appendices

APPENDIX 1. CONSULTATION FEEDBACK

Detailed consultation feedback

FOCUS GROUP FINDINGS

On 13 June three meetings took place to exchange ideas between groups of stakeholders, Council staff and the consultant team. These meetings generated spatial and non-spatial ideas and suggestions for the Dunedin Central City and its context. The three groups constituted a wide range of representatives and sometimes contradictory ideas and opinions were raised for consideration in the project:

General

- → The central city should be made friendlier and the attractiveness of the city after the retail closes should be improved.
- → Local people should become more positive about Dunedin.
- → Dunedin should be aware of its valuable assets, such as affordable housing, good schools, safety, and these should be promoted.
- → The promotion of Dunedin should be focussing on all its aspects: the arts, sports, commerce, entertainment, lifestyle, education.
- → The prominence of student flats in the central city, including rubbish on the street, too many cars for the property and regular loud parties should be reduced. Some streets have become overly dominated by student flats.
- → Quality should be emphasised.
- → The focus should be on aesthetics in addition to functionality.
- → The city should remain easy to get around, including access to the hospital and for emergency services.
- → Dunedin should have recycling stations.
- → Smaller achievable revitalisation projects could function as catalysts for bigger change.
- → The liveability in the central city should be improved.
- → Life should be brought back into the Warehouse District.
- → The focus should be on the central city, instead of on the harbourside area. Dunedin is not a harbourside city and the views onto the Harbour are limited.
- → Dunedin should be compared with other cities to assess how it is doing, and try to attract assets that are missing.

Community/ Social

- → The George Street School has a full role.
- → The arts precinct should be better promoted. There is a need for coordination of all promotional activities. It would be best to have attractive brochures and maps for arts, fashion and other similar attractions.
- → Access to art is important for the city.
- → There are many opportunities for recreation and hobbies in Dunedin.
- → Safety in the central city should be improved.
- → Dunedin has an ageing population. There should be more synergy between facilities.
- → The emphasis should be on facilities within the central city and the ease of access to it for the less affluent.
- → There is a need for a theatre of about 800 seats.
- → The public perception of safety at night in some areas is not positive. An example is parking for the casino. There is a lot of capacity in the Warehouse District, but it is felt unsafe to walk through this area at night. Instead many people park in areas to the west and are prepared to walk up and down the hill.

Traffic

- → Cycleways need more attention. There is a need for more linkages, increased safety, and cycle parking in the central city.
- → The walking experience in the CBD is more ‘utilitarian’, and is less enjoyable than other cities, e.g. Wellington.
- → No right turns in some intersections on George Street is seen as an issue.
- → Traffic safety is a concern.
- → One-waying of streets should be avoided and reversed. Pedestrianisation is favoured.
- → There is a need for covered walkways, given Dunedin’s climate and the ageing population
- → The linkages with the harbour should be improved. This involves improvement of the existing ones and construction of a possible new connection.
- → The interface with and the access to the edge of the harbour should be improved.
- → The balance between cars and pedestrians and cyclists should be changed.
- → Sustainable transport options should be available to everyone in Dunedin.
- → The connectivity with the outlying Dunedin areas should be maintained and improved.

Car parking

- → There is a need for a review of the parking strategy. The abolishment of the 30 minutes free street parking is perceived to have led to a loss for local small retailers. There is a need for some free parking with a duration longer than the current 5 minutes.
- → Buses take up valuable parking space in George and Princes Streets in the current configuration. Buses should stop in the street instead of pulling over into bays. This would lead to retention of the street parking, while at the same time calming vehicle traffic.
- → The Dowling Street car park is in need for an upgrade.
- → The Exchange is a suitable location for a structured car park.
- → Paid parking on Saturdays is perceived as a deterrent. The current system of free parking Sunday causes pressure for retailers to remain open on Sunday.
- → A large proportion of the free street parking around the CBD is taken up by students.

- → Parking around the university is scarce.
- → There is pressure on parking around recreational reserves.
- → There are currently 25,000 parking spaces (including commercial off-street parking). A more efficient use of these should be aimed for.
- → Car parking areas for car sharing should be established in areas outside the central city.
- → Car parking pooling would help make developments more viable.

Passenger transport

- → There is a need for buses following a continuous, easy to understand central city loop, which should be for free.
- → Many of the buses run empty through George and Princes Streets, a better solution would be to have smaller buses at a greater frequency instead.
- → Public transport routes should be reviewed in the light of new developments and facilities and should reflect the ageing population.
- → There is a need for a central and recognisable transit hub. This could also be the location where cruise ship passengers get dropped off. The best location for this is the railway station.
- → There should be greater focus on the train. The reinstitution of trams should be considered.
- → A good solution for the buses is a figure eight loop. A possible route would be Albany Street, the harbourside area, Stuart Street, Castle Street, Princes Street. A phased implementation with the northern loop first and then the southern loop which completes the figure eight should be considered.
- → The use of real time bus tracking systems should be considered to improve the customer friendliness of the bus system.
- → More advanced bus systems such as electrification are desired.
- → The bus route through centre should be simplified and the buses should stop on kerb build-outs further away from shops, as currently buses degrade the ground floor retail environment at the bus stops.

Retail / City Centre

- → There is more spending on retail in the northern part of the central city. This may have to do that the more affluent population generally lives in areas north of the city.
- → Retail spending in the southern part of the central city should be encouraged.
- → The biggest threat to the central city is out of centre Large Format Retail. The District Plan should be strong enough to protect the Central City against this threat.
- → Closure of The Octagon for events costs retailers in the southern part of the central city 20% turnover.
- → Events could take place on the grounds of First Church. There is a small museum at the back of the church, for which promotion is already occurring.
- → The markets in The Octagon work out negatively for local retailers as they are low quality, which gives the wrong impression of the central city and is unfair competition for local retailers.
- → The retail situation of Princes Street should be encouraged to become as strong as George Street.
- → The emphasis should be on processing locally produced resources. An example of this is the existing farmers market, which is doing well.
- → Bath Street provides a special opportunity for the central city.
- → The Vogel Street area could provide opportunities for entertainment.
- → The aim should be to retain retail in the central city, instead of allowing leakage to the periphery.
- → The central city's vitality should be retained through allowing car traffic.

Economic / employment

- → There is an opportunity for more hotel development to revitalise heritage buildings in Princes Street.
- → The focus should be on job generation in the Central City, more than just tourism. Employment growth can be achieved through technological innovation connected with tertiary education.
- → Summer schools should be attracted to retain life in the Central City when the university is closed.
- → The Warehouse District was Dunedin's commercial heart up to the 1950s.
- → Because of its isolated location Dunedin has lost some big companies which often came with the loss of leaders. This is a loss to the community as well.
- → The City Council should work together with the university (Dunedin's biggest industry) not against them.

Growth and development

- → Dunedin should attract the overflow from Christchurch.
- → There are schools closing in Dunedin.
- → From a property ownership point of view, the central city can be broken up in sectors with the Northern part the student area (resilient); north of The Octagon the premier retail area (some retailers frustrated with the current monopoly); south of The Octagon retail and commercial uses (difficult to redevelop, earthquake strengthening expensive, difficult to get good rental); and the emerging commercial Warehouse District (difficult to redevelop, earthquake strengthening expensive, but good potential for mixed-use).
- → The leasehold land is a major obstacle for development in the Warehouse District.
- → There are too many empty buildings for too small a population, need to attract more population.
- → Dunedin should work on attracting retirees.
- → The city should be promoted to both Dunedinites and outsiders.

→ Tourism could lead to the attraction of people when they discover the quality of life and the amenities in Dunedin.

Heritage, planning and policy
→ There is need for faster Council processes, including consenting.
→ There is a need for community boards that have discretionary funds and the authority to move quicker.
→ There is a need to continually look at District Plan rules.
→ The disconnect between the authority that operates the bus system and determines the routes (ORC) and the authority that is in charge of planning for the city (DCC) is not good.
→ Heritage buildings should be preserved and enhanced, flexible use arrangements should be allowed, parking requirements adjusted, and other development incentives should be provided.
→ The university has developed a masterplan for the campus. This should be integrated with the Central City Strategy.
→ Many of the heritage buildings are too small to feasibly upgrade. However it may be possible if several factors align.
→ Vandalism threatens heritage buildings that are not redeveloped.
→ Earthquake strengthening requirements make viable redevelopment difficult.
→ There is generally an opportunistic attitude towards the city and its buildings, which does not lead to sustainable development.
→ Building owners should not be allowed to let buildings deteriorate and become car parks.
→ Earthquake strengthening should be made tax deductible.

Open Space
→ The experience of The Octagon underwhelming and misses vibrancy. There should be more regular events, without closing it down for vehicles.
→ The live music stage should be put back in The Octagon.
→ There should be a focus on public places in the central city with ease of access.
→ There is a need for inner city play spaces and pocket parks.
→ There should be more art in public places.
→ There should be more trees and green soft spaces in the central city to enhance biodiversity, and permeable surfaces and roof top gardens to reduce storm water run -off.
→ Open spaces within the Warehouse District should be used.
→ Existing green spaces within the central city should be exposed.
→ There should be a better maintenance regime for the central city streetscape.

FINDINGS OF THE PUBLIC MEETING

On 14 June a public meeting was organised to exchange ideas between the general Dunedin public, Council staff and the consultant team. About 90 members of the community participated. This meeting generated spatial and non-spatial ideas and suggestions for the Dunedin Central City and its context. As the public constituted a wide range of people, sometimes contradictory ideas and opinions were raised for consideration in the project:

General
→ There should be a focus on the connection between The Octagon and the railway station, Queens Gardens, The Exchange, and the Steamer Basin.
→ Cafes should be attracted to the Steamer Basin.
→ Heritage buildings in the Warehouse District should be retained and should accommodate mixed-use with residential uses in different market brackets. There should also be more green spaces.
→ Market Reserve could provide amenity to the possible future residents in the Warehouse District.
→ Some buildings in the Warehouse District could be replaced by green spaces.

