



ECONOMIC DEVELOPMENT PLAN

2015-2020

NOVEMBER 2015

HUTT CITY
TE AWA KAIRANGI

CONTENTS

FOREWORD	2
INTRODUCTION	3
COUNCIL'S VISION	5
AREA OF FOCUS 1 - GROW SCIENCE, TECHNOLOGY, ENGINEERING AND MANUFACTURING BUSINESSES	7
Objectives and actions	9
Measures and targets	12
AREA OF FOCUS 2 - REJUVENATE THE CBD	13
Objectives and actions	15
Measures and targets	17
AREA OF FOCUS 3 - STIMULATE DEVELOPMENT AND GROWTH	18
Objectives and actions	20
Measures and targets	22
AREA OF FOCUS 4 - CONTINUE BUSINESS SUPPORT	23
Objectives and actions	25
Measures and targets	26
APPENDIX 1	27
APPENDIX 2	31
APPENDIX 3	34

FOREWORD

It is with great pleasure that I present Hutt City Council's Economic Development Plan 2015-2020. The intent of this Economic Development Plan is to grow the wealth of our city and contribute toward building a prosperous future for the city and its residents.

Council's vision for Lower Hutt is '*a great place to live, work and play*'. We are working to deliver this vision by driving growth and development in the city, providing the infrastructure to enable our city to grow and develop, and creating world-class community facilities.

Our Economic Development Plan sits within the framework of our Urban Growth Strategy and focusses on the opportunities the city has to grow economically through growing our strength as a centre for innovative high-tech industries, creating thriving commercial centres, supporting the businesses and organisations that already operate here, and attracting new businesses.

Our economic strength is underpinned by the range of businesses and organisations that operate across Lower Hutt employing our residents, bringing workers into the city by day and generating the profit we seek to grow our city further and benefit its people. Lower Hutt has over 9,700 businesses employing nearly 48,000 people. Council supports and encourages

businesses and in addition to a number of new businesses, we are fortunate to have many with firm roots in the city that have operated here for years.

There is great energy, enthusiasm and innovation in our business community. Council is committed to growing our economy and providing quality employment in the city – this Economic Development Plan outlines how we are going to do this.



Ray Wallace

Mayor Lower Hutt

November 2015

INTRODUCTION

In 2009 Council developed its second Economic Development Strategy (EDS). This Strategy focused on increasing Lower Hutt's economic vitality and lifting productivity. Five outcomes, with strategies to achieve them, were identified to meet this goal. These were:

- More business activity happening in Lower Hutt
- Recognition of Lower Hutt as a business location and vibrant city
- Continued investment in current and new business activities
- An available skilled workforce
- More sustainable business and economy

In 2014, Council reviewed the 2009-2014 EDS both to evaluate progress and to help inform the development of this Economic Development Plan (EDP). The EDP that economic development is a continual process that requires work on the environment of the city as well as intervention in terms of recognises attracting and retaining businesses. Appendix 1 in this document outlines the current economic profile for Lower Hutt.

Four key strategies have been developed that define and underpin the vision *'to make Hutt City a great place to live, work and play'*. The strategies are Urban Growth Strategy; Environmental Sustainability Strategy; Infrastructure Strategy; Leisure and Wellbeing Strategy.

Hutt City's Economic Development Plan 2015-2020 (EDP) has been developed to align with the Urban Growth Strategy (UGS) huttcity.govt.nz/urban-growth.

Hutt City's UGS sets out Council's long-term approach to managing growth and development for Lower Hutt to 2032. The UGS focuses principally on how the built environment in Lower Hutt will change over time – that is, how much we want the city to grow, where new homes and businesses will be accommodated and what will be done to support and encourage this development. Appendix 2 provides some more information from the UGS related to commercial, industrial and retail land supply and the transportation network.

The two key growth targets for the UGS to 2032 are:

- a. Population growth that would ensure a total of at least 110,000 people live in the city
- b. An increase of at least 6,000 homes in the city

This EDP also aligns with the Wellington Regional Strategy (WRS), a sustainable economic growth strategy to enhance the region by strengthening the regional economy and helping develop the international competitiveness of the area. The WRS is focussed on exploiting regional advantages such as a knowledge-intensive workforce, ensuring the region is 'open for business', and building a diverse and resilient economy.

At the time of writing this EDP the Wellington Regional Economic Development Agency (WREDA) had just been established and has set its vision as: "By 2025, Wellington will be the most prosperous liveable and vibrant region in Australasia." This EDP is also consistent with the work of WREDA.

