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Northcote Central Business Plan 2016 - 2017

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1. Northcote Town Centre Inc - Business Plan 2016-17

The following document outlines the *Northcote Town Centre Inc Business Plan* for the 2016 - 2017 year which runs from 1 July to 30 June.

This business plan summarises the key objectives for Northcote Town Centre Inc in the upcoming year, and outlines the projects the centre will embark on this achieve these goals.

The background for this Business Plan is derived from the *Northcote Central Strategic Plan* which outlines the history of the centre and the organisation, looks at the current situation of the centre and some key projects for the future.

The *Northcote Central Strategic Plan* also has a budget for the next five years of *Northcote Town Centre Inc*.

The key objectives for the *Northcote Town Centre Inc* for the upcoming year are -

Key Objectives 2016-17

1. Create a safer community centre and shopping experience through maintain and improving the current security levels.
2. Ensure Northcote Central is kept clean and presentable so that it is a 'preferred place to visit and shop' on the North Shore
3. Maintain a good mix of shops and services in the centre
4. Maintain a variety of Ethnic Food in both restaurant offerings and prepared food
5. Support Building Owners on issues the affect and impact the viability and long term future of Northcote Central
6. Maximise the effectiveness of the BID levy within the current level of funding
7. Progress with Auckland Council the Northcote Town Centre Development Plan

2. Key Projects 2016-17

To achieve these goals *Northcote Town Centre Inc* has chosen the following as their key projects for the upcoming year –

Key Projects 2016-17

Promotion

- Major event – Chinese & Korean New Year Festival 2017
- A new Northcote Central website which is accessible through mobile devices

Presentation

- Upgrade the lighting around the centre as outlined in the Lighting Report commissioned by Council
- Enhance the centre's security by adding two additional camera's to the CCTV system
- Work with the Kaipatiki Local Board and Auckland Council on progressing the Northcote Town Centre Plan

Property

- Resolve the Ground Rent in the centre
- Work with ACPL towards the free-holding of the land in the centre
- Provide a forum for the building owners in the centre to share their views on key issues such as the Ground Rent Review and Free-holding

Organisation

- Appointment of a Town Centre Manager / Administrator for Northcote Central

Key Focus 2016-17

A couple of key projects for *Northcote Town Centre Inc* for the upcoming year are -

- Look for a final resolution of the Ground Rent Review
- Engage with ACPL on the Free-Holding on the land in the centre as without this there is unlikely to be further investment and development of buildings in the centre.

Ground Rent Review

The following is an Overview of the Ground Rent Review in Northcote including past reviews and negotiations in the current review to date –

Resolution of Ground Rent

The rental for the Ground Leases in the Northcote Town Centre was due for review on 1 January 2014.

Clause 1 of the leases between ACPL and the Northcote Building Owners provides for the rent to be reviewed and fixed for the next seven year period at a figure to be mutually agreed between the parties.

History of the Ground Rent Reviews

The last three ground rents in 1993, 2000 & 2007 were resolved on a collective basis with the property department of North Shore Council.

Both parties have accepted that the increases needed to be fair and equitable to ensure the future economic viability of the centre.

Building Owners have traditionally purchased buildings in the centre on the understanding that leases are resolved every 7 years on a fair and equitable basis, and not purely on set land valuation methods used by leasehold owners in the city such as the Cornwall Park Trust.

2000 Ground Rent Negotiation

This was negotiated on the collective basis between the North Shore City Council Property Department and Northcote Mainstreet, acting on behalf of the Northcote building owners.

Rental increases ranged from 0% to 21.7%, with the average increase being for the centre being 8.4% (*this excluded the rentals negotiated for the Barfoot & Thompson and Savemart buildings, which were not part of the collective agreement at this time*).

The average rental change would have been lower given that some rentals were recommended to be reduced, but a ratchet clause meant that their rentals were held at their previous level.

2007 Ground Rent Negotiation

This was negotiated on the collective basis between the North Shore City Council Property Department and Northcote Mainstreet, acting on behalf of the Northcote building owners.

Both parties accepted a 32.7% increase in the ground rentals which was calculated by using the change in CPI from 2007-07, plus the change in building rentals over the same period.

The North Shore City Council Property Department accepted that the market or building rents were the fairest way of assessing the change in the value of the centre.