General movement including pedestrians
→ Better connections should be made to the harbour to bring people to the water near Wharf Street through pedestrian bridges.
→ Connections between the city centre and the suburbs should be improved.
→ The railway line and the State Highways form barriers in the central city and make redevelopment not attractive.
→ The State Highway traffic through the central city should be calmed and dispersed.
→ Alleyways should be better utilised. Bath Street has great potential to be improved to an attractive street.
→ The area around The Exchange should be revitalised with the surrounding traffic calmed and a rebalance between the space for pedestrians and cars.
→ (Parts of) George Street should be pedestrian-only (half of the group only).
→ The Octagon should have pedestrian-only parts.
→ More space should be provided for pedestrians.
→ There should be another pedestrian crossing across the railway line. Alternatively under grounding of the railway.
→ There should be an increase in shared spaces.
→ The Central City should have a ring road.
→ There should be dedicated bus and cycle lanes through the central city.
→ The Steamer Basin should be redeveloped and a ferry should link the central city with outlying areas, such as Waverley and Port Chalmers.
→ The new stadium should be easily accessible by bus in addition to the car.
→ Foot traffic through the central city should be further encouraged.
→ The 'one-way pair' should be two-wayed.

- → Heavy traffic should be diverted onto the movement network on the eastern side of the railway line.
- → There should be a free bikes system.
- → Moray Place should act as a roundabout with a clock-wise one-way system.
- → Stuart Street should be improved for pedestrians.
- → George Street should have a light rail system.
- → The area around the Chinese Gardens is suitable for free parking.
- → The pedestrian connections from The Octagon to Queens Gardens, The Early Settlers Museum and the Exchange should be improved.
- → The connection to and from South Dunedin should be improved.

Passenger Transport
- → The passenger transport system should be rationalised into a dumbbell figure: one spine with multiple loops.
- → Electric trams or buses should replace the current buses that emit fumes and are noisy. A tram would be a tourist attraction in addition to being a transport utility.
- → An electric tram should link the retail area, the university and the Botanic Gardens.
- → Bus stops should provide shelter against wind, rain and sun.
- → There should be free buses around the university.
- → Smaller buses should re place the current buses through the central city.
- → Passenger transport should be made more affordable or free.
- → The historic cable car should be brought back into High Street.

Parking
- → Parking should take place outside the central city with people walking between their car park and their workplace.
- → Free period parking should be reinstituted. Paid parking puts people off.
- → Another public car park should be provided, possibly underground.
- → Parking should be removed from the main retail areas in George and Princes Streets. Others: street parking should be kept and free period parking.

Economy
- → Smaller local businesses rather than big ones should be promoted.

Planning
- → Backs of buildings should not be exposed to the public realm.
- → Vitality of the central city should be promoted through concentration of a mix of activities.
- → Possible new buildings in the Warehouse District should be kept to its current scale.
- → Opportunities for inner city living should be improved, particularly near The Exchange. The possible mix of uses there should include studios, galleries and apartments.
- → Historic facades in the central city should be retained and where needed, improved.

Open Space, landscape, environment
- → Public spaces should be designed with consideration to the microclimate, including either exposure or protection to the sun and shelter to wind and rain.
- → The access to Queens Gardens and the First Church grounds should be improved.
- → There should be more spaces for artists and musicians.
- → There should be more central city green spaces, green roofs and more trees, including fruit trees. Urban bee keeping should be promoted.
- → Queens Gardens should be connected to The Exchange area.
- → Princes Street needs more trees that could act as windbreakers.
- → Inner city recycling should be facilitated and promoted.
- → The Octagon should be pedestrianised, the covered walkways extended, and a live music stage should be constructed.
- → George Street should become shared space.
- → Queens Gardens should accommodate fruit trees.

Retail
- → New and bigger tenants should be attracted to the central city.
- → Large format retail should be limited or prohibited.
- → Mixed-use should be encouraged with retail on the ground floor.

APPENDIX 2

Economic and employment opportunities

Background report by Derek Kemp, *Prosperous Places,* Brisbane

1. Dunedin's Economic Strengths, Weaknesses and Future Prospects

The Dunedin economy has experienced significant 'structural adjustment' over the last decade, with the loss of traditional manufacturing jobs and transition to a more knowledge based services economy[1]. This has seen major food and engineering companies close their manufacturing operations in Dunedin, extending to a major meat works and Fisher & Paykel (although their R&D section has remained with 130 staff in the Central City). Other manufacturers, such as the other meat works, cereal manufacture and the railway workshops, may also be at risk.

These closures in turn, have put at risk the clusters of related specialist manufacturing support services and component manufacturers. This is resulting in the very real risk that the critical mass of local manufacturers may no longer be sufficient to sustain these local supply chain businesses. The solution to falling local demand for these businesses rests on increased product specialisation in building, supplying and servicing tailored, application specific and niche market products and services.

Dunedin is clearly doing this with the growth in its specialised machinery and equipment manufacturing, including Scott Technologies (robotic assembly lines and high temperature super conductivity), Milmeq (robotic chain lines and conveyor systems), Farra Engineering (specialised high capability mobile equipment), DC Ross (fine blanking, machine tools and car parts), Escea (high efficiency, quality gas fires).

However, the main saviour of the Dunedin economy, resulting in Dunedin's recent reasonably good economic and employment performance, has been the growth in the secondary and tertiary education; medical and related research sectors[2]. It is questionable whether this economic stimulus can continue to grow at the same rate to support Dunedin's future economic and employment growth.

[1]Manufacturing lost 1,090 jobs in the 9 years between 2000 and 2009 when manufacturing share of employment fell from 13% to 9% of Dunedin's total employment (The economic impact of this decline is far greater because of the cascading losses to incomes and employment in support services)

[2]Heathcare and social assistance, and education and training, each account for 14 to 15% of Dunedin's employment (although their contribution declined marginally between 2000 and 2009)
Professional, scientific and technical services grew strongly in employment in the same period and provided the greatest increase in quarterly earnings of any sector from 2000 to 2008 (increasing by 101% $19.4 m in just 8 years, rising from 6.2% to 7.4% of total District earnings)
(Source: DCC *Industrial Lands Needs Report* March 2011)

The tertiary education and health sector has an enviable record for quality education and applied research. However, it is facing the difficult decision between quantity, with increasing student and staff numbers and an emphasis on quality that will reduce future employment and student growth. The university, medical and health research emphasis is also presently oriented towards developing intellectual property and products that are more likely to be realised by large international organisations, rather than small local businesses.

However, Dunedin has the advantage of advanced computer based software and creative technologies that provide Dunedin with a competitive advantage to grow computing based creative businesses. This provides the best opportunity to grow new, future-oriented, high value, high growth businesses providing high skilled, high-income employment that can drive the future Dunedin economy.

What presently sets Dunedin apart is this computing based creativity applied to:

→ Task and product specific engineered products;
→ Computer controlled machinery and equipment;
→ Advanced medical research and sports analysis;
→ Architecture, engineering and design professions; and
→ Film, animation, post-production and special effects.

There may be significant opportunities to further benefit from these existing 'competitive advantages' by:

→ Attracting new businesses that can benefit from the existing technology and intellectual property;
→ Encouraging graduates, academic, hospital and technology staff to establish their own businesses in Dunedin;
→ Attracting experienced former Dunedin residents to return to found their own businesses in Dunedin;
→ Turning highly skilled sporting, recreational and holiday visitors into future Dunedin residents and future Dunedin business founders;
→ The application of creative computer technology to sports performance, the performing and fine arts, and events;
→ The application of advanced computing technology to business, product, property, tourism, visitor and events promotion and management;
→ Providing training and short courses in these advanced computer systems, applications software and applied computer based creative technologies;
→ Providing certificates of competency especially for those with experience but no formal qualifications in these and other fields; and
→ Providing opportunities for thinking visitors to learn skills and partake in short courses and experiential learning activities in their personal interests.

The present economic strengths and weaknesses of Dunedin apparent to this external observer can be summarised as follows.

Dunedin's Present Economic Strengths

→ The cluster of foundries and advanced engineering and manufacturing support businesses;
→ Existing specialised engineering companies supplying advanced, application specific machinery and equipment;
→ The quality secondary and tertiary education and sporting facilities important to attracting talented people with scarce skills who can live wherever they wish;
→ The reputation and advanced research capability of the University of Otago recognised as New Zealand's top research university;
→ The Hospital with its associated medical research and medical training;
→ 43 professional health research centres, including 5 of the 8 National Crown Research Institutes;
→ The Otago Polytechnic with its advanced applied research, design and software development;
→ The University and Polytechnic based research, design and innovation centres;
→ Leading edge academics and businesses attracting leading edge visitors;
→ The University, hospital and Otago Polytechnic academics, staff, software, intellectual property and technologies that provide the basis for new businesses;
→ The attraction of the university and the Otago Polytechnic to students and their parents as visitors and potential future residents and future business founders;
→ The availability of affordable incubation space and new business and small business advice and support services;
→ The stock of Heritage Buildings and Streetscapes attractive to residents and visitors;
→ Investment in the sporting Stadium and the attraction of conferences and events;
→ The attraction of major sporting events and increasing cruise liner trade;
→ A world class natural environment on the tourist route around the South Island;
→ Distance from other major centres that minimises leakage of local expenditure to other centres and maximises Dunedin's potential as a visitor stop;
→ The compact, walkable City Centre and residential areas conveniently close to all major family facilities; and
→ The safe, convenient family life style with facilities and visiting performances, entertainment and attractions normally only expected in a larger city.