The EDP provides a vision for economic development and growing wealth for the city and an action plan for the years to 2020. The EDP's focus is complimented by the work council is doing on the community facilities in the city.

The EDP includes four areas of focus for Hutt City Council and its strategic partners. These are listed below in order of priority:

1. Grow science, technology, engineering and manufacturing capability and businesses
2. Rejuvenate the Hutt CBD
3. Stimulate growth and development
4. Continue business support

Under each area of focus is a list of key actions to be undertaken. We will also retain the flexibility and discretion to add or change actions to address economic issues as they arise.

The Economic Development Plan (EDP) includes a range of measures and targets. The key measures by which to gauge the success of the actions in this EDP are:

- Employment in the medium/high- tech sector
- Participation by school leavers in Science - Level 1, Level 2 and Level 3
- Number of people employed in Lower Hutt
- Number of residents living in the CBD
- Value of Building Consents per annum
- Number of new residential developments (including apartments) per annum
- Visitor guest nights per annum

- GDP per capita
- Percentage of population that is unemployed

Strong partnerships are needed to deliver economic growth in the city. Council has already developed strong working partnerships with a wide range of partners and we will continue to develop these and other links.

Council's key partners include:

Other economic development entities: Hutt City Council Economic Development Advisory Group (EDAG), Hutt Valley Chamber of Commerce, Jackson Street Programme, Seaview Working Group, Technology Valley Group, Wellington Regional Economic Development Agency (WREDA).

Large science and technology entities: Callaghan Innovation, GNS Science, Hutt Valley District Health Board (HVDHB)

Education Providers: Open Polytechnic, Wellington Institute of Technology (WelTec), local schools

Local Iwi organisations that have interest in commercial property and social housing – such as the Port Nicholson Block Settlement Trust, Wellington Tenth Trust and the Rūnanga.

COUNCIL'S VISION

Council's vision for economic development in Lower Hutt is to
GROW THE WEALTH OF THE CITY



In particular, Council wants to position Lower Hutt to be stronger in science, technology, engineering and manufacturing. These are sectors in which we already have many strengths and where we can continue to improve.

To realise this vision, Council will focus on the following areas in the period to 2020.

Area of focus	Means
<p>Grow science, technology, engineering and manufacturing (STEM) businesses</p> 	<p>Science, technology, engineering and manufacturing are all important sectors for Lower Hutt. Lower Hutt ranks high in terms of businesses focused on these sectors and has a number of large and well known businesses operating in these sectors. Local tertiary providers are also strong in these sectors.</p> <p>Council works with local businesses in these sectors and funds a number of projects and positions related to these, science in particular. It also contributes to Technology Valley activities.</p>
<p>Rejuvenate the Lower Hutt CBD</p> 	<p>Lower Hutt's CBD has been struggling for a number of years in terms of retail and commercial activity. There is limited residential activity in the CBD at present. Council has developed CBD Making Places as a plan to assist in rejuvenating aspects of the CBD. This Economic Development Plan focuses on economic aspects to assist in this growth as well as a focus to get more people living in the CBD.</p>
<p>Stimulate development and growth</p> 	<p>Council has a number of policies that assist with the costs and processes of development. This lowers the time required for developers and others to undertake developments and also lowers the associated cost. The focus is to provide an increase in residential, commercial, industrial and other (eg retirement homes) development within the city. We are already seeing this occurring and want it to continue so the focus remains on this area.</p>
<p>Continue business support</p> 	<p>Council undertakes a range of activities to support business and has good communication with businesses in Lower Hutt. This is planned to continue.</p>

AREA OF FOCUS I: GROW SCIENCE, TECHNOLOGY, ENGINEERING AND MANUFACTURING BUSINESSES

Current Situation¹

Medium and high technology sector

Compared to NZ as a whole, Lower Hutt - and the Wellington region - has a large medium and high technology sector. The sector contributes 8.9 per cent of the city's Gross Domestic Product (GDP), 8.2 per cent of its employment and 9 per cent of its business units. At a national level the sector comprises 2.7 per cent of GDP, 1.9 per cent of employment and 2.6 per cent of business units.

In 2014 the medium and high technology sector contributed GDP \$426m to the city. In 2014 there were 875 businesses in the sector, up from 829 in 2013. Employment in the sector in 2014 was 3948, an increase from 3912 in 2013.

Engineering design and engineering consulting services

In 2013, this sector included 121 engineering design and engineering consulting services businesses and a further 29 heavy and civil engineering construction businesses. In 2014 that number had risen to 122 and 34 businesses respectively. These businesses employed a total of 1030 people in 2013 and 1020 in 2014.