2014 Ground Rent Review

- The rental for the Ground Leases in the Northcote Town Centre was due for review on 1 January 2014.
- ACPL used Brian Stafford-Bush from Sheldons to calculate the land valuations and the proposed ground rents for the rest of the centre. They proposed ground rent

increases of between 75.6% and 199.06% with the average increase being **119.78%**. ACPL used Seagars do the valuation for the Countdown site.

- Northcote Building Owners commissioned Bob Lawton from *Barratt-Boyes Jeffries Lawton Valuers* to prepare a rental report for the centre. Bob Lawton had prepared reports for the three previous ground rent reviews in 1993, 2000 & 2007.
- Bob Lawton prepared some alternative ways on coming up with a ground rental such as using the change in building rentals in the centre over the past 7 years, and applying CPI over the past 7 years to the last agreed ground rentals
- ACPL then commissioned *Seagars* to do a valuation on all properties in the centre.
- Northcote Building Owners then commissioned Scott Keenan from *Savills* to prepare valuations for properties in the centre. The *Savills* report is most aligned with sales on the North Shore and the unique situation of the Northcote Centre being prepared by Scott Keenan at Savills.

Action 2016-17	Parties	Performance Measure
<ul style="list-style-type: none"> • Complete negotiations from ACPL 	<ul style="list-style-type: none"> • Northcote Building Owners 	<ul style="list-style-type: none"> • Resolution of the Ground Rent.

Freeholding of Land

The issue of free-holding the land in Northcote Central has been discussed for many years.

One of the core issues is that without free-holding the land we may not see the redevelopment of buildings into residential accommodation and office space that the “Northcote Town Centre Plan 2010” actively encourages.

Northcote Town Centre Inc made a submission to the LTCCP back in 2009 on the free-holding which is summarised below. There was also a report commissioned by the Kaipatiki Local Board and completed by JLL that recommended free-holding as a key platform in the redevelopment of the centre.

Free-holding of the Land (from 2009 LTCCP Submission)

While, having the land owned by North Shore City Council (and prior to that the Northcote Borough Council) has been advantageous in the past, a key concern is that since the buildings were built in the late 1950s / early 1960s there has been no private redevelopment of the buildings in the centre, other than shop fit-outs, and changes of building usage.

The Council would retain ownership of the public areas in the centre such as roading and pavements, as they do in all other town centres on the North Shore.

It is also vital that the land be sold to the current building owners (and then neighbouring building owners) initially so as to encourage development in the centre.

Kaipatiki Commercial Property Study

The Kaipātiki Local Economic Development (ED) Action Plan was approved by the Kaipātiki Local Board in June 2014. The local board have started on implementation of the plan and approved an early start on the Kaipātiki Commercial Property Study (one of the plan’s actions).

Jones Lang LaSalle (JLL) was appointed to undertake this study, following a competitive selection process.

Security

Overview - Security in Northcote Central

A key goal of *Northcote Town Centre Inc* is to make Northcote the safest shopping centre on the North Shore. Ways in which we have looked to achieve this goal are –

- Having a static security guard in the centre for 30 hours a week
- Close liaison with the Northcote Community Constable and North Shore Police
- Installation of a CCTV system

Background - Static Guard in Northcote Town Centre

Northcote Town Centre Inc has contracted a static security guard in the centre since 1995. The presence of a static guard has contributed to a reduction of crime in the centre, and improving the perception of the centre as a safe place to visit and shop.

The current provider of the static security guard in the centre is Matrix Security. They have done an excellent job in liaising with businesses in the centre, and creating a safer town centre environment since their contract started in late 2009.

Objectives - Surveillance Cameras

Northcote Town Centre Inc installed a comprehensive surveillance camera system early in 2008. The key objectives for having a video surveillance system (CCTV) are –

- Creating a safe environment
- Reducing crime levels by deterring potential offenders
- Assisting in the detection and prosecution of offenders
- Assisting with an effective police follow-up when crime is reported

Initial CCTV System

The initial CCTV system was installed early in 2008. This was eight PTZ cameras. This was later added to with an additional PTZ camera installed by Council on the Onepoto Awhina building focused on the Northcote Library, and two fixed cameras installed on the Tai Ping building focused on the new bus shelters in the centre.