Dunedin's Present Economic Weaknesses

→ Low population growth – resident population only projected to grow by 10,350 (8%) over the next 40 years (with fewer working aged residents until after 2031);
→ Projected growth in agricultural production that is unlikely to drive significant new employment – with limited prospects to grow the local food processing industry (that was very important to Dunedin's past manufacturing);
→ University and medical research emphasis is oriented towards intellectual property and products realised by international rather than local businesses (with limited prospect to locally grow Dunedin's pharmaceutical and veterinary products industry – both areas with high growth potential elsewhere);
→ No visible clusters of 'new economy businesses' - they are scattered and out of sight on upper floors and in the back of commercial buildings;
→ No obvious specialised professional, business and visitor clusters - apart from the cafes and bars around the south of the Octagon;
→ Jaded and poorly maintained Central City commercial properties - apart from those in the retail heart;
→ The short time visitor overnight stay in the City Centre - with typically only two night stays;
→ The reliance on the natural attractions and the heritage built environment as the main visitor attractions;
→ The lack of obvious free family recreational attractions in the Central City - that will attract residents and visitors to spend longer and return more frequently to the Central City;
→ Vacant heritage, warehousing and character buildings - including the Rail Station and substantial office and warehousing buildings;
→ Poor quality surface car parking on vacant sites - depressing the nearby local environment and creating the impressing of abandonment and decline;
→ Perceived and real personal security issues in the City Centre – especially on week day winter evenings, at night and weekends;
→ Poor quality of cycling and pedestrian connections including from nearby residential areas to different parts of the Central City;
→ Lack of shelter and pleasant sheltered outdoor spaces to spend time and socialise in the Central City; and
→ Lack of long-term visitor, campervan, coach and tour operator parking in the Central City.

Implications for Planning for the City Centre

Planning for the Dunedin Central City should seek to build on these strengths, overcome the weaknesses and help realise the opportunities identified in this report.

2. The Greatest Present Economic Growth Opportunities

At this time, the greatest economic opportunities are in:

1. Advanced educational, medical and research excellence;
2. Advanced computing and design led creative businesses;
3. Advanced software and intellectual property driven business services;
4. Heritage property restoration and design led building fit-outs;
5. Advanced, application specific and computer controlled engineering; and
6. Creative and experiential learning - targeting the short stay visitor market.

The first four of these have a Central City focus, the fifth a nearby Port Lands /

Carisbrook focus, and the sixth could be anywhere in Dunedin, including the Central City.

Given these 'future oriented' economic growth prospects the City may wish to market and promote its self around the theme of: **Creative Excellence.**

Promoting and Growing These Opportunities
The difficulty Dunedin faces is that these existing strengths are not obvious and are hidden from view.

Also, there is not a strong promotional approach to land use planning that guides businesses and investors to places where particular businesses can best benefit from existing and future business clustering.

Consequently:
→ Businesses are more dispersed and scattered than they should be.
→ There is less synergy, symbiosis and opportunities for collaboration.
→ There is less prospect of sharing capability and spare capacity.
→ There is less prospect of 'spinning off' new businesses.
→ There is less opportunity to attract and create new businesses.

There are significant prospects to create new business opportunities from businesses able to benefit from existing specialist capability, software, access to archival and copyright material and the intellectual property of existing leading edge businesses that do not want to realise these further business opportunities themselves.

Initiatives that could both expose and showcase these existing, future-oriented economic strengths, and help grow Dunedin's reputation and Dunedin's attractiveness to these businesses, could include:

a. Promoting Dunedin as having different 'Quarters'

Identified in planning and promotional documents, visitor and investment guides:
→ The *University and Research* Quarter (embracing the University, Poly and Hospital)
→ The *Creative Computing and Design* Quarter (embracing the southern Octagon and northern part of the Warehousing District)
→ The *Port and Advanced Engineering* Quarter
→ The *Heritage Building Restoration* Quarter

Referring to these Quarters could be made in everyday language, the media, in Council and Government documents, publications, letters and communications.

The Retail and Visitor Sectors may wish to promote other additional business attracting quarters, such as the:
→ *Jewellery, Fashion and Ceramics* Quarter (Moray Place)
→ A *Gallery* Quarter (Dowling Street)
→ *Performing Arts* Quarter
→ *Café, Bar and Hospitality* Quarter (around the Octagon)
→ A *Tourism and Transport* Quarter (around the Railway Station, Early Settler Museum and Chinese Gardens)
→ A *Visitor Accommodation* Quarter (Rattray St, Dowling to Jetty Streets)
→ The *Shopping and Entertainment* Quarter (around the Octagon)
→ The *Boutique Retailing* Quarter (further north along George Street)
→ The *Sporting and Events* Quarter (at the Stadium)

These could be complemented by:
→ *Heritage Experience* Circuits
→ *Arts and Culture* Circuits
→ *Sports and Fitness* Circuits
→ *Family Adventure* Circuits
→ *Natural Experience* Circuits (Walking and biking around the Harbour Foreshore and walking and mountain biking the Town Belt -from Bracken's Lookout to the Montecello Grounds)

These Quarters could be visibly identified and promoted by:
→ Distinctive signage in each Quarter (including on buildings);
→ Differences in lighting at night (with illuminated buildings and features, walking and fitness trails attractive to visitors);
→ Differences in landscaping and street furniture;
→ Difference in the type of public art in each Quarter;
→ Distinctive street sculptures on these different themes; and
→ Different street activities and events in each Quarter.

b. Using existing leading edge businesses and locally applied new technologies to promote Dunedin as creative environment for 'leading edge' computer and design based businesses.

This could be done by showcasing recently created quality modern designer and heritage business spaces in restored heritage buildings – similar to the quality space that creative new businesses would wish to occupy. Another way of doing this is by using the opportunity to identify and promote the creative business already occupying these spaces, their special capabilities and identifying the Dunedin businesses that designed, built and led the restoration.

Possibly adding interest, celebrating and promoting the capability of existing innovative local software and computing businesses by creating virtual 3D tours of the building and enabling creative people to design and add their own people, business environment and décor to real heritage business spaces (For instance, by using the Areo, Areoscan 3-D model software).

The visitor industry may wish to pursue a similar creative approach to interesting visitors (that also showcases local creativity, computing and software capability) by creating on-line opportunities for visitors to depict themselves (or outline characters of typical family members) in:

- → Real Dunedin visitor attractions (such as the Chinese Gardens – that suffers from what it offers being hidden from view);
- → Natural areas (such as the peninsula or walking the Town Belt);
- → Recreational, and entertainment venues (in The Stadium watching an event that interests them); and
- → Surfing or wind surfing (another hidden attraction where Dunedin has an exceptional advantage).

c. Promote 'leading edge' companies and their exceptional products and capabilities of businesses established in Dunedin.

This would include an invitation for both young and experienced people with relevant and related skills to contact these businesses (or Council's Economic Development Unit) if they are interested in working or setting up their own business in Dunedin in these, similar or related fields.
The visitor industry may wish to contribute to this skills and innovative business attraction by finding ways to identify and engage with local businesses in identifying and filtering these people from the annual visitor stream, visitors with exceptional creative design, computing, advanced Intellectual Property (IP) and business service research and development or computing skills who may be interested in starting their own business or joining a leading edge Dunedin organisation.
The Dunedin community and service organisations and interest groups could add value and contribute to these skills and innovative business attractions by finding ways to identify and engage visitors with these skills or interests in setting up their own business from visitors whose personal or recreational interests bring them into contact with that club or organisation.
Attention could also be given to extending this type of business person hosting activities from the Rugby World Cup, so that it is an on-going, permanent feature of what Dunedin does to attract these people as possible future residents and future Dunedin business founders.
An additional useful initiative could be to form a creative excellence club where local creative business people and visiting people with similar interests could come to recreate and spend time. This could be best located in a heritage building in the *Creative Computing and Design* Quarter.

d. Promotional and Performance Based Planning Initiatives.

This would be in order to provide greater investor and business certainty and promote the clustering of similar and complementary activities and support services.
Promotional planning recognises and promotes each quarter, with exciting visions for different precincts with examples of desirable uses and building and development forms. This would be contrasted by clearly identified undesirable uses and undesirable scales, styles and types of development (including opposition to mock modern heritage buildings as opposed to designer premises and fit-outs).
Performance Based planning provisions would state desired objectives and acceptable solutions but give designers, end users and development proponents the opportunity to demonstrate innovative and new design solutions to achieve the same objective.
Consider adopting the same approach to encouraging live/work developments and home based businesses (recognising these as viable incubators for creating a cascade of new businesses for Dunedin).

3. A Focus on 'Creative Computer Based Design Businesses'

Dunedin has a number of leading edge creative computer based Information and Communication Technology (ICT) businesses including:

- → Cymicon/ARL (sports IP animation evaluation and software);
- → AD Instruments (laboratory data recording hardware and software);
- → Animation Research (translating digital data into pictures);
- → ClockTower/Areo (3D modelling, visualisation and animation);
- → Orasphere (3D educational technologies for dentistry);
- → New Media Medicine (e-learning for the health industry);
- → Daestra/ TracMap (real time GPS guidance and tracking systems);
- → DevWorks (IT management and procurement);
- → 1000Minds (decision making and alternative evaluation software);
- → Silicon Coach (video analysis software);
- → Big Picture Learning/Maths Tech (personalised learning and tuition); and
- → Straylight (interactive game development).