Initiatives Council already has in this area

Council is already undertaking a number of programmes and projects with regards to supporting and developing science, technology, engineering and manufacturing business activity. These are a combination of short-term and longer-term programmes. They are:

- Lower Hutt Primary Science Mayoral Scholarship - \$2,500 per Lower Hutt primary school for each teacher studying the Open Polytechnic Graduate Certificate in Primary School Teaching.
- Hutt Valley Primary Science Education Network with the Open Polytechnic and GNS Science aimed at primary school teachers undertaking the Open Polytechnic Graduate Certificate in Primary Science (Curriculum).
- WelTec engineering scholarships - \$25,000 per annum including specific scholarships for women and Māori/Pacifica.
- Technology Valley; Council is a member of Technology Valley Group an initiative that focusses on the development of key projects to showcase this area's technology.
- The Libraries Digital Literacy programme targets the general public, business and community groups. Programmes include 3D print lecture series and workshops, robotics workshops, Business Research Services and Computer Clubhouses that provide a safe out-of-school learning environment for teens.

¹ Source: Lower Hutt City Annual Economic Profile 2014, Infometrics 2015

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- Council published a Fresh Thinkers booklet in 2014 profiling Lower Hutt science, technology, engineering and manufacturing businesses, huttcity.govt.nz/our-city/fresh-thinkers.

The second edition of 2015 targets secondary school students, profiling young people working in science and technology in Lower Hutt.

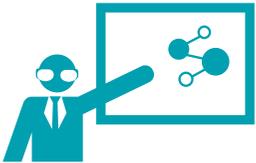
- Completion of research into requirements of Secondary Schools to assist in increasing the number of students undertaking science.
- Establishing Hutt Science to educate and enthuse more students in science and technology, and build pathways to careers in these fields, visit huttscience.co.nz.
- Establishment of EEZ research and workshop (November 2014).
- An annual Industry Day to introduce principals to local career opportunities.
- Establishment of a technology platform throughout the city including free Wi-Fi in the CBD and Jackson Street, Petone, and fibre into Hutt City libraries.
- Establishment of the annual Hutt STEMM Festival huttstemm.nz.
- Rates Remission Policy that provides incentives for high-tech businesses.
- Co-sponsor of Lightning Lab - Manufacturing, a pilot for a programme to get manufacturing start-ups “investor ready”.
- Technology Valley Awards – an annual award ceremony to celebrate science, technology, engineering and manufacturing in the Hutt Valley.



Objectives and Actions

The following objectives and actions have been identified to focus on continuing to grow science, technology, engineering and manufacturing activity, businesses and employment in Lower Hutt. The plan also places a particular focus on growing our future workforce and giving our young people job opportunities locally.

Objectives	Actions	Timing
<p>Provide improved infrastructure and amenity for science, technology, engineering and manufacturing businesses to establish and grow in Lower Hutt.</p> 	1. Establish and manage the annual Technology Valley Awards.	2015 onwards
	2. Grow the annual Hutt STEM Festival promoting science, technology, engineering, manufacturing and maths to become a national event.	2015 onwards
	3. Pilot a Product and Manufacturing Accelerator (Lightning Lab - Manufacturing) and, if successful, make this a regular activity.	August–Nov 2015
	4. Partner with Callaghan Innovation on development of the Gracefield Innovation Precinct.	2015-2017
	5. Include science and technology aspects in Council parks and facilities redevelopment, such as Avalon Park.	2015 onwards
	6. Investigate other citywide technology requirements eg free Wi-Fi.	2015 onwards
	7. Consider a high-tech zone via a District Plan change at Gracefield.	2017
	8. Undertake a feasibility study for establishment of a makerspace/Techshop type facility/activity to support local businesses.	2015-2016

