

## **CENTRES UPGRADE PROGRAMME**

Department: City Development

### **EXECUTIVE SUMMARY**

- 1 The purpose of this report is to describe the proposed centres upgrades and minor amenity improvements programmes that are used to deliver upgrades in Dunedin's commercial centres.

### **RECOMMENDATIONS**

That the Council:

- a) **Approves** option one, funding to focus on Minor Amenity Improvements initially, followed by the Centres Upgrade Programme, for public consultation on the 9 year plan 2025-34.

### **BACKGROUND**

- 2 The Second Generation Dunedin City District Plan (2GP) describes [Centres Zones](#) as a range of different sized commercial centres that are spread throughout the urban area of Dunedin and within outlying towns of the wider district. Principal, suburban and rural centre zones provide hubs for social and economic activity for suburban and rural communities.
- 3 2GP also refers to Neighbourhood Centre zones, which provide for the day to day needs of individual neighbourhoods, with the Neighbourhood Destination Centre Zone also servicing visitor needs, and the Neighbourhood Convenience Centre Zone also servicing the needs of passing motorists.
- 4 The aim of the Centres Upgrade Programme is to ensure Dunedin's Centres Zones are great places for their communities and local businesses, in terms of traffic safety, accessibility and amenity.
- 5 The Centres Upgrade Programme is to be delivered as:
  - a) as programme of significant **centres upgrades**, and
  - b) a supplementary programme of **minor amenity improvements**.

Attachment A lists individual centres under each of the proposed programmes. The grouping is based primarily on the scale, and therefore likely budget requirement, of the individual centre.

### **Centres Upgrade Programme**

- 6 In 2010 City Development undertook a study and public engagement on the 'activity centres', as they were described at that time, in Dunedin (excluding the CBD). The purpose of the research was to provide data to inform the review of the District Plan, the identification and prioritisation

of ‘activity centres’ upgrades projects, and the prioritised need for whole-of-council place-based strategies, together with a review of the Transportation Strategy. This work led to a revision of the zoning, zone boundaries and rules for activity centres as part of the 2GP and the development of a priority list of centres for upgrades.

- 7 In 2012 a programme for upgrading centres was proposed to the Planning and Environment Committee based on an evaluation of the current condition and issues and opportunities for each centre at that time. The evaluation was based on consultation that occurred concurrently with the consultation on the 2GP, a desktop analysis of existing data, a character study, summaries of LTP feedback and individual site visits. Each area was assessed against the following criteria:
  - how well the centre was fulfilling its agreed role and function
  - expected growth nearby including housing intensification
  - significant planned/actual investment by the private or public sector
  - importance to support agreed strategic direction
  - quality of the public environment
  - opportunity to influence and add value
  - significance of crime or safety issues
  - accessibility
  - transportation safety.
- 8 Council approved the first major project in this programme – a revitalisation plan for [King Edward Street in South Dunedin](#). A smaller centre upgrade of the St Clair (roundabout corner of Forbury Road) happened in 2017. The programming of the latter driven by a transportation safety upgrade for the intersection of Bedford Street, Forbury Road and Victoria Road.
- 9 The current Centres Upgrade Programme is proposed to focus supporting the economic and social role and function of centres. By providing local access to services and amenities, supporting vibrant and successful centres is a key activity to achieve the compact city and accessibility strategic objectives of the Dunedin Future Development Strategy, Transportation Strategy and the Zero Carbon Plan.
- 10 The projects delivered under the Centres Upgrade Programme will take a holistic, place-based approach to include capital works delivered by the DCC as well as working with building owners and landowners to encourage and support upgrades to or use of buildings, redevelopment of vacant or underutilised sites in centres, or other ways to encourage and support activity in the centres (for example branding and events). Where centres include historic buildings, existing initiatives including the Dunedin Heritage Fund can be used to support building owners in upgrading, maintaining, and restoring these buildings so that they contribute positively to the streetscape and identity of the centre.
- 11 In terms of capital works these generally include minor or modest investment in upgrades that enhance streetscape amenity and where possible minor safety improvements. This may include footpath treatments, especially around pedestrian access crossing points and on corners, street

trees, other landscaping and street furniture (planting, screening, seats, rubbish bins, cycle racks, bus shelters etc). Opportunities to better use open public places for a greater range of uses will be considered. Where possible, staff may also review public transport infrastructure (bus shelters and nearby curbing etc) and parking management to improve accessibility in centres.