Their characteristics include:

- → These businesses do not form a formal cluster of similar and related businesses. Each tends to operate in its own specialised field.
- → These businesses are not obvious, being dispersed and often on upper floors between the Octagon and the northern parts of the Warehouse District.
- → Most of these businesses do not depend on local custom. Their growth prospects and focus is on distant clients.
- → These businesses are mostly founded on people brought up in Dunedin and by

former students and staff from the University (and to a lesser extent the Polytechnic).

Their best economic prospects will come from:

→ New businesses founded by former university, Polytechnic and hospital students and staff;
→ Attracting returning experienced former Dunedin residents;
→ Attracting people who want to work close to the intellectual leaders in a small leading edge company in their field;
→ The natural and lifestyle attraction of Dunedin, especially for those wishing to start or bring up families;
→ Promoting the quality cultural, sporting and entertainment events that Dunedin attracts that are exceptional (more than expected for a provincial city); and
→ Promoting Dunedin as a compact central city with the convenience of being able to walk between business, recreational and home destinations.

The most productive opportunities to grow this sector may be in:

1. Attracting new creative businesses linked to the capabilities of existing leading edge businesses (using their capabilities in fields that these companies themselves do not wish to exploit or expand into);
2. Attracting successful former Dunedin residents to return to Dunedin (especially those with the ability or wish to found new businesses);
3. Continuing to incubate and support new businesses founded by students and staff from the university, hospital and polytechnic; and
4. Turning recreational visitors with exceptional experience and skills into future residents and new business founders.

Implications for Planning for the City Centre

The main implications for the Central City Planning are:

a. Provision of affordable start up space – this is likely to be on upper floors of existing buildings (given new buildings and refurbished, earthquake proofed heritage buildings may be too expensive to meet this need);
b. Retaining an 'edgy', bohemian, quirky and interesting 'rear lane' experience (with coffee shops, restaurants and bars away from the main student and visitor hub);
c. Improving the quality of the streetscape, pedestrian and cycling environment (especially to nearby entertainment and green spaces, the waterfront and nearby residential areas where these people will live and walk to work);
d. Focussing on creating vibrant active interesting and entertaining places where these creative people will want to work and socialise (during the day, evenings and into the night); and
e. Creating safe attractive lanes and rear building opportunities as interesting places for specialised shops, cafes and business support services that can not afford a high profile, street frontage (that add interest and the unexpected into the built, business and local retail environment).

4. Potential Demand for Central City Office Space

Three realistic scenarios were used to investigate the potential future demand for industrial land and business space in the Dunedin Central City:

1. The Dunedin *Existing Economy Scenario* – where future employment growth corresponds to the existing Dunedin Economy.
2. The *Highest of Dunedin or South Island Scenario* – which recognises that Dunedin has somewhat lower employment ratios in a few sectors than the rest of the South Island (excl. Christchurch with its greater regional role) and future employment growth in these sectors will match the higher ratio taking place elsewhere.
3. A *Creative Economy Scenario* – where additional employment is created in creative, design based businesses.

Potential Office Space Demand

Quality of Central City Office Space	Dunedin's *Existing* Economy	Highest of *Dunedin or South Island*		Additional *Creative Economy* Offices*		Potential *Dunedin Central City* Demand[3]	
Prestige	1,600 m²	1,800 m²	16%	4,200 m²	10%	6,000 m²	11%
Medium Quality	4,200 m²	4,400 m²	39%	16,800 m²	40%	21,200 m²	40%
Good Quality *Affordable*	4,500 m²	5,200 m²	45%	21,000 m²	50%	26,200 m²	49%
Total Central City	**10,300 m²**	**11,400 m²**	**100%**	**42,000 m²**	**100%**	**53,400 m²**	**100%**
Central City Offices requiring *retail frontage*	580 m²	765 m²					
Additional Office Space in *Other Areas*	2,850 m²	3,500 m²				3,500 m²	

[3]Dunedin has a particular additional competitive advantage which will enable it to attract, develop and grow 'computing based creative businesses' better than elsewhere - therefore this additional economic and employment potential (Scenario 3) needs to be added to the normal growth (Scenario 2).

** Based on likely additional 'creative business' office demand averaging 600 m² pa for the next 5 years (3,000 m²). Increasing to average 900 m² pa from 2016 to 2026 (9,000 m²). Increasing to 1,200 m² pa after 2026 (30,000 m², 2026 to 2051). Resulting in prospective demand for 12,000 m² over the next 15 years, rising to 42,000 m² by 2051[4].*

The potential additional demand for office floor space between 2011 and 2051 in the Dunedin Central City is projected to range from:
→ 10,300 m² - based on the *Existing Economy Scenario*, to
→ 50,000 m² - based on the *Creative Business Scenario*.

The demand for office space would obviously be orders of magnitude greater if substantial offshore oil and gas exploration and production came to fruition. This would necessitate new planning initiatives, but this would not necessarily compromise the realisation of the *Creative Business Scenario* with its implications for future planning of the Octagon and Warehouse District.

The following distribution of additional office space could be considered if it were proposed to plan for the effective realisation of the *Creative Business Scenario*:

Quality of Central City Office Space	Projected *Dunedin Central City* Demand	*Warehouse District* Additional Office Space		*Octagon Precinct* Additional Office Space		*Exchange Precinct* Additional Office Demand	
Prestige	6,000 m²	3,400 m²*	56%	1,700 m²	29%	900 m²	15%
Medium Quality	21,200 m²	14,300 m²#	68%	4,300 m²	20%	2,600 m²	12%
Good Quality Affordable	26,200 m²	12,300 m²^	47%	11,300 m²	43%	2,600 m²	10%
Total	**53,400 m²**	**30,000 m²**	**56%**	**17,300 m²**	**33%**	**6,100 m²**	**11%**

Implications for Planning for the Provision of New Office Space
For these reasons, it is considered that the Council should not be too concerned about any adverse market effects of allowing office uses into the northern part of the Warehouse District. There may also be positive competitive pressures resulting from allowing offices into the northern end of the Warehouse District that encourages existing building owners in the vicinity of the Octagon to improve and refit their existing buildings (which they are under no pressure to do at present because there are no rival good quality affordable premises on offer).

Having said that, the immediate future demand for the next 15 years is only likely to be for 4,550 m² of office space under the *Existing Economy Scenario* (based on the existing economy, without any further external stimulus such as that from creative businesses, the resources industry and from oil and gas exploration and production):

Quality of Central City Office Space	Additional Central City Office Demand *Existing Economy* 2011 to 2026	%
Prestige	730 m²	16%
Medium Quality	1,850 m²	41%
Good Quality Affordable	1,970 m²	43%
Total Central City	**4,550 m²**	**100%**

Implications for Office Development in the harbourside area
Long-term future office demand may be for as little as 11,400 m² of additional Central City office space (with 45% of this demand being for affordable office space). On this basis it is difficult to envisage any significant economic advantage from the development of an additional 10,000 m² of Harbour Side new office space in the immediate future, given that this would pull employment further away from existing office precincts and away from the emerging *Creative Business Quarter,* and away from the retail heart of Dunedin.

It is difficult to envisage any significant demand for large-scale new office space that is not government, or resource exploration driven at this time, especially considering the risk that larger, footloose new office activities are likely to have a choice of alternative new premises from the rebuilding of Christchurch.

The additional office demand under the *Creative Business Scenario* is best accommodated in the Octagon and the northern end of the Warehouse District.

However, future office based development in the harbourside area could feature in long-term planning for integrated community, business, visitor, recreational proposals for the southern part of harbourside (possibly including an international standard hotel, a larger, state of the art conference centre and apartment living).

[4]Based on an average of 2 additional new businesses 'starting up' and 2 existing businesses expanding each year up to 2016, with these numbers doubling for the following 10 years and doubling again for the subsequent 15 years as the reputation and attractiveness of Dunedin increases for such businesses.

5 The Warehouse District

The existing planning provisions only really support apartment use of the existing heritage buildings.

Existing planning appears outdated by:

- → Zoning only for very large bulky goods retailing (the existing new developments were smaller than permitted and therefore needed consents, the larger ones intended have located even further south possibly for site amalgamation and freehold reasons).
- → Making office uses Not Permitted and clearly undesirable uses (although possible through lengthy and expensive resource consent open to unreasonable objections for anti-competitive reasons).
- → Making retail uses Not Permitted and clearly undesirable uses (although possible through lengthy and expensive resource consent open to unreasonable objections for anti-competitive reasons).

Other major disincentives to invest are:

- → Premises without car parking (especially heritage buildings); and
- → Leasehold (rather than freehold properties) – reducing investor and lender interest, preventing owner occupiers, introducing ground rent uncertainty and uncertainty of negotiations with ground lease owners.

In combination, these make the area unattractive for many investors and businesses.

However, the advantage of these disincentives has been the retention of an area of largely intact heritage buildings that may have been demolished in other circumstances. Here Dunedin has similarities to Katoomba, in the Blue Mountains outside Sydney, where the planning regime, particularly its car parking requirements, inadvertently benefited retention of its heritage buildings and streetscapes.

For these reasons the Council may not want to lightly abandon its existing bizarre zoning in all or part of the warehousing district, even though its intention and proposed used are inappropriate and outdated. However, more appropriate planning provisions could possibly achieve the same benefits.

Buildings are presently cheap to purchase ($350,000 to $650,000)

The cost and difficulty of earthquake proofing and fire rating may be over emphasised. However, they are presently costly enough to prevent development by those needing to also make a developer / builder profit (or borrow, pay commercial builder and sale profit). These costs are sufficient to require reasonably high rents. This means there is less prospect for these heritage buildings to provide all the necessary cheap 'start-up' and incubator space.