Objectives	Actions	Timing
<p data-bbox="206 284 495 437">Develop a workforce though increasing awareness of our jobs and retaining local students in local jobs</p> 	<ol style="list-style-type: none"> <li data-bbox="568 284 1697 316">1. Continue Mayoral scholarships for primary school science certificate from Open Polytechnic <li data-bbox="568 347 1536 379">2. Implement recommendations from Hutt City secondary school science report <li data-bbox="568 411 1715 501">3. Investigate further science and technology education opportunities with relevant tertiary institutes including WelTec, Open Polytechnic, Victoria University of Wellington, Arizona State University and MIT (Computer clubhouses) <li data-bbox="568 533 1693 596">4. Work with WelTec on growing the number of people studying engineering in Lower Hutt (in additional to Engineering Scholarships) <li data-bbox="568 628 1733 692">5. Establish Hutt Science as a permanent entity to continue the focus on science for school aged children <li data-bbox="568 724 1370 756">6. Develop and expand internships and scholarships in Lower Hutt <li data-bbox="568 788 1697 820">7. Advocate to central government on curriculum content to support growth in STEM subjects <li data-bbox="568 852 1693 916">8. Continue with Industry Day as an annual event and consider widening the range of schools invited 	<p data-bbox="1809 284 1917 316">Ongoing</p> <p data-bbox="1809 347 1980 379">2015 onwards</p> <p data-bbox="1809 411 1980 443">2015 onwards</p> <p data-bbox="1809 533 1980 564">2015 onwards</p> <p data-bbox="1809 628 1872 660">2016</p> <p data-bbox="1809 724 1872 756">2017</p> <p data-bbox="1809 788 1872 820">2016</p> <p data-bbox="1809 852 1917 884">Ongoing</p>

Objectives	Actions	Timing
<p>Grow the number and size of science, technology, engineering and manufacturing businesses in Lower Hutt</p> 	<p>Support Technology Valley entity and activities</p> <p>Incentivise specific science, technology, engineering and manufacturing businesses to move to/stay in Lower Hutt.</p> <p>Establish EEZ hub (including marine energy).</p> <p>Leverage off our Sister City relationship with Tempe (USA) through developing a programme with Callaghan Innovation /Wellington Regional Economic Development Agency and Arizona State University (ASU) Skysong and/or Center for Entrepreneurial Innovation (CEI) in Arizona regarding soft landing of US businesses to China/Asia via NZ</p> <p>Work with WelTec in assessing the feasibility of a Student Innovation Centre and Programmes</p>	<p>Ongoing</p> <p>2016/17 onwards</p> <p>Est 2017 onwards</p> <p>2016 onwards</p> <p>2016/17</p>
<p>Develop STEM and digital skills and literacy for entire Lower Hutt population</p> 	<p>Establish Alexandria Innovation Network or similar programme developed locally in Hutt City libraries/ museums.</p> <p>Continue with Libraries Digital Literacy Programme</p>	<p>2016</p> <p>Ongoing</p>
<p>Increase the percentage of Research and Development (R&D) spend in local science, technology, engineering businesses</p> 	<p>Investigate opportunities for improving R&D expenditure and increasing R&D activity in local high/ medium tech businesses</p> <p>Assist Callaghan in connecting with local businesses to capitalise on R&D</p>	<p>2016/17</p> <p>2016 onwards</p>

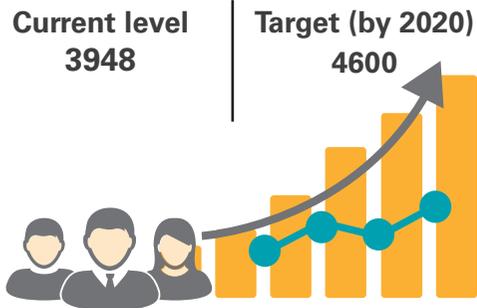
Measures and Targets

The following measures and targets will be used to help gauge the success of this Economic Development Plan.

NUMBER OF BUSINESSES IN LOWER HUTT



EMPLOYMENT IN MEDIUM/ HIGH-TECH SECTOR



Measure	Current Level	Target (by 2020)
Medium/high tech businesses as a percentage of total business numbers in Lower Hutt	9%	10%
GDP per employee from medium and high-tech sector	\$108,000	\$135,000 ²
Number of businesses in medium/high-tech sector	875	1000
Participation by school leavers in science, Level 1; Level 2; Level 3. ³	32.7%; 15.7%; 27.3%	36%; 20%; 35%
Attainment by school leavers in science, Level 1; Level 2; Level 3.	21.2%; 13.6%; 16.7%	28%; 16%; 26%

Sources: Lower Hutt City Annual Economic Profile 2014, Infometrics 2015; Statistics New Zealand, Business Demography data, Detailed industry by region for geographic units 2000-13 and Ministry of Education data

² GDP growth across all sectors in Hutt City was 19% over the last 5 years – this targets reflects the view that medium and high tech sectors should grow at a faster rate than all sectors

³ This indicator is for those leaving school with Level 1, 2 or 3 with 14 or more credits in science

AREA OF FOCUS 2: REJUVENATE THE CBD

CBD Making Places

The Central Business District (CBD) is recognised as the heart of our city and CBD Making Places is a programme that aims to transform the city centre and create an area that's economically vibrant, artistically rich and people friendly, in the period to 2030. Closely linked to the Urban Growth Strategy and creating an environment to drive Lower Hutt's prosperity, CBD Making Places is a core strand of Council's Economic Development Plan and includes working on the connections between the city centre and the river, Westfield Mall, the civic precinct and residential areas. It is a major part of our work to make our city *'a great place to live work and play'*.