- 12 Centres Upgrade Programme projects will also seek to maximise co-benefits with other DCC projects through linking budgets and timing with other transportation projects and underground infrastructure upgrades, along with any appropriate operational spend.
- 13 Centres Upgrade Programme projects will be tailored to the site-specific issues and opportunities in each location, with the scope of work varying depending on the size, geographical location, and strategic importance of the centre.
- 14 The Centres Upgrade Programme will employ lessons learned from the Warehouse Precinct upgrade which followed a similar holistic place-based approach and involved a similar range of activities.
- 15 The Centres Upgrade Programme will primarily be delivered internally, principally by the City Development, Advisory Services team.

### **Minor Amenity Improvements Projects**

- 16 Minor Amenities Improvements projects deliver smaller amenity upgrades, to enable responses to needs outside of the Centres Upgrade Programme. Examples of Minor Amenities Improvements projects are upgrades to pocket parks, new seating areas, or adding landscaping as part of larger capital work projects.
- 17 Examples of recent projects in this category are listed below.
  - The CBD temporary parklet installation.
  - Two Mosgiel Pocket Parks – (Intersection of Larnark Street and Gordon Road, and Glasgow Street and Gordon Road).
  - Stuart Street planted median.
  - The temporary Octagon experience and new seating in the Octagon.
  - Design of the new roundabouts and new seating in Green Island.
  - New seating along Portsmouth Drive.
  - Installation of bespoke cycle stands in Crawford and Stafford Streets.
  - Installation of the Bee Garden in Great King Street.

### **DISCUSSION**

- 18 Proposed funding is currently included in the draft 9-year plan budget for the Centres Upgrade Programme and for the Minor Amenities Improvements programme. The proposed funding is described in Option One.

<i>in \$'000</i>	<b>Year</b>	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Option One:</b>	CUP	-	-	-	990	990	990	990	-	-
Starting with	MAI	300	300	300	-	-	-	-	300	300
Small Centres	<b>Total</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>990</b>	<b>990</b>	<b>990</b>	<b>990</b>	<b>300</b>	<b>300</b>

*Table 1: Proposed Budget 2025 -34 9 year plan (in \$'000)*

*Note: Centres Upgrade Programme Budget (CUP), Minor Amenity Improvement Budget (MAI)*

- 19 Given the reduction of central Government co-funding opportunities for the transport related upgrades, it is proposed to only have one budget line for the Centres Upgrade Programme sitting in the City Development department budget for both options.
- 20 The budget provides for a basic/modest level of upgrades to the streetscape. Upgrades are likely to include small areas of paving, pedestrian/accessibility improvements, street furniture, landscaping to improve amenity value.
- 21 Staff have previously engaged with Aukaha who indicated that a cultural narrative to guide the overall programme can be prepared in lieu of cultural narratives for each individual centre, this work has not been costed but will need to be factored into the overall cost of the programme. If there is an opportunity for murals in the centre, staff will engage with private building owners and Ara Toi.
- 22 Budget would generally not include public art. For upgrading, maintaining, and restoring historic buildings, existing initiatives and options included in the Heritage Action Plan (funding for implementation options are being presented in another report) are available to support owners.
- 23 The Centres Upgrade Programme would be delivered with input from both City Development and Transport departments and the individual Centres Upgrade Programme projects may still contain transport related upgrades, however, these are likely to be limited in scope and will usually only focus on improving pedestrian amenity and safety.
- 24 The options assume that all or most of the Minor Amenities Improvements budget will be allocated to spending in centres. The intent is these options would allow for minor upgrades in centres to be progressed in a timely way if they are urgent or to be undertaken alongside other private or public works happening in centres, without needing to wait for a centre to be programmed for a more substantial upgrade.
- 25 Ahead of the Centres Upgrade Programme being commenced, a report to Council or the Strategy, Planning and Engagement Committee would be prepared seeking a decision on delivery priorities. This report could be informed by an assessment similar to that undertaken in 2012. For all projects, the scope of the upgrade would be managed to the funding available, with the timeframe being able to be adjusted to achieve an appropriate quality of upgrade. That is, a single year's budget may in some cases allow for more than one project and in other cases only part of a project.
- 26 Option one proposes to focus the first three years on only delivering Minor Amenity Improvement projects to minimise the cost of the programme in the first three years of the LTP period. This would likely allow for upgrades in up to three small centres.