Therefore new start up, low cost businesses are likely to remain or require cheaper upper floor space in vicinity of the Octagon. However, there will still be strong latent demand for such space in existing buildings in the Warehouse District, and in small new infill developments.

Economic Prospects and Opportunities

The following opportunities present themselves for the Warehouse District having regard to the economic and business prospects and creative business opportunities identified earlier in this Report.

Northern End (The Exchange to Jetty Street)

- → Residential (including creative space and live/work opportunities)
- → Small high value creative business space - likely average demand 300 m² pa for the next 5 years to 2016 (1,500 m²), increasing to 600 m² pa to 2026 (6,000 m²) and average 900 m² pa from 2026 to 2051 (Potential demand at least 7,800 m² over the next 15 years, increasing to 30,000 m² by 2051)[5]
- → Design and display showrooms – combined with client hospitality and interactive design space (focusing on professional, décor, designer and interactive design of bespoke products for home, hospitality and business premises)
- → Boutique cafes, restaurants, bars – located away from permanent living (impact of late night revellers/patrons leaving on residents)
- → Modern in-fill developments that reflect contemporary interpretations of the area's character

Central Section (Jetty St to Jervois Street)

- → Retain as automotive and service trades (especially in Bond Street) because:
  - → No better immediate use
  - → Nowhere else central for these small service businesses to relocate
  - → Need to future proof Dunedin and not prematurely cut off possibilities for these more utilitarian future uses
  - → This area is the centroid (the natural centre) for businesses serving the whole Dunedin Region
  - → The area will be in high demand for small and independent support services to creative businesses as this cluster grows
  - → The area will be in very high demand for small support services to the oil & gas industry if it proceeds (including smaller operations displaced from the port lands)

  Likely demand 1.4 ha 2011 to 2051 based on existing economy (without any major technology or oil or gas exploration drivers)[6]
- → Encourage indoor gyms, sports and fitness – including dance and martial arts studios (possible upper floor uses) to:
  - → Increase vibrancy and activities in evenings, at night and week ends

[5]Based on the Warehouse District attracting 2 to 3 additional new businesses up to 2026, with an average of 2 successful existing businesses expanding into more space each year from 2015 to 2026. With these numbers increasing to 3 to 5 new businesses and up to 3 existing businesses expanding each year from 2026 to 2051 as the reputation and attractiveness of Dunedin increases for such businesses.

    - → Make this part of the city more appealing to technology and design based businesses and their employees
    - → Make this part of the city more attractive to young singles, couples and higher end residents of the apartments (including heritage buildings)
    - → Make this part of the city feel safer with more passing pedestrians and eyes on the street
- → Allow night clubs (especially between Crawford and Cumberland Streets) and in basement venues elsewhere) – providing not proposing to permit residential uses nearby
- → Encourage boutique cafes, restaurants, bars – providing not proposing to permit residential uses nearby

Other opportunities:
- → Ageing in Place – opportunity to combine new and existing buildings to provide different types of ‘independent living’ opportunities and different levels of ‘supportive care’ accommodation for older Dunedin residents (NB bringing increasing ageing population close to inner city facilities and the hospital)
- → Major Institutional land user – using combinations of new and/or heritage buildings (possibilities of Regional Council, other?)

Queens Gardens
- → Retain some part as clear open space for:
    - → Nearby businesses and staff to celebrate successes
    - → Techno geeks to play touch football, kick a ball, throw a frisbee and play volleyball
    - → Nearby businesses to launch and temporarily display products (including erecting a tent)
    - → Visiting teams accommodated nearby to throw a ball and do team fitness exercises, as The Oval may be too far away.
- → Create some compact sheltered spaces for people to sit, meet and socialise
- → Consider creating safe places for families with young children
- → Consider a safe adventure playground for young children (nearest alternative is hidden at back of Market Reserve that visitors unlikely to see, find or use)

Car Parking
- → Consider increase street parking by angled street parking in Bond Street
- → Consider increase street parking by angled street parking in Vogel Street
- → Consider angled street parking in Crawford Street and west side of Cumberland Street (if overcome these as one-way Highway doublet)
- → Consider structured car parking (with dedicated spaces for permanent lease to businesses and residents –who won’t leave competitive spaces for fear of no space left when they return)

[6]Based on the Warehouse District taking 50% of the light industry and service trades demand under the Dunedin *‘Existing Economy’ Scenario* (without taking any of the additional 0.2 ha required for automotive repair and services).

- → Require street trees and on-site landscaping of all surface car parks (also all vacant land and other sites)

Pedestrian and Cycle Links
- → Improve quality of pedestrian and cycle links to nearby residential areas – between Princes Street and the Town Belt where new business owners and employees with families are likely to want to live (within walking distance of work - close to schools, family recreation and other needs)
- → Improve pedestrian and cycle links to the University, Polytech and Hospital Precincts and the Stadium – minimising gradients but not necessarily using Princes / George Street or passing through the heart of the Octagon and the retail heart
- → Overall improvement of the walking environment - Dunedin prides itself on being compact, with all things within walking distance but the walking environment is poor (poorly maintained, unclean, glass strewed, poorly lit with dark buildings, limited landscaping and street furniture, with long delays for pedestrians crossing streets with signals sequenced to delay not enhance walking
- → Improving visitor pedestrian experience is equally important – with a need to focus on pedestrian experience from the rail station to the Octagon and the University / Polytechnic / Hospital precinct (especially if the rail station / jail precinct becomes the coach / cruise ship visitor transport, campervan, visitor car parking and mini-tour operator terminus)

Potential Demand for Office Space in the Warehouse District

The potential additional demand for office space in the northern part of the Warehouse District is projected to be at least 30,000 m² by 2051 under the *Creative Business Scenario*:

[continued overleaf]

Quality of Central City Office Space	Potential Dunedin Central City Demand		Potential Warehouse District Office Demand		Notes	Warehouse District Share of Central City
Prestige	6,000 m²	11%	3,400 m²*	11%	80% of additional demand from creative economy	56%
Medium Quality	21,200 m²	40%	14,300 m²#	48%	80% of additional demand from creative economy 20% of additional demand from other growth	68%

[continued from previous page]

** Based on high profile creative economy businesses requiring prestige office space*

Good Quality Affordable	26,200 m²	49%	12,300 m²^	41%	50% of additional demand from creative economy 35% of additional demand from other growth	47%
Central City	53,400 m²	100 %	30,000 m²	100 %		56%

wanting to locate where other creative businesses cluster in the Warehousing District
 # Recognising restoration and refurbishment of heritage buildings will result in higher price space
^ Recognising other locations' ability to supply affordable space -with some affordable space available in heritage buildings, other older buildings in the Warehousing District and new small 'in fill' developments in the Warehousing District.

Potential Demand for Showroom Space in the Northern part of the Warehouse District
The potential additional demand for showroom space in the northern part of the Warehouse District could be expected to be at least 1,500 m² between 2011 and 2051 under the *Creative Business Scenario*.[7]

Potential Demand for 'Light Industry Space' in the Northern part of the Warehouse District
The potential additional demand for small utilitarian non-office based R&D space could be expected to be at least 750 m² for the northern part of the Warehouse District between 2011 and 2051 under the *Creative Business Scenario*.[8]

Potential Demand for Cafes and Restaurants in the Northern part of the Warehouse District
The potential additional demand for cafe and restaurant space could be expected to be at least 1,000 m² for the northern part of the Warehouse District between 2011 and 2051 under the *Creative Business Scenario.*[9]

6 The Octagon

[7]Double the 15% of the 4,400 m² of warehousing and showroom space that the Warehousing District could expect to attract that Dunedin would generate under the *Existing Economy Scenario.*
[8]Equivalent to 60% of the 1,660 m² of additional café, restaurant and take-away food space that Dunedin would generate under the *Existing Economy Scenario* (noting the quantum increase in office employment projected for this district, the opportunity for increased visitor attraction and the limited existing provision beyond the Exchange at present).
[9] Equivalent to 20% of the 3,660 m² of light industry, machinery and equipment assembly and repair space that Dunedin would generate under the *Existing Economy Scenario.*

From an economic perspective, the Octagon is clearly the centre of the city and the place where 'town and gown' and the 'community and government' meet.

The Likely Office Market
The upper floors of buildings near the Octagon provide valuable low cost incubator space for new start up businesses (including computer based creative businesses that already occupy many spaces and other creative businesses that can not initially afford renovated heritage building space in the Creative Computing and Design Quarter). This area is also the best location for larger new owner-occupied office buildings.
The area in the lower eastern part of the Octagon could provide particularly good prospects for attracting such developments.

→ Industry intelligence is that there are three major office users presently looking to locate 1,200 m² of office space in the Dunedin City Centre.
→ Some 6,000 m² of additional high quality, prestige office space is projected for Dunedin between now and 2051 (under the *Creative Business Scenario*).
→ An additional 21,200 m² of good medium quality office space is projected for Dunedin between now and 2051(under the *Creative Business Scenario*).
→ There will also be potential demand for at least 26,200 m² of good quality affordable office space in the Dunedin Central City between now and 2051(under the *Creative Business Scenario*).

The Octagon precinct still has considerable potential to meet at least a third of this potential demand.