Studies in New Zealand and internationally show that retail and commercial activity alone will not bring about significant change in city centres and that focusing on mixed-use, particularly residential development, is required. The importance of enabling good, residential based, mixed-use development in creating vibrant city centres is demonstrated in the examples of Wellington, Auckland and Melbourne. Locally, work with developers has identified a significant opportunity for housing in our CBD along the river edge in association with a proposed riverside promenade, which is a key project in CBD Making Places.

Current Situation

Business and employment in central Lower Hutt⁴

In 2004, 10,270 people worked in central Lower Hutt. The number of people working in the area peaked at 11,740 in 2008 before falling to 11,140 in 2009. In 2010 it rose to 11,490 to then decline further from 2011. In 2014 there were 10,150 people employed in central Lower Hutt. This reduction over the last 10 years has resulted from a reduction in commercial jobs and retail activity.

The number of businesses increased from 1583 in 2004 to 1690 in 2009, followed by two years of decline, before increasing again to 1704 in 2012 and 1753 in 2014. The majority of these businesses are in the CBD itself. In terms of employment, the major industry sectors operating in Hutt Central are retail, public administration and safety, health care and social assistance, education and training, professional, scientific and technology, administrative and support services, and accommodation and food businesses.

Retail, accommodation, bars, cafés and restaurants industry⁵

Retail, accommodation, bars, cafés and restaurants constitute a key industry group for the city. At a city level, this sector employed 7,394 people and contributed \$288m or 6 per cent of the city's GDP in the year to the end of March 2014.

⁴Source: Statistic New Zealand business demography data. Geographic units by employee count size, industry and area unit 2000-14

⁵Sources: Statistics New Zealand, Business Demography data, Table: Geographic units by employee count size, industry and area unit 2000-14; Lower Hutt City Annual Economic Profile 2014, Infometrics 2015

In 2014 there were 257 retail businesses in central Lower Hutt, a decrease from the 262 businesses in 2013. In 2014 there were 2300 employed in this sector in central Lower Hutt, a slight decrease from 2330 in 2013.

The accommodation and food services sector in central Lower Hutt has seen overall growth from 2000 to 2014. In 2009, the number of businesses and those employed peaked at 93 and 860 respectively and the following years have seen a marginal decline in the number of businesses, to 87, but a larger fall in the people employed, to 730 in 2014.

CBD spending⁶

In the 12 months to April 2015, \$575.33 million was spent in the CBD. This was 1.8 per cent up on the previous 12 months. Spending in the rest of the city increased by 5.4 per cent over the same period.

⁶ Source: Lower Hutt City Monthly Performance Report April 2015, Marketview, 12 May 2015.

Initiatives Council has in this area

Council is already undertaking a number of programmes and projects with regards to the CBD. These are a combination of short-term and longer-term programmes. They are:

- Council employs a CBD Development Manager to work with businesses, retailers and others in the CBD. This position is focused on working with business in the CBD to help create a vibrant and thriving Lower Hutt CBD. Much of the activity listed below is undertaken by the CBD Development Manager.
- Council established an elected members group CBD Taskforce to agree ways to continue to stimulate growth in the CBD.
- Council holds regular forums with developers, land owners and real estate agents in the CBD to identify improvements they would like and advise them on actions being undertaken.
- Council holds regular forums with retailers in the CBD.
- A five years rates remission for developments in the CBD, which applies until 30 June 2017.
- About Space is a programme that increases vibrancy by filling empty storefronts in the Lower Hutt CBD on a short term basis. See huttcity.govt.nz/about-space/.
- CBD Making Places – a series of projects to improve the CBD. See huttcity.govt.nz/makingplaces

Development of an integrated Civic Precinct which will include:

- An Events Centre in the CBD alongside the Town Hall. This is a \$18 million project that will be completed in January 2017 and will provide a multipurpose space for hosting a range of community and commercial events.
- Redevelopment of Council's Administration Building – this building is in the process of being re-piled, strengthened and retrofitted at a cost of \$22 million. It will be complete by March 2016.
- Riddiford Gardens redevelopment. The primary objectives of this project include creating a safe, appealing destination for residents and visitors which integrates with the other Civic redevelopments. The cost of this redevelopment is \$5 million and it will be complete by winter 2017.