- 27 The Centres Upgrade Programme, providing upgrades to larger centres, would then begin to be delivered in Year four of the 9-year plan allowing Council time to consult on priorities for delivering upgrades to larger centres, and to provide for upgrades to two larger centres over four years, with each project split over two years.
- 28 In addition to the capex budget, additional operational budget is required to plan and deliver the Centres Upgrade Programme. To upgrade the larger centres, it is envisaged that a dedicated project manager would be required, and whilst this position is not currently included in the staff schedule utilising staff in other departments may be possible at that time. Periodic project support will also be needed for the smaller centres.
- 29 Where specific expertise is required i.e. input from a civil engineer, this may be procured within the capex budget, opting for a design and build contract, or utilising staff in other departments.
- 30 For years where only Minor Amenity Improvement projects are being developed and delivered, design and documentation work may be provided for from existing resourcing. Capacity could be impacted by other parts of the City Development work programme and if there is a further uptake in resource consent applications.
- 31 The proposed delivery of the Minor Amenity Improvements projects will take place on needs / benefit approach, with overall prioritisation requiring Council direction.
- 32 The Minor Amenity Improvement projects would include basic amenity upgrades, ie upgrading/ renewing street furniture, new landscaping) in small neighbourhood centres, main arterial routes, important/frequently used public spaces.
- 33 The Centres Upgrade Programme represents more substantial streetscape upgrades within larger centres and the selection of the centres to be upgraded and the order in which work is.
- 34 Operational costs associated with the maintenance of any capital works are not able to be determined until the design work is finalised. Therefore, an allowance of 2% of the capital cost would be sufficient for budgeting purposes.

## **OPTIONS**

### **Option One – Funding to focus on minor improvements in small centres initially, followed by upgrades to large centres later in the 9-year plan period**

- 35 Under this option, the focus for the first three years would be on delivering projects using the minor improvements budget. Upgrades to larger centres would be delivered from year four of the 9-year plan and would likely provide for upgrades to two larger centres over four years, with each project split over two years. This option is included in the draft 9 year plan budget.

#### **Impact assessment**

##### *Debt*

- 36 Would require borrowing of \$5.460 million to fund this option which is included in the draft capital budget as follows:

Year 1 25/26	\$300,000
Year 2 26/27	\$300,000

Year 3 27/28	\$300,000
Year 4 28/29	\$990,000
Year 5 29/30	\$990,000
Year 6 30/31	\$990,000
Year 7 31/32	\$990,000
Year 8 32/33	\$300,000
Year 9 33/34	\$300,000

#### *Rates*

- 37 Rates funding for operating costs, interest and depreciation are included in the draft 9 year plan 2025-34 as follows:

Year	Interest	Depreciation	Operating Costs	Total Rates Impact
Year 1 2025/26	\$6,000	\$0,000	\$6,000	\$12,000
Year 2 2026/27	\$19,000	\$31,000	\$6,000	\$56,000
Year 3 2027/28	\$31,000	\$41,000	\$6,000	\$78,000
Year 4 2028/29	\$57,000	\$52,000	\$20,000	\$129,000
Year 5 2029/30	\$119,000	\$87,000	\$20,000	\$226,000
Year 6 2030/31	\$169,000	\$125,000	\$20,000	\$314,000
Year 7 2031/32	\$218,000	\$165,000	\$20,000	\$403,000
Year 8 2032/33	\$251,000	\$206,000	\$6,000	\$463,000
Year 9 2033/34	\$266,000	\$224,000	\$6,000	\$496,000

#### *Zero Carbon*

- 38 This option would contribute to the Zero Carbon Plan action areas 'strengthen neighbourhood centres' and 'nurture low emissions urban form' by encouraging and supporting activity in centres. This may result in longer-term emissions reduction in city-wide emissions. The Zero Carbon 'High' investment scenario (described in the Zero Carbon Investment Options report, under separate cover) includes an investment option for additional spend on transport elements, which would enable more substantial transport improvements, and greater emissions reduction benefits.

#### *Advantages*

- The proposed programme enables planning and delivery phases of the overall programme to be refined with a series of smaller projects before commencing on a large project.
- By starting with small centres, the financial investment will be reduced for the next three years, including delaying the need for a dedicated project manager (additional staff resource to a lesser extent is still needed).

#### *Disadvantages*

- Centres that are prioritised later in the centres programme will have a significant period of time since their last upgrade and will likely have amenity infrastructure that is past an ideal point of renewal.

- Lack of amenity in centres can make them less attractive for customers reducing economic activity and local spending on goods and services, particularly in smaller businesses that are more likely to be owner-operated.
- Delaying spending will put financial pressure on future years as a more intensive programme will need to be delivered to address deferral.
- Decline in residents' satisfaction with look and feel of centres will continue.

## **Option Two – No Funding for Centres Upgrade or Minor Amenity programmes**

Under this option, both the Centres Upgrade Programme and Minor Amenity Improvement work programme are unfunded. No work to improve the amenity of public places in suburban and rural centres would be undertaken over the period 2025/26 to 2033/34.