Overall it is projected that the Octagon area will need to provide suitable locations for the following amounts and types of additional office space by 2051:
Opportunities for Stuart Street

Quality of Central City Office Space	Octagon Potential Demand For Additional Office Space	
Prestige	1,700 m²	10%
Medium Quality	4,300 m²	25%
Good Quality Affordable	11,300 m²	65%
Total for Central City	**17,300 m²**	**100%**

Stuart Street has three major additional advantages within the context of the Central City:
→ The connectivity and attractive direct pedestrian route it provides between the railway station and the centre of the Octagon (offering additional benefits if coach, tour and

longer term visitor parking and an I-site is provided in the vicinity of the railway station)
- → The outstanding streetscape and vistas it provides past the clock towers framing the rail station (something that Central City could further benefit from)
- → The east/west alignment which provides north and south facing street frontages (aspects that could be promoted for day time cafes on the north facing side, and bars and restaurants benefiting from the setting evening sun on the south facing frontages)

Bus and Car Parking Issues In and Around the Octagon

There are a number of existing visitor coach, bus and car parking issues in the vicinity of the Octagon. These appear to include:

- → No places for visitors to park near the existing I-site;
- → No long-term visitor parking for visitors wanting to shop and/or have a meal;
- → No parking for campervans near the Octagon;
- → No obvious place for coaches from the cruise ships and mini-busses taking visitors on local tours to set-down, exchange passengers and lay-over; and
- → Bus queues in front of shops and waiting bus passengers interacting poorly with passing visitors.

It may be possible to address these issues by:

- → Providing long-term visitor parking, coach and mini-bus set downs and campervan and coach parking in the vicinity of the Railway Station and Early Settler Museum (thereby further activating and benefiting from Stuart Street);[10]
- → Exploring the possibility of moving some Princes and George Street bus stops to the northern part of the Octagon circuit; and
- → Moving longer distance commuting and regional bus/coach stops to the vicinity of the Rail Station and Early Settler Museum (thereby further activating and benefiting from Stuart Street and increasing personal safety - especially for weekday evenings, at night and weekends).

End Note

The above report includes 'place based strategies' that are suited to the local economy and an evaluation of business opportunities in the local context. These recommendations are therefore specific to Dunedin. The proposed uses build on and reflect the types of creative and designer businesses that are already beginning to populate the Dunedin Warehouse District.

However some lessons can be drawn from similar situations elsewhere. The most effective adaptive re-use of a warehousing district close to a CBD in a smaller port city is Fremantle in Western Australia. This may be close to the Dunedin context and include designer workshops and adaptive re-use for an overseas university campus - Notre Dame, without turning it into a retail or residential district.

There are warehousing districts converted to other uses in Brisbane in the CBD, in Fortitude Valley, in James Street Precinct and at Teneriffe. These are transitioning from designer showroom areas to residential and associated personal services and retailing (the latter does not fit as comfortably with Dunedin context).

In larger cities there good examples in Vancouver, Canada - also near China Town, San Francisco, and the old Meat District, Manhattan.

There are residential conversions with some higher level designer retailing in Pyrmont Sydney, Melbourne Docklands and East Perth - also east Adelaide CBD.

Formal Parks with open spaces used for business displays and community events include Queens Gardens, and King George Sq and to a lesser extent Roma Street Forum, Roma Street Parklands, South Bank Parklands in Brisbane, and also the paved City Plaza.

[10] NB particular attention may need to be given to how best to isolate visitors from the undesirable aspects of the nearby Law Courts (Lower Hutt faced a similar difficulty with its Art Gallery)

APPENDIX 3

Retail and retail related issues

Background report by Mike Cullen, *Urbacity,* Sydney

Context & Key Principles
The city has few of the retail role conflicts that beset other cities in New Zealand. Its CBD is dominant in the retail environment with suburban centres largely confined to a convenience or local centre role as opposed to a role that threatens the health and vitality of the CBD. This is an important economic issue as retail vitality in an urban (as opposed to a mall) environment unlocks a broader range of social and economic activity. The retail environment in the city appears to be relatively strong and healthy.

The retail core of the city lies to the north of the Octagon, which generally acts as a full stop to the potential for a healthy and organic spread of retail stores to the south along Princes Street. It is important for the economic health of a city that specialty or fine grained retail (as opposed to large format or anchor stores) has a relatively free reign in contiguous street front locations around the city centre. This encourages a range of retail activities at a range of price points and stimulates business formation and entrepreneurship. That said we see no benefit in modifying the Octagon in order to change this dynamic. Rather retail south of the Octagon and within the Creative Quarter should develop its own role, qualities and character and not compete directly with the retail core to the north.

The development of additional retail in and around Princes Street is desirable if it acts to inspire a broader range of employment and revitalization of the wider Warehouse (Creative) District. Retail south of the Octagon is therefore seen as a subsidiary service mechanism for wider economic endeavour and not as an alternate to the retail core that sits to the north. However given the characteristics and intent of the proposed Creative Quarter, retail that is a product of on-site or Otago-based design activity should be encouraged. It would be ideal if design-based retail became a major feature of the precinct. Such retail could be in the fashion, homewares, accessories or furniture and furnishings categories but could also include the visual arts.

The Steamer Basin is largely severed from the City Centre due to the interventions of the State Highway, the heavy traffic bypass and the rail line. Even with the most effective pedestrian devices that could assist people to cross these barriers the site is a separate place from both the core CBD and the neighbouring Creative Quarter. For this reason its retail role needs to be carefully managed. Food service retail would be expected to be the dominant activity in the Basin, with other retail categories as ancillary. The objective for retail at the Steamer Basin should be for it to be a subservient use to other activities. There is possibly one exception to this being a fish market. However it is unknown as to what capacity exists for such a use that expands existing sea-based activities and facilities. In other words we would accept a retail use that expanded on the economic relationship with the sea, but not a use that is well provided for elsewhere and which through its location elsewhere generates wider economic benefits and effects.

Large Format Retail
The current provisions in the District Plan provide for large format retail in the area known as the “Warehouse District” (now the proposed Creative Quarter). Some smaller versions of this activity have sprung up on the east side of Cumberland Street, but generally the market has not required this area for the purpose for which it was intended. Large format retail is amongst the lowest economic yielding activity in any city. To largely quarantine an entire area of the basis of a possible future change in the retail market is not ideal. The city is well served by a range of retailers in the general “large format” category and the likelihood of replicating or adding additional large format stores is low. Despite industry preferences to co-locate such stores into major centres this would be almost impossible within this precinct due to heritage constraints (even if such an outcome was considered desirable). Furthermore the urban qualities of the “Warehouse District” are exceptional and ideally suited to creative industry, which offers a much higher economic return to the city and better fits with the “Wealthy Community Vision” as outlined in the LTCCP. Given the evolution of businesses out of and around the tertiary education sector, this precinct seems ideally suited to intensification and provides an adaptable and flexible platform for a variety of clean and creative industry activities as well as inner city living. The qualities of the precinct could be further improved by public realm works that softened the street edges and modified traffic behaviour in streets such as Vogel and Bond Streets. These streets could be seen as shared spaces, but it would be important to retain as much of the parking as possible so as to lessen the effects of higher levels of visitation and activity.

The Proposed Creative Quarter
The former warehouse district has strong urban qualities through the way buildings relate to and address streets. This is common for late 19th century buildings, where on site car parking was not considered necessary. Consequently the built form has the ability to provide an active street scene ideally suited to the preferences of the creative set. Some “hi tech” activities are currently scattered around the precinct and it is expected that with continued involvement from the Economic Development Unit (EDU) these activities could be expanded. This unit may also wish to be involved in the transformation and public realm works that should be undertaken as early as possible to provide a basis for the Unit’s targeted approach to new businesses for Dunedin city. Currently the EDU is working with industry and the tertiary sector to assist business formation in the City. With the transformation of the Creative Quarter and a newly created attractive working environment the Council may wish to be more proactive in seeking businesses from outside the city. The EDU are ideally suited to such a task, but we understand at present that such a role is not within their scope of work.

The Creative Quarter and the "Creative Business Scenario"

Based on historic employment trends by industry sector and projecting forward for growth, Dunedin is expected to be required to deliver around 10,300 square metres of employment space in the CBD by 2051 at around 250 square metres per year. This represents a business as usual approach with the city not actively taking advantage of or exploiting its key strengths. If the city is able to successfully promote its existing creative capacity and strength and grow capacity it may be able to create demand for 53,400 square metres of office space demand, most of which is within the creative industry sector. The characteristics of the style of space that appeals to the creative industry sector are found within the buildings of the Warehouse District. The "Creative Business Scenario" provides for 30,000 square metres of this space, with the Exchange area proposed to provide an additional 6,100 square metres of space. The balance of projected demand under this scenario (17,300 sqm) is suitable for buildings generally gathered around the Octagon.

The "Creative Quarter" is therefore the major asset in an employment growth strategy for the city and represents around 67% of the employment space requirement to 2051. As noted earlier retail has an important part to play in providing the settings for business formation in the Creative Quarter. The city will achieve a much higher employment yield in the quarter if retail is an important part of the mix. As stated earlier this precinct is not to compete with the retail core to the north of the Octagon, but has plenty of scope to provide the type of urban environment suited to kick-starting the employment strategy in the area by attracting food services and design-based retail.

Regional Retail Picture

The wider metropolitan area shows a relatively stable population base and an appropriate distribution of supermarkets for this population. In addition most of the major "large format stores" are present in the market and also in numbers suited to the population base. The possible arrival of new entrants and the ability to find sites for such activities is we believe a relatively minor issue as the catchment is well served by such activities already. Adding another major store will not materially add to the economic capacity of the city, especially when it is viewed against high value employment opportunities that add to the wealth of the city (proposed for the Creative Quarter). The issue therefore for the Creative Quarter is one of opportunity cost and wealth creation tied to the LTCCP.