In addition to these initiatives:

- A project working with Greater Wellington Regional Council and NZ Transport Agency on the widening of the river channel through the CBD to provide for improved flood protection and also enable development of buildings right up to the stop bank "The Promenade" , thus making the stop bank and river more accessible and visible.



Objectives and Actions

The following objectives and actions have been identified to focus on getting more people working and living in the CBD and more activity happening.

Objectives	Actions	Timing
<p>Increase the number of jobs in the CBD</p> 	<p>Establish a hotel in the CBD to support the increased demand for bed nights generated from activity in the new events centre</p> <p>Continue to provide 5 years rates remissions for commercial development in the CBD</p> <p>Improve the amenity of the central CBD to attract businesses eg smart tech building precinct, improvements to the urban environment including promoting walking and cycling access, public art</p> <p>Establish a shared working space in the CBD</p> <p>Undertake targeted marketing of development in the CBD eg precinct plans and concepts</p> <p>Contract a provider to manage/run the Events Centre and Town Hall</p> <p>Fill office space via targeted approaches to possible tenants and through working with building owners and developers</p> <p>Support retail focussed promotions</p> <p>Lobby central government agencies with regards to moving central government jobs to Lower Hutt</p> <p>Continue About Space and Business Bootcamp programmes</p>	<p>2016</p> <p>Ongoing to 2017</p> <p>2017 onwards</p> <p>2015/16</p> <p>2017</p> <p>2015</p> <p>2016 onwards</p> <p>Ongoing</p> <p>2016 onwards</p> <p>Ongoing</p>

Objectives	Actions	Timing
<p>Increase the number of people living in the CBD</p> 	<p>Undertake a walking and cycling study for the CBD and implement findings to assist in making the CBD more liveable</p> <p>Continue to enhance the public transport links to and from the CBD</p> <p>Undertake a review of the Transport Chapter of the District Plan to recognise and plan for public and active modes of travel in the CBD and look at parking requirements for new and redeveloped apartments in the CBD</p> <p>Establish an active CBD events programme</p> <p>Continue to provide 5 years rates remission for residential development in the CBD</p> <p>Undertake a feasibility study for establishing student accommodation in the CBD</p> <p>Explore the feasibility of a science and technology museum such as the Exploratorium in San Francisco</p>	<p>2015/16</p> <p>2015 onwards</p> <p>Underway</p> <p>2016</p> <p>Ongoing until 2017</p> <p>2016/17</p> <p>2017</p>
<p>Increase Council investment in the CBD</p> 	<p>Continue with the promenade development including flood protection and establishment of apartments next to the promenade</p> <p>Undertake property purchases where relevant to increase development and economic benefit for the city</p> <p>Complete Events Centre build</p> <p>Complete Administration Building rebuild</p> <p>Revamp Riddiford Gardens as a key part of the Civic Precinct (also including the Library, Council Admin building, and Town Hall and Events Centre)</p>	<p>2015 consult</p> <p>2016-2022 build</p> <p>Ongoing</p> <p>2016</p> <p>2016</p> <p>2014-2017</p>

Measures and Targets

The following measures and targets will be used to help gauge the success of this Economic Development Plan.

NUMBER OF PEOPLE EMPLOYED IN CENTRAL HUTT



NUMBER OF RESIDENTS LIVING IN THE CBD (census)



Measure	Current Level	Target (by 2020)
Foot traffic counts (Oct/April) ⁷	6100/7900	To be agreed ⁸
Number of businesses in Central Hutt	1753	1795
Number of dwellings in the CBD (census)	342	452
CBD Retail spend per annum	\$575.33m (year to April 2015)	\$660m per annum ⁹

Sources: 2013 Census; Statistics New Zealand Business demography data; Market View quarterly report.

⁷ Previous foot traffic counts have been taken twice a year – April and October – the numbers vary by time of year. Based on 31 specific sites

⁸ A new methodology for this is being developed

⁹ Assumes a 3% increase per annum (currently approx. 2% per annum)

AREA OF FOCUS 3: STIMULATE DEVELOPMENT AND GROWTH

Current situation

Building development

Council has had both a CBD Development Charges and Rates Remission Policy and a City Wide Development Remission Policy since 2011/2012. These have been updated and apply until June 2017. These provide for remission of building consent fees, resource consent fees, development contributions and reserves contributions. In the CBD this also provides for remission of rates for 5 years for certain developments.

