

Commercial Property Committee Agenda

Date: Tuesday, 23 February, 2021

Time: 1:00 pm

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Cr Greg Innes (Chairperson)
Cr Gavin Benney
Cr Ken Couper
Cr Shelley Deeming
Cr Phil Halse

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Declarations of Interest

2. Apologies

3. Information Reports

3.1. City Core Inner-city Working Party Report

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4. Public Excluded Business

4.1. Confidential Minutes Commercial Property Committee 18
August 2020

4.2. Commercial Property Committee Report February 2021

5. Closure of Meeting

Recommendations contained in the agenda are not the decisions
of the meeting.

Please refer to minutes for resolutions.

3.1 City Core Inner-city Working Party – report

Meeting: Commercial Property Committee
Date of meeting: 23 February 2021
Reporting officer: Tony Collins, Manager – District Development

1 Purpose

The purpose of this briefing is to update the Committee on work undertaken by the City Core Inner-city Working Party.

2 Recommendation

That the Committee note the report on the work undertaken by the City Core Inner-city Working Party.

3 Background

As part of Council's response to the potential negative impacts of COVID-19 of the central city area of Whangarei, Council at the 28 May 2020 meeting established a City Core Inner-city Working Party consisting of three Elected Members to provide governance input and support into implementing the goals of increasing inner-city living contained within the City Centre Plan, City Core Precinct Plan and COVID-19 Response Strategy.

It was to identify how Council can assist in the development of further inner-city living by;

- Liaising with the General Manager - Planning and Development, and General Manager - Strategy and Democracy, to identify commercial property owners and properties in the City Core.
- Support discussions with a selection of commercial property owners of varying property types, sizes and city core locations to understand interest in conversion of commercial space into residential.
- Identify, the obstacles and risks to redevelopment, along with possible strategies to mitigate these.

4 Discussion

The work undertaken by this group has been distinct but inter-connected with that of the Commercial Property Committee in that where the Working Party has looked at all commercial holdings within the Central Business District (CBD) and what drivers exist to repurposing them to residential, this information is also of use in informing development opportunities for council owned property.

The workstream to date has fallen into two areas.

Firstly, the Manager - Strategy has undertaken a high level study of inner city living which has been used to inform the development of the District Growth Strategy.

Secondly, Working Party members have undertaken a number of face-to-face interviews with developers and land owners within the CBD to gain an understanding of their desire to repurpose their commercial buildings to residential use, what they perceive as barriers and what they think Council should be doing about it. There were a wide range of responses depending on the personal aspirations of the owners, their appetite for risk and their access to capital.

What was apparent was not everyone who owns inner-city property has either the capability or capacity to undertake such a development and providing access to the right information to these owners would allow them better opportunity to do so.

Based on the outcome of these interviews it was decided to provide a series of resources that would enable such development by outlining why a property may wish to do a residential repurposing of a commercial building and how they would go about making it happen. Such resources would also give effect to the aspirations and outcomes desired within Council's recent strategic plans relating to among other things complete streets, city centre and precincts.

Requests for quotes have been sought from a range of providers both local and nationally based for two separate bodies of work that will provide Council with resources to share with inner-city property owners. These are:

An Inner-city Living Business Case –

The Business Case is intended to build on WDC's portfolio for Inner City Living. The document is intended to answer questions that will provide new direction on where WDC should focus future planning. Also to build on the knowledge of Inner City development for key stakeholders. This document shall capture all opportunity areas for WDC and key stakeholders to work closer to deliver more Inner City dwellings but identify any clear road blocks that is impacting on progress.

It will achieve the following objectives:

- Overview of the benefits of inner city living
- A future demand assessment for inner city living-scoping out the type of people who are expected to show most interest for inner city living.
- Benefits of Council's role in enabling inner city living.
- Cost/benefit analysis of funding incentives WDC could introduce (Development Contributions, reduction in rates).
- Direct flow on effects on the Central City economy with increasing investment.
- Negative implications to the City Centre without the development of Inner City Living.

An Inner-city Living Toolkit -

The Inner City Toolkit is intended to become an asset for all interested stakeholders to provide clarity on the opportunities available with future Inner City development. The document will provide clear and detailed insight into all aspects on what is required for a successful Inner City development. There is an expectation the Toolkit will give an in depth assessment on the costings and process for a developer would need to contend with a future inner city development.

The Toolkit will be specifically focus on the following development types:

- Building conversion-commercial to residential dwellings

- Apartment buildings.
- Townhouses

The Toolkit will achieve the following objectives:

- Provide a data base on the development components to the specified building types including accurate costings on key development aspects which landowners/developers must take into account.
- Provide a process for developers.
- Will clearly outline current profitability margins and future market direction for inner city living in Whangarei.

The contracts relating to both projects are to be approved mid-March 2021 with work to be completed by the end of July 2021. Both the Commercial Property Committee and the City Core Inner-city Working Party will be appraised of progress as the projects reach various milestones.

5 Significance and engagement

Having considered the Significance and Engagement Policy this matter is not considered significant and the public will be informed at an appropriate time without compromising such matters of confidentiality.

RESOLUTION TO EXCLUDE THE PUBLIC**Move/Second**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Commercial Property Report	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	To enable the Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations) To enable Council to carry on without prejudice or disadvantage commercial activities	Section 7(2)(i) Section 7(2)(h)

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.