Regulatory Framework

The other issue that relates to the location and role of so-called large format stores is the regulatory environment of the city and regulation's ability to promote higher or optimum economic performance. Recently (since the advent of the RMA) such stores have been able to find inexpensive, out-of-centre locations on the basis of promoting the benefits of competition and its effect on price to the consumer. However any well balanced regulatory environment would seek to ensure that all costs and benefits (including externalities) were considered in determining overall retail (or more appropriately) centres policy.

We know that retail, if located in stand-alone locations (such as large format centres), has no wider economic benefit than that of the price of goods sold. Such retail simply serves the day-to-day needs of the consumer and is at the bottom of the economic wealth spectrum. We also know that retail when integrated into an urban environment inspires a wider economic and social activity pattern, which increases the economic performance of a city. Indeed research undertaken by these consultants on all centres in Perth, Australia showed that urban retail (retail in streets) inspired five times the number of non-retail jobs within a centre than large format centres or malls. The ability for retail to inspire higher economic performance and act as a catalyst to such performance is not an issue that has been well understood or documented in Australia and New Zealand. However the courts in both countries have generally accepted the economic rationale as the basis for such controls.

The most effective method by which to facilitate higher economic performance from retail development is through design controls. This means buildings in centres must be retail-capable on the ground floor and be required to address the street and not car parking (unless the car parking is in the street). This design emphasis results in the public realm becoming the key focus for activity, as is the manner by which our centres were built prior to the First World War. In order to make the retail work, developers must build visually attractive buildings as the street environment is less "efficient" for retail as the mall. Attractive streets attract wider economic and social activity. They also act to inspire increased levels of walking, both within the centre and to it. As a consequence of buildings with retail addressing streets it removes the need for a hierarchy that seeks to control the relative relationships between centres and retail. Built form controls should not be confined to the CBD but should apply to centres in the suburbs. Universal controls over the way buildings address streets do two things for the CBD:

1. It levels the playing field, requiring all centres to behave the same way.
2. It reduces the risk of over-scaled retail-only projects in the suburbs.

Built form controls should be stronger than design guidelines and have the same weight as zoning within the District Plan. Such controls do not seek to limit architectural expression but seek to regulate the important interface between buildings, activities and the public realm.

Retail proposed for industrial land should also be carefully monitored as industrial land generally sits higher up the economic wealth scale (as in economic wealth for the city and nation) than retail land and is very hard to get back. Typically it is also needed in advance of demand – and therefore has characteristics more aligned to infrastructure than property. In the absence of strong growth within the Dunedin region any industrial site converted to retail is more likely to take expenditure from other centres, which would reduce its perceived "need" in economic terms. Use of industrial land is therefore an economic opportunity cost issue where the benefits of gaining retail need to be weighed against the loss of industrial opportunity.

City Management & Economic Development

Successful cities typically have place-based management models that facilitate change and improvement in their city centres. This model is missing in Dunedin city. Such organisations are usually retail-dominant and actively involved in marketing and public realm works along with civic lobbying and facilitating deals between new tenants and landlords. However, most management entities operate in a competitive environment with the suburban centres challenging their role. This dynamic doesn't exist in Dunedin. This begs the question as to whether the city would perform better with centralised management that was exclusively focused on the city or whether it is needed at all. In retail terms possible benefits to the city would lie in the following areas/activities:

→ Focused marketing to regional residents and visitors.
→ Coordinated public realm maintenance.
→ Proactive promotion of the city to new or desired retail tenants.
→ Active lobbying of central city/retail issues to the Council.

However in the absence of growth that might precipitate a change in the retail or economic dynamics of the city and in the absence of a challenge to the city's retail role, the benefits of such an entity are not overwhelming. Furthermore the city has an Economic Development Unit, a rare and welcome entity within a Council. This Unit is charged with improving the economic circumstances of the city and assisting with Council's "Wealthy Community Vision" as outlined in the LTCCP. This vision is described as *"A City that encourages strong local business and employment growth, and attracts increasing numbers of new businesses and tourists."* If the Council wishes to increase the average income of its residents it will need to look to businesses that attract income from outside the region (either nationally or internationally). Such a task is outside of any retail management model and sits much higher in the economic scale than retail.

The task of the EDU could be slightly expanded to have a better handle on the availability and type of space within the CBD and in particular the emerging "Creative Quarter". This enables the Unit to more effectively deal with prospective new businesses by reducing the barriers to entry – such as whether the city has appropriate space for the target businesses.

In relation to retail's position within the ambit of the LTCCP, the two graphics following set the relative status of economic priorities with respect to wealth creation.

Retail is at the bottom of the economic productivity scale. However as any city centre manager will tell you city centre retail management takes an enormous amount of time. This is not to say that city centre retail management is not important. Rather it is to say

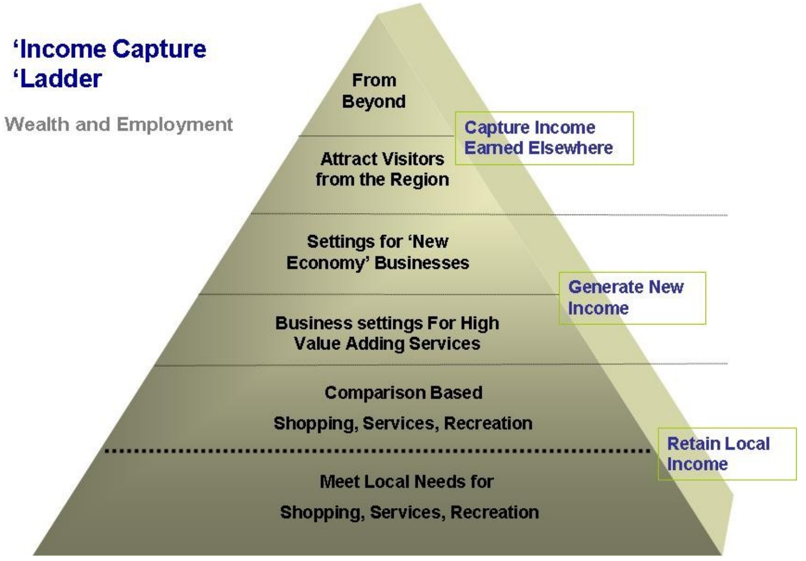

Image source: Derek Kemp

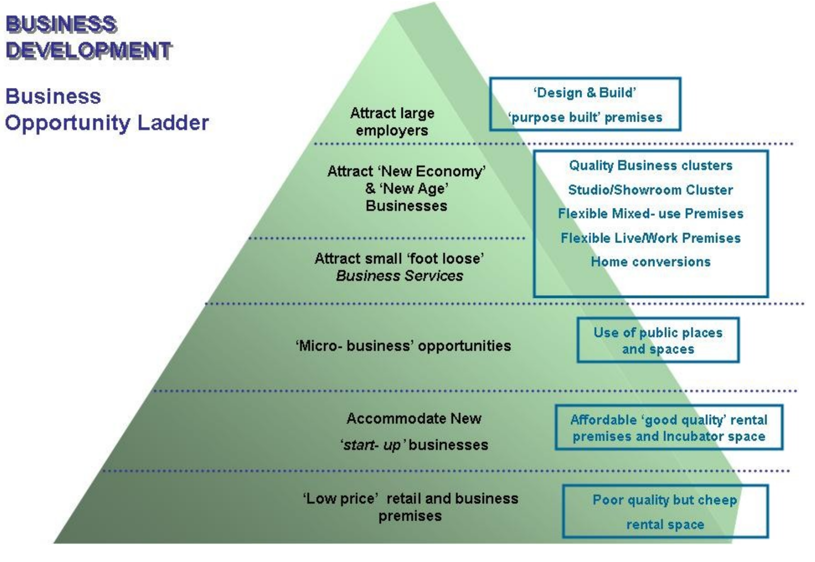

Image source: Derek Kemp

that the level of work and commitment required to make a centre management entity effective would distract the EDU from their primary tasks related to the wealth creation objectives as stated within the LTCCP.

In summary therefore the city would benefit from a centralized city centre management entity but most of its work would be involved on the retail aspects of the city centre. Ideally such an entity would be predominantly funded by a special rate collected from the businesses within an identified area and turned over to the management company. In such a model the entity would sit outside the Council, but with the Council representation on it. If the Council entirely funded the management entity, then it should most appropriately sit within a division of the Council. We did not however pick up any strong signals that the city needs such an entity. The city is in a relatively unique position in New Zealand in that it does not have major competition for its role from the suburbs. The city would benefit from a centralized manager, but for us it does not sit high on the list of priorities. Given the higher economic tasks of the EDU and its importance in assisting to deliver the “Wealthy Community Vision” it should not be distracted from this task by being the city centre manager.

Council Lands / Civic / Library

The potential effect of organisations like local government authorities relocating to the Princes Street area and work as a catalyst for the revitalisation of that area has been raised in the past. The City Council is currently located at the northernmost edge of the Octagon. It is assumed that the current building is suitable for Council occupation or put another way, the adequacy of the building itself would not drive any push to re-locate the Council.

The current location sits alongside the thriving core retail area of George Street. Council employees would contribute to the vitality of this area for food services and mainstream retail throughout the day. However it is reasonable to say that Council employees are a minor component of the trade of the core retail area. This of course begs the question as to whether the overall economic performance of the city centre would be enhanced if the Council were to be located elsewhere in the city. Could an institutional tenant or the Council itself “switch on” a different part of the city improve the performance of this area?

There appears to be a compelling need to improve and expand the library. We are informed that the current library is within a building that is now unsuited to the modern requirements of such a facility. The library has been mentioned as a potential occupier of the old Post Office building.