Building consent figures for Lower Hutt provide an indication of the success of these policies. Issued building consent values rose from \$107 million for the year to 30 June 2012 to \$184 million for the year to June 2015, an increase of 72%.

New residential developments based on issued building consents between 1 July 2014 and 30 June 2015 were \$66.3 million.

Social and workforce development

To ensure Lower Hutt maintains quality facilities that are relevant to the needs of today and tomorrow's communities, and to help attract new families, Council plans to redevelop many of our facilities over the next 30 years with a particular focus on growing recreation and community facility "hubs". They will link sport and physical activity with health, social welfare, education and lifelong learning. As such these hubs will also play a role in economic development and in particular social and workforce learning and development.

The two Computer Clubhouses run by Hutt City Council are an example of social and workforce development combining. Skills learnt at a Computer Clubhouse can be valuable for the students who attend – they may go onto tertiary level study or employment where they can utilise and build on these skills they learn and the projects they undertake.

Tourism development ¹⁰

As part of Council's work to stimulate development in the city we are also placing a focus on developing tourism. As the urban environment is rejuvenated, it will be important to continue marketing the city both in New Zealand and internationally.

Lower Hutt's largest domestic tourism markets are Auckland and Wellington. Spend from Auckland in the city in 2012 and 2013¹¹ was greater than that from Wellington. There has been a growth in the spending from several other regions over the period between 2009 and 2013,

particularly Waikato and Canterbury. Spending from Manawatu-Wanganui has also increased.

Internationally, spending from Australia in the city has increased between 2009 and 2013. International spending generally has fallen, particularly from the UK, US and, to a lesser extent, the 'rest of Europe'. This is a general pattern in the region and elsewhere to an extent.

In terms of overall tourism spending within particular categories:¹²

- Spending on accommodation fell from \$18 million in 2009 to \$11 million in 2013. It increased to \$13 million in 2014.
- Spending on retail, food and beverage, and transport, increased. These categories accounted for \$97 million in 2009 and \$109 million in 2014.

Initiatives Council has in this area

Council is already undertaking a number of programmes and projects with regards to stimulating development. These are a combination of short-term and longer-term city wide and targeted programmes. They are:

- CBD Development Charges and Rates Remission Policy.
 - Hutt City Development Remission Policy.
 - Rates Remission Policy for Economic Development
 - Council employs a Development Liaison Manager whose role it is to liaise between developers/property owners and all areas of Council. This provides a quicker and smoother process for our customers.
 - Building consents can be submitted electronically and Inspections are completed electronically.
 - Council operate two Computer Clubhouses in the North East under licence to the Massachusetts of Industry and Technology (MIT).
- Council is investing \$117.1 million of capital investment throughout the city over the medium term to make Lower Hutt a better place to live and play. A number of these are identified in the Council Integrated Facilities Plan.
 - Council operates an i-SITE.
 - Council provides resource to assist with local product development such as the Rimutaka Cycle Trail.
 - Council is investing in a new events centre and has attracted an operator for the centre and to build a hotel to cover demand for accommodation needs related to the events centre activity.

10 Sources: Regional Economic Activity Report (MBIE) International visitor spending at the end of March 2013 – MBIE regional tourism estimates; MBIE International Visitor Survey

11 2013 are the latest figures available at present for this breakdown of information

12 Source: MBIE



Objectives and Actions

The following objectives and actions have been identified to focus on stimulating growth and development in Lower Hutt.

Objectives	Actions	Timing
<p>Increase the number of commercial and industrial developments in Lower Hutt.</p> 	<p>Develop a city-wide economic precinct plan, amenity requirements and development plan</p> <p>Facilitate timely redevelopment of large, relevant sites eg ex-Unilever site, Housing New Zealand land</p> <p>Work with property owners (including Iwi) who purchase new property to look at opportunities for development on the relevant site</p> <p>Investigate and then develop the Cross Valley Link to improve traffic movements across the Valley, facilitate access to Seaview/Gracefield and support the Petone Vision mixed development and amenity</p>	<p>2017</p> <p>Ongoing</p> <p>Ongoing</p> <p>2017/18- investigate and design</p> <p>2024-2027 - build</p>
<p>Support and incentivise development and developers in Lower Hutt</p> 	<p>Promote the Development Incentives for CBD and wider Lower Hutt until 2017</p> <p>Promote the Rates Remissions for Economic Development across the city</p> <p>Promote the Development Liaison Manager role to developers and other parties</p>	<p>Ongoing to 2017</p> <p>Ongoing</p> <p>Ongoing to 2017</p>

