

Memo

6 July 2017

To Andy Roche
CC Paul Edwards
John Norman
From Anthony Gibbons

Subject Kaipatiki LED work programme 2017/18 – Options/Recommendations

Background

1. This memo aims to support further consideration by the Kaipatiki Local Board of its 2017/18 Local Economic Development (LED) work programme at its workshop on 5 July.
2. There are currently three proposed new areas of activity, namely ‘supporting town centres’ and Youth Enterprise (YES) E-days, and funding the purchase of Marketview data for local Business Improvement Districts (BIDs). The work programme also contains a single deferred item from last year for an economic impact assessment of the Highbury commercial district. This and the YES E-days initiative are assumed not to be in contention and are excluded from the following discussion.
3. The funding envelope for new activity in 2017/18 is \$21,000.

RECOMMENDATIONS

4. It is recommended that for its 2017/18 Local Economic Development work programme the Kaipatiki Local Board:
 - i. **Undertake research aimed at supporting future development opportunities for the Glenfield town centre (\$20,000);**
 - ii. **Support the Youth Enterprise Scheme (YES) E-Days (\$1,000);**
 - iii. **Abandon proposals relating to other town centres, continuation of the migrant business support programme and funding the purchase of Marketview data for local Business Improvement Districts (BIDs).**

Analysis

A) Supporting Town Centres

5. Three town centres have been put forward as potentially within scope for some type of intervention, specifically, Northcote, Glenfield and Beach Haven. It should be noted from the outset that thriving town centres often play an important role in contributing to an area's economic vitality and are therefore a legitimate focus for engagement. However, the ability of the Local Board and ATEED to effect any meaningful change or improvement within a town centre is dependent on several factors. A high-level assessment by ATEED of each town centre produces the following observations:

Beach Haven

6. The most obvious limitation for any sort of economic development intervention in Beach Haven is its size. The focus of such interventions is typically major town centres affecting large populations. Smaller centres often present lower cost/benefit potential due to many fixed transaction costs associated with intervention and limited scalability of the investment arising from small business catchments and limited potential to attract new or uprated investment. The absence of any formal collective business structure in the Beach Haven shopping area, such as a Business Improvement District supports these observations. It is ATEED's recommendation that Beach Haven be excluded from any intervention.

Northcote

7. As you are aware, the Northcote shopping area is undergoing preparation for significant redevelopment, led by Panuku Development Auckland. A key enabler of planning will be council's eventual ownership of much of the land and buildings in the town centre providing leverage over development outcomes (Acquisition of commercial ground leases in the town centre is underway now). This aspect of development value proposition is unmatched by either Beach Haven or Glenfield. Masterplanning for the town centre will commence once all leases are in public ownership.
8. Panuku states that research into the perceptions and design ideas for the development from the local residents is integral to masterplanning activity and that they would greatly welcome the Local Board undertaking the work. Important to note is that the research will be commissioned by Panuku if not picked up by the Local Board.
9. The research would, however, provide the Local Board with the means to directly input to the development, both creating a channel for engagement with Panuku and likely increasing its profile with the Northcote community.

10. Panuku further indicates that they would need the research to be undertaken in the next few months.

Glenfield

11. In contrast to Northcote, the Glenfield Mall and surrounding shopping precinct is privately held. This limits Council's involvement in any future redevelopment of the area primarily to the renewal or realignment of public amenities (physical assets). There is also the potential to leverage private and public sector redevelopment for the delivery of new economic development programmes, for example working with local employers to promote employment opportunities or joint marketing.
12. Auckland Council's Plans and Places department has tentatively programmed a body of work to redevelop the Glenfield commercial precinct commencing in 2018/19. This would commence with research to understand local issues, for example, the impact of the current environment on residents' shopping behaviours and perceptions of local amenities, transport infrastructure, etc.
13. Understanding the local environment in terms of residents' shopping behaviours and attitudes is a critical first step in any town centre intervention, as is investigation of the current state of shopping amenities, such as vacancy rates and the types of resident businesses to give a sense of general business health and comparison with other town centres – otherwise known as a town centre health check.
14. Unsurprisingly, Plans and Places are very keen for the Local Board to pursue a Glenfield research initiative on the basis the findings would feed into their own preliminary work.
15. Importantly, land use changes in Glenfield brought about by the Unitary Plan present immense opportunity for development in the area that might be expected to play out over the next 10 or more years, especially in terms of housing intensification. This will have implications for the positioning of the town centre in this redevelopment.
16. The advantages perceived by ATEED of undertaking research into the state of the Glenfield town centre include:
 - i. Provides an evidence base for engaging with private land holders about their investment plans and potentially bringing forward or influencing design aspects of such plans
 - ii. Providing early stage input to Council redevelopment planning, including potential to bring forward the current development timeframe.

- iii. Identifying attributes about the town centre that provide a basis for the Local Board to have informed debate/discussion with the local population.

17. The cost of a medium-scale research project, including public perception surveys and town-centre health check is roughly \$20,000. This could be scaled to suit Local Board preferences and allow for a wider LED programme.

B) Migrant business support programme

18. A migrant business support programme has been running in the Kaipatiki area for the last two years, most recently comprising the delivery of a targeted Starting-Off-Right workshop in the Northcote town centre.

19. The programme appeals from the perspective of delivering a concrete initiative to the community with clear purpose and benefits. It has been an effective means of engaging the migrant business community and could be re-activated with relative ease.

20. The programme's downsides include uncertainty about its effectiveness on building business capability, particularly when aimed at the pre-startup market, let alone economic outcomes for the area. Should the programme be reactivated, a review of project design and delivery channels will be necessary for maximum impact.

21. A key upside of the programme is its ability to allow the Local Board build profile with the migrant community that may open new opportunities for dialogue and engagement. The funding envelope would probably be in the area of \$10,000.

C) MarketView retail data

22. ATEED has several concerns about a proposal for the Local Board to fund the purchase of MarketView data for the local BIDS, including:

- i. If the data were of value to the BIDs, it makes sense they should pick up the cost – as direct beneficiaries of the expenditure. Any rationale for the public to bear such cost is particularly weak.

- ii. There are no way to ensure the data would be used by the BIDs, irrespective of whether its bought and supplied by the Local Board or enabled by way of grant to the BIDs.

23. For these reasons, ATEED is hesitant to support this option.

Summary

24. ATEED supports both the town centre research and, to a lesser extent, the migrant support proposals.
25. An issue to consider is that were the migrant support option pursued, the remaining funds are unlikely to be sufficient for town centre research.
26. The greatest impact for the Kaipatiki community is likely to be derived from improvements to the Glenfield town centre and is therefore ATEEDs recommended option, where only one of the two preferred options is viable within the funding envelope
27. However, were the Local Board seeking to achieve demonstrable and timely outputs from its LED spend, the migrant support programme would be the better option.
28. ATEED recommends against funding the purchase of Marketview data as an illegitimate and low value use of public funding.