Moving the library and Council to the Princes Street area would assist in improving the economic performance of the Princes Street area. Moving the Council on its own would facilitate a limited amount of additional ground floor activity in the precinct, by increasing demand for food services. Council offices generate substantial foot traffic to and from the buildings, not just from Council staff but from members of the public visiting the Council for services and payments etc. Adding the library would meaningfully change the operating environment for this part of the city, with substantial number of people walking to and from the building and around the wider precinct. This would also add value and inspiration to the proposed “Creative Quarter” with this area possibly evolving as a design and food and beverage precinct (on ground floor). The benefit of this duality is shown in the drawing.

So an institutional use moving to this site or area would have benefits in terms of switching on the wider precinct. However the costs and benefits of such a move are wider than issues relating to simple place dynamics. The costs would be high and, in the case of the City Council, could be offset by the sale of other Council property.

Car Parking

This section on parking is written in terms of the broader economic performance of the city, not by transport planners.

It is important that car parking in the city is not concentrated in one area but is scattered throughout the city centre in order to establish a balanced system of origin and destination walking paths. It is also important for city centre parking to be charged as charging increases the effective supply of spaces by increasing turnover. Despite what retailers may say, all available evidence on the performance of retail before and after charged parking shows that retail performance improves with charged car parking. If the Council wishes to associate car parking with public realm improvements it can use the collections from parking revenues for streetscape and public realm improvements in an area.

APPENDIX 4

Climate change mitigation and peak oil actions

NB. The following is not yet reported to or endorsed by the Council

Area	Sub-area	Potential Actions	Council status
CARBON SEQUESTRATION	Increase Tree Planting	Plant more exotic forests and link with ETS	Work currently being done on ETS obligations and involving City Forests (DCC owned)
		Increase Native Forest Regeneration	Under consideration
	Biochar Production	Produce Biochar from Exotic Forest Waste	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Encourage rural sector to produce biochar from waste biomass	Will look at as part of the Climate Change Mitigation/Peak Oil Response
ENERGY SUPPLY	New Buildings	Eco Design Advice (eg Passive Solar, Ventilation)	Will look at as part of the Climate Change Mitigation/Peak Oil Response
	Increasing Energy Efficiency - Retrofits	Business & Home Resource Efficiency Assessments	May incorporate into Targeted Rates Scheme approach at later stage.
		Upgrading technology	Investigating a Targeted Rates Scheme approach to help increase uptake of clean heating (heat pumps, log burners)
		Insulation - ceiling	Investigating a Targeted Rates Scheme approach to help increase uptake
		Insulation - floor	Investigating a Targeted Rates Scheme approach to help increase uptake
		Insulation - wall	May incorporate into Targeted Rates Scheme approach at later stage.
		Double-glazing	May incorporate into Targeted Rates Scheme approach at later stage.
	Increasing Renewable Energy - Retrofits and New Buildings	Solar Hot Water	May incorporate into Targeted Rates Scheme approach at later stage.
		Solar PV	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Microwind	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Microhydro	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Biomass - wetback, cooker, heater - efficient woodburner	Investigating a Targeted Rates Scheme approach to help increase uptake
		Biomass - commercial wood boiler for heating	DCC developing a implementation plan for increasing woodchip used for commercial heating purposes of initially Council-owned buildings. (Neville Auton)
	Public Space/Embedded Energy		

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Area	Sub-area	Potential Actions	Council status
FUEL SUPPLY	Biofuel technology	Ethanol - Micro distilleries	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Ethanol - Engines designed to optimise for ethanol	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Biodiesel - Investigate all potential production methods	DCC working on a strategy for Biodiesel (Neville Auton)
		Biodiesel - Engines designed to optimise for biodiesel	DCC working on a strategy for Biodiesel (Neville Auton)
	Electric vehicles	Scooters/motorbikes	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Cars	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Public Transport	ORC run this service
	Reducing car usage	Increase usage of Scooters/Motorbikes	DCC looking at potentially developing a Scooter/Motorbike Parking Strategy (E. Yeoman)
		Increase usage of bicycles	DCC working on Bicycle Parking Strategy and Increasing Cycleways all over Dunedin
		Car-pooling	Will look at as part of the Climate Change Mitigation/Peak Oil Response
		Work from home	Central Govt strategy to improve internet access to all areas
	Ferries	Connection for Otago Penisula to Port Chalmers to Dunedin City	Will look at as part of the Climate Change Mitigation/Peak Oil Response
WATER SUPPLY	New Buildings	Eco Design Advice	Will look at as part of the Climate Change Mitigation/Peak Oil Response
	Increasing water efficiency	Business & Home Resource Efficiency Assessments	May incorporate into Targeted Rates Scheme approach at later stage.
		Upgrading technology	May incorporate into Targeted Rates Scheme approach at later stage.
		Increasing greywater usage	May incorporate into Targeted Rates Scheme approach at later stage.
	Rainwater collection		Looking at installing rainwater collection system on Moana Pool. May incorporate into Targeted Rates Scheme approach at later stage.

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Area	Sub-area	Potential Actions	Council status
FOOD SUPPLY/ SECURITY	Community Supported Agriculture (CSA)	Linking nearby rural food growers with city/ urban people	Will look at as part of the Climate Change Mitigation/Peak Oil Response
	Indoor food growing	Helping city/urban people grow some food indoors through creating artificial climates, using soil-less media etc.	Will look at as part of the Climate Change Mitigation/Peak Oil Response
	Farmers Markets	Increase frequency, size and number of Farmers Markets in Dunedin	Will look at as part of the Climate Change Mitigation/Peak Oil Response
	Identify appropriate spaces for Community Gardens	Utilising un-used appropriate land (e.g. Council-owned, Schools, Private)	Will look at as part of the Climate Change Mitigation/Peak Oil Response
WASTE MINIMISATION	Organic Waste (City Collection)	Providing a commercial collection for organic waste in the city	DCC have developed a Waste Minimisation Strategy for the Community (Cath Irvine)
	Worm farms / Bokashi Systems	Ensuring space available for Worm farms (eg Balcony)	DCC have developed a Waste Minimisation Strategy for the Community (Cath Irvine)
	Recycling & Organic Waste Collection	Ensuring space available for Recycling and Organic waste collection available (eg for High-Rise Buildings)	DCC have developed a Waste Minimisation Strategy for the Community (Cath Irvine)
	City items sold are reusable, recyclable or compostable (eg coffee cups)	Working with suppliers and businesses to improve items sold to be reusable, recyclable or compostable (e.g. coffee cups)	DCC have developed a Waste Minimisation Strategy for the Community (Cath Irvine)

APPENDIX 5

Relevant background information

The Council has made the following background studies available to the consultant team:

Policy and planning

- DCC Population Growth Projections, Rationale Limited, November 2009
- Inner-City Living Study, Dunedin City Council District Plan Monitoring Series Report 2006/2
- Dunedin City Housing Choice, Dunedin City Council District Plan Monitoring Series Report 2007/1
- Dunedin Tertiary Students Residential Distribution 2008, City Development, Dunedin City Council, August 2009
- Potentially Earthquake Prone Buildings and Areas, Dunedin City Council
- The Warehouse District of Dunedin visions for the future, Jessica White & Michael Findlay - Applied Sciences, University of Otago, 2011

Social, cultural and community

- 2010 Quality of Life Survey: Eight Cities Report, Quality of Life Survey Team, 2010
- 2010 Quality of Life Survey: Dunedin, Quality of Life Team, 2010

Environment

- Climate Change: Impacts on Dunedin, prepared for the Dunedin City Council by Professor Blair Fitzharris, Final report, March 2010

Transport and pedestrians

- Central Dunedin Speed Impact, Health Impact Assessment, Ministry of Health, 2010
- Pedestrian counts George Street and Princes Street 2002-2011 - Dunedin City Council 2011
- Strategic Cycle Network Implementation Feedback Information – Dunedin City Council, June 2011
- Annual Cycle Surveys for AMP 2010
- Bus Timetable Dunedin 2011 Booklet, Otago Regional Council, 2011
- Pedestrian Movement Survey at Dunedin Railway Station, Dunedin City Council, October 2010
- Parking Review For Dunedin City Council, 2007
- Dunedin City 2007 Parking Study: Parking Analysis Report, prepared by Gabites Porter for Dunedin City Council, September 2007
- Dunedin Public Transport Review, The Future Role of Public Transport in Dunedin: Issues and Options 2005 Prepared for Dunedin Passenger Transport Working Party, Mein Consulting Ltd, December 2005
- HIA zone exisiting and proposed 30kph, Dunedin City Council
- Dunedin Passenger Transport, Otago Regional Council and Dunedin City Council Workshop, 31 January 2006
- Observation and Recording of Pedestrian Traffic in the Vicinity of the Dunedin Railway Station, Prepared by Fulton Hogan for Dunedin City Council, November 2010
- Dunedin City Council Future Strategic Network Summary Report, MWH, July 2010
- Passenger Transport Working Party Report, Otago Regional and Council Dunedin City Council, 2006

Economy

- The viability of a Dunedin Technology Precinct, Coutts, 2010
- Draft Industrial Land Use 2009 – Dunedin City Council 2009
- Industrial Land Needs Study, Final Report, March 2011 - CPG for Dunedin City Council City Planning Department 2011

Retail

- Spatial Strategy for Retailing in Dunedin, Development Economics, December 2010
- Dunedin CBD Occupier Survey, DTZ New Zealand Limited, November 2008
- Central Activity Area Survey (Unpublished), City Development, Dunedin City Council, January 2010