### **Impact assessment**

#### *Debt*

39 Debt would reduce by \$5.460 million across the 9 year plan as tabled in Option 1.

#### *Rates*

40 Rates funding would reduce across the 9 year plan due to less operating costs, depreciation and interest costs as projected in Option 1.

#### *Zero Carbon*

41 This option is unlikely to materially impact city emissions or DCC emissions, but it precludes longer-term emission reduction benefits from being realised.

#### *Advantages*

- No financial investment required, and budget can be redirected to other areas of need.

#### *Disadvantages*

- Many of the centres were last upgraded in the 1990s and would benefit greatly from amenity improvements. Delaying the Centres Upgrade Programme will increase the need to renew street furniture in the future as part of unplanned works due to failure.
- Lack of amenity in centres can make them less attractive for customers reducing economic activity and local spending on goods and services, particularly in smaller businesses that are more likely to be owner operated.

## **NEXT STEPS**

42 Should Council decide to proceed with the Centres Programme a report to Council or Committee will confirm the priority projects to be delivered in the first years of the programme.

### **Signatories**

Author:	Mark Mawdsley - Team Leader Advisory Services
---------	---

	Dr Anna Johnson - City Development Manager
Authoriser:	David Ward - General Manager, 3 Waters and Transition

## Attachments

	Title	Page
A	Location of Centres and 2GP Zoning	

## SUMMARY OF CONSIDERATIONS

### ***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

### ***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Future Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	✓

### ***Māori Impact Statement***

An overall cultural narrative for the Centres Upgrade Programme will be worked through with mana whenua. Additionally, any site-specific opportunities will be identified.

### ***Sustainability***

There will be a focus on sustainability as part of the project outcomes. Options of how to reduce the environmental impacts of the construction elements will be considered.

### ***Zero carbon***

The Zero Carbon Plan sets out the importance of strengthening neighbourhood centres and nurturing low emissions urban form, including by encouraging and supporting activity in centres. The options section in this report identifies how each option may impact DCC and city emissions.

### ***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report sets out three options for funding centres upgrades. These options have funding implications.

### ***Financial considerations***

Centres and minor amenity improvements are currently funded in the draft 9 year plan 2025-34.

### ***Significance***

The report is considered low in terms of the Council's Significance and Engagement Policy.

### ***Engagement – external***

An engagement plan will be developed for each Centre if work progresses.

### ***Engagement - internal***

A cross departmental working group is in place to ensure there is internal engagement across all appropriate DCC departments, including City Development, Transport, and 3 Waters.

**SUMMARY OF CONSIDERATIONS*****Risks: Legal / Health and Safety etc.***

There are no identified risks. A risk register will be developed for each of the respective component projects.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

The relevant Community Boards will be involved in relation to the individual centres.

**Centres Upgrade Programme**

CENTRE LOCATION	2GP ZONE
<b>Larger or more significant centres to be considered for prioritisation in the Centres Programme</b>	
Green Island	Principal Centre
Mosgiel (Central)	Principal Centre
Port Chalmers	Principal Centre
South Dunedin	Principal Centre
Caversham	Suburban Centre
Gardens	Suburban Centre
Mornington	Suburban Centre
Roslyn	Suburban Centre
Portobello	Neighbourhood Destination Centre
St Clair	Neighbourhood Destination Centre
Outram	Rural Centre
Middlemarch (Swansea St)	Rural Centre
Middlemarch (Snow Ave)	Rural Centre
Waikouaiti	Rural Centre
Waitati	Rural Centre
<b>Smaller centres likely to only be upgraded by a minor amenity improvements</b>	
Andersons Bay / Terminus	Neighbourhood Centre
Andersons Bay Road (South)	Neighbourhood Centre
Brighton	Neighbourhood Centre
Brockville	Neighbourhood Centre
Corstorphine	Neighbourhood Centre
Forbury	Neighbourhood Centre
Helensburgh	Neighbourhood Centre
Hillside	Neighbourhood Centre
Hillside	Neighbourhood Centre
Macandrew Bay	Neighbourhood Centre
Māori Hill	Neighbourhood Centre
Musselburgh	Neighbourhood Centre
University Precinct	Neighbourhood Centre
Wakari	Neighbourhood Centre
Kaikorai North	Neighbourhood Convenience Centre
Kaikorai South	Neighbourhood Convenience Centre
North Dunedin	Neighbourhood Convenience Centre
Mosgiel (South)	Neighbourhood Convenience Centre