This system deteriorated in terms of the function of the cameras and the picture quality generated on the DVR. Two full maintenance checks were done by one company on the system in early 2011 and 2012. Another company did further maintenance work in late 2012. These were not able to fix the problems, so a more comprehensive upgrade of Northcote's CCTV system was required.

CCTV Upgrade - 2014

Active Control and Security completed the upgrading of the Northcote Town Centre CCTV system in February 2014 which is -

- 4 Indigo Cameras (5 Megapixel)
- 5 Indigo 1080 Vandal Dome Cameras (2 Megapixel)
- 24 months warranty on cameras and NVR, 12 month warranty of installation and all other product

This project has been funded 50 / 50 from the Northcote Town Centre Plan budget and the Northcote Town Centre Inc budget

Additional Cameras

Northcote Town Centre Inc wants to get additional cameras in the following location:

- focus on the back of the Library area
- one to cover Norman King Square and the front of the Library.
- at Barfoot & Thompson end of 1-29 Pearn Crescent.

Callum McKim from Active Control & Security has prepared a quote for these two cameras.

CCTV Memorandum of Understanding

The documents are standard Auckland Council policy, have been agreed with NZ Police under a region-wide MOU and are used in other similar situations. The funding agreement is also unique in that Council is responsible for the head unit location.

1. NTCL is responsible for CCTV system maintenance and operational costs.
2. Additional Council funding may be available for upgrades, new cameras etc, but must be requested through the local board.
3. System access is only for authorised persons, and the system must be operated in accordance with the law and the SOPs.
4. Matrix, NTCL manager, contractors etc need to be 'authorised' in writing before accessing footage.
5. Requests for access to footage from any person (including NZ police) must be made in writing, setting out reasons (there are the forms/logs etc at the back of the SOPs).
6. Council is responsible for the head unit's location and power, which is currently in the library.
7. NZ police have unfettered access during library opening hours and require no prior notice.
8. Access through the library by other any person must be authorised in advance in writing.
9. Laptop access via wifi to the head unit is available at all times, and entry to the public area of the library during opening hours to use the seats/tables etc is fine without prior approval.

Actions	Parties	Performance Measure
<ul style="list-style-type: none">• Installation of an additional two cameras onto CCTV system	<ul style="list-style-type: none">• Northcote Town Centre Inc	<ul style="list-style-type: none">• 2 Cameras Installed

Chinese & Korean New Year Festival

The *Chinese & Korean New Year Festival* has been staged in Northcote Central since 2000, during which time it has fashioned a reputation as a fun cultural event for people of all ages.

It is a free community event of colour, culture and cuisine. It features an array of cultural performances including traditional dance, taiko drumming, martial arts and singing.

The event also features Asian food stalls, an art exhibition, a host of free children's entertainment, and special activities such as a Chinese Folk Band, and traditional Chinese fortune telling.

Northcote's *Chinese & Korean New Year Festival* helps involve and integrate the Asian community into the North Shore community, as well as giving European people an increased understanding and appreciation of Asian culture.

Some other benefits to the community of this event are –

- Allows the community to celebrate *Chinese & Korean New Year*
- A major cultural event on the North Shore which promotes cultural diversity, cross-cultural awareness and interaction.
- A free family event.
- An exciting cultural festival, which adds some vibrancy and vitality to Auckland.

Northcote Town Centre Plan

Background

The “Northcote Town Centre Plan 2010” was developed by Auckland Council, in consultation with various stakeholder groups. This plan identifies a 30+ year vision and ideas / options on how the centre could change and improve.

Next Steps

Northcote Town Centre Inc will work with the Kaipatiki Local Board and Auckland Council on the implementation of the next stages of the ‘Northcote Town Centre Plan’.

