral as an important historical and cultural anchor for the people of Canterbury;
 - e. Bring the Project to completion within a set 'whole of Project' budget of around \$104 million including cost escalation but excluding any future maintenance (the final budget to be set by the joint venture (see below); and
 - f. Ensure a sustainable approach to funding the long term maintenance and insurance of the building.
- 2. Fundraising Trust:**
 - a. The Crown will establish a fundraising trust to raise money for, and assist in the delivery of, the reinstatement project. The Crown will appoint the trustees of the fundraising trust.
 - b. The fundraising trust will raise funds for both the reinstatement of the Cathedral buildings and for a maintenance and insurance fund and so may continue for five years after the reinstatement project is completed.
 - c. A fundraising agreement between the fundraising trust and the joint venture (see below) will specify the timing of contributions and operational issues.
 - d. The fundraising trust, CPT and Chapter will agree operational issues, such as a gifts and donors recognition policy and ethical requirements.
- 3. Joint venture:**
 - a. The fundraising trust and CPT will enter an unincorporated joint venture to deliver the reinstatement project.
 - b. The joint venture parties will have joint responsibility and liability for the project but will look to limit their respective liability by timing project commitments with

fundraising results and capping liability in third party contracts. CPT's total liability will be capped at its funding contribution below.

The joint venture parties will have joint responsibility for the on-time delivery of the project. The indicative timetable is 7 years for completion of the main and ancillary buildings and a further 3 years for the tower/spire.

4. **Governance:** The joint venture parties will adopt the following governance process:
 - a. A joint venture board will provide overarching governance, to comprise of two appointees appointed by each joint venture party and an independent chair appointed jointly by the joint venture parties. Decisions by consensus. Joint venture board members to make decisions in the best interest of the joint venture.
 - b. A project management office/project control group to manage the reinstatement works, to be appointed by the joint venture board. The joint venture parties will work together to develop a streamlined project governance and assurance model.
 - c. The joint venture parties will recognise that CPT will be required to consult with its stakeholders but this will not unreasonably delay the project.
 - d. The Cathedral owner's representative will be consulted on key decisions.
 - e. The joint venture parties bear their own costs of any independent advice they seek. Any joint costs to be paid for from project funds.
 - f. Health and safety to be a key focus for both the joint venture board and the project management office/project control group.
5. **Funds:**
 - a. The Crown will contribute \$10 million to the joint venture at commencement.
 - b. At the start of the project, CPT will contribute its full insurance proceeds and all interest received to that date (currently \$41.5 million) to the joint venture other than a reasonable allowance for CPT's internal costs as a JV party (up to \$1 million).
 - c. A Crown unsecured interest-free suspensory loan of \$15 million to the joint venture. Repayment of the loan will be suspended and forgiven if the joint venture meets reasonable building completion time and cost targets relating to the main and ancillary buildings. Other terms of the suspensory loan are to be agreed.
6. **Legislation:** The Government will promote legislation which may streamline consenting and approval processes, remove specified historic reservations of title, make any necessary amendments to confirm Cathedral and land ownership and recognise the establishment of the fundraising trust.
7. **Maintenance:** A maintenance and insurance plan will be developed by the joint venture. A maintenance and insurance fund will be established. A \$5 million contribution will be made by the joint venture, with the final financial requirement of the fund to be determined by an independent expert. CPT is responsible for maintenance and insurance of the reinstated Cathedral using the fund.

8. **Damage to Cathedral:** If an event causes the total loss or total destruction of the Cathedral prior to completion, the project and the joint venture will be wound up and funds reimbursed pro rata.
9. **Communications:** All communications to be prepared and released in consultation with the other party.