Resolution – Kaipatiki Local Board

MOVED by Member G Gillon, seconded by Member J Gillon:

At the Kaipatiki Local Board Meeting on 11 December 2013, in reference to the “Northcote Town Centre – Delivery of the Northcote Town Centre Plan 2010” it was resolved that the Kaipatiki Local Board:

- a) endorses the Northcote Town Centre Plan 2010 that was adopted by North Shore City Council in July 2010.
- b) confirms the below project prioritisation and allocation of available budget:
 - i. FY 2014 - \$460,350 for branding, toilets, signage, CCTV and car park design
 - ii. FY 2015 - \$480,184 for Lake Road car park works (including lighting)
 - iii. FY 2018 - \$104,858 to bring forward to 2015 for Lake Road car park works
 - iv. FY 2019 - \$1,801,452 for Ernie Mays extension; bring part forward to 2015 for Lake Road car park as required
 - v. FY 2022 - \$2,685,401 Lake Road; bring part forward to 2015 for Lake Road car park as required
- c) endorses the proposed new ‘fan’ brand for Northcote Town Centre.
- d) endorses the 50-50 cost share with Business Association to upgrade the security camera system, to a maximum cost to council of \$20,000.
- e) requests that the Northcote Camera Surveillance System be designed and operated in accordance with the Auckland Council "Guide to Camera Surveillance Systems in Public Places", and that access to the system be provided to Police under the terms of the MOU agreed between Council and Police. These matters should be documented in a funding agreement with the Business Association, including regarding operational requirements, data access, data security and privacy matters.
- f) confirms a new two pan public toilet near the bus stops on Pearn Crescent, with final design and location subject to the Lake Road car park design project.

CARRIED

Actions	Parties	Performance Measure
<ul style="list-style-type: none"> • Work with Council on the Implementation of the Plan 	<ul style="list-style-type: none"> • Northcote Town Centre Inc • Kaipatiki Local Board • Auckland Council 	<ul style="list-style-type: none"> • Implementation of Next Project

Lighting Project

Opus Consultants Report

The Council commissioned a comprehensive report into public lighting in the centre from Opus Consultants. The key conclusion from the report is that the current lighting is below the minimum standard of public lighting required in a town centre, and needs to be upgraded.

Update from Kaipatiki Local Board – December 2014

Please see below update on Northcote Town Centre lighting from Auckland Transport:

AT have commissioned lighting designs for -

- c) Lake Road pedestrian crossing
- i) Kilham Ave pedestrian crossing
- l) Pearn Crescent pedestrian crossing

They hope to be able to upgrade the lighting on these 3 crossings to meet the standards, in Feb/Mar 2015.

The AT Street Lights 2015-2018 LED Retrofit programme will address the LED report recommendations on the public roads. A programme of work for the Retrofit will be developed in the next few months.

Northcote Town Centre Inc 5 YEAR BUDGET (GST Exclusive)					
Item	2016-17 Budget	2017-18 Budget	2018-19 Budget	2019-2020 Budget	2020-21 Budget
Income					
B.I.D. Levy	\$120,000	\$120,000	\$110,000	\$110,000	\$110,000
Interest	\$2,000	\$1,000	\$500	\$500	\$500
GST Refunds	\$12,000	\$12,500	\$12,300	\$15,000	\$15,000
	\$134,000	\$133,500	\$122,800	\$125,500	\$125,500
Expenditure					
Security Guard - Matrix	\$52,000	\$55,000	\$56,700	\$59,000	\$60,000
Security Guard - CCTV & Other	\$3,000	\$10,000	\$4,000	\$4,000	\$4,000
Professional Services - Accountancy / Audit	\$2,900	\$2,600	\$2,600	\$2,800	\$3,000
Management & Administration	\$25,000	\$29,000	\$30,000	\$32,000	\$32,000
General & Marketing Expense	\$3,600	\$5,600	\$5,600	\$5,600	\$5,600
Postage & Stationary	\$2,300	\$2,000	\$2,000	\$2,500	\$3,500
Repairs & Maintenance	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000
Administration Support	\$5,000	\$7,000	\$7,000	\$7,000	\$7,000
Website Support / Facebook	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
	\$100,200	\$117,600	\$116,300	\$121,300	\$123,500
Surplus	\$33,800	\$15,900	\$6,500	\$4,200	\$2,000
Events					
Chinese & Korean New Year - total cost	\$30,000	\$30,000			
less Grants / Sponsorship	\$7,000	\$7,000			
Net cost of event	\$23,000	\$23,000	\$0	\$0	\$0
Total Expenditure	\$123,200	\$140,600	\$116,300	\$121,300	\$123,500
Overall Surplus or Deficit	\$10,800	-\$7,100	\$6,500	\$4,200	\$2,000
Notes					
No increase in BID Levy					
Costs of Town Centre Management will change with Appointment					
Next Ground Rent Review is 1 Jan 2021					