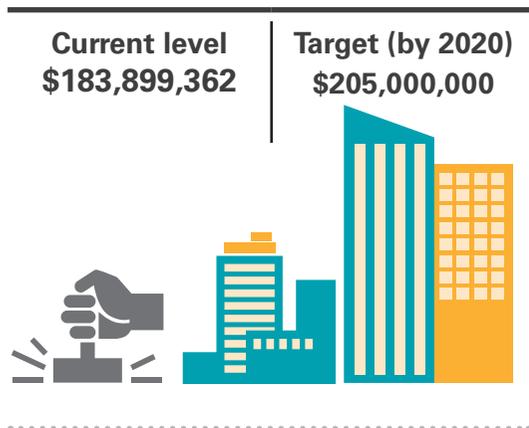
Objectives	Actions	Timing
<p>Undertake council led rejuvenation and integrated facilities developments in the wider city.</p> 	<p>Complete Integrated Facilities¹³ and Community Facilities Trust (CFT) projects including Walter Nash Centre, Naenae Bowls Centre, Stokes Valley Hub including aspects of education and lifelong learning</p> <p>Complete Sportsville projects including Fraser Park, Petone and others</p> <p>Complete HCC initiatives to revitalise the city including Huia Pool redevelopment, Hutt Recreation Ground redevelopment</p>	<p>2015–2018</p> <p>2015-2020</p> <p>2015-2016</p>
<p>Increase the number of tourism products in Lower Hutt</p> 	<p>Develop a Hutt City Tourism Plan to provide direction for Tourism development in the next five years and provide clarity about the relevant level of activity</p> <p>Develop new tourism product eg heritage, adventure, cycling</p> <p>Continue and increase promotion of tourism products including the new Events Centre</p>	<p>2016</p> <p>Ongoing</p> <p>Ongoing – Events Centre post 2015</p>

¹³ Council have completed an Integrated Facilities Plan which looks at redevelopment of Council community facilities into the future to ensure this is done in an integrated way that supports the community. These projects will support social and economic development in the communities that they are based in.

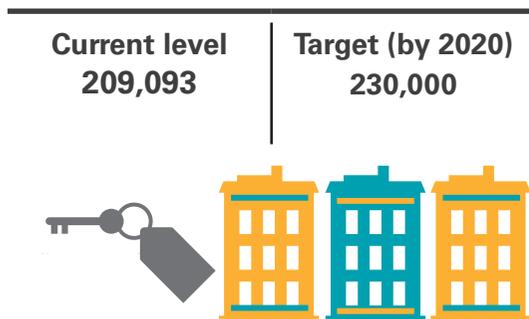
Measures and targets

The following measures and targets will be used to help gauge the success of this Economic Development Plan.

VALUE OF BUILDING CONSENTS PER ANNUM



GUEST NIGHTS PER ANNUM¹⁴



¹⁴ This assumes an increase of 2% per annum on average. This is higher than recent years and assumes a hotel will be built to complement the new events centre activity

Measure	Current Level	Target (by 2020)
Number of new residential developments (including apartments) per annum	281	310
Value of new residential development (including apartments) per annum	\$66,329,699	\$73,000,000
Number of new commercial/industrial developments per annum	28	30
Value of new commercial/industrial developments per annum	\$43,558,228	\$50,000,000

AREA OF FOCUS 4: CONTINUE BUSINESS SUPPORT

Current Situation

There are currently 9764 businesses in Lower Hutt, with 47,888 employees.

Sectors of employment

The table below shows the top six broad industries that make the largest contribution to employment in Lower Hutt.

Table 1: Largest employing industries in Lower Hutt 2013

ANZSIC Broad Sector	2014 - number	2014 - % of total employees in Lower Hutt
1. Health care and social support	5629	11.8
2. Construction	5120	10.7
3. Manufacturing	4904	10.2
4. Professional scientific and technology sector	4848	10.1
5. Retail	4827	10.1
6. Education and training	3990	8.3

Source: Lower Hutt City Annual Economic Profile 2014, Infometrics 2015

Initiatives Council has in this area

Council is already undertaking a number of programmes and projects with regards to continued business support. These are a mix of short term and longer term programmes. They are:

- Business visit programme visiting key Lower Hutt businesses – typically this would include 100 plus businesses each year. The visits include keeping in touch with local businesses, assisting them with issues and updating them on current Council activity.
- Thrive – our monthly business e-newsletter. See: huttcity.govt.nz/Thrive.
- A contract with and funding for the Hutt Valley Chamber of Commerce to provide a range of services either directly to businesses or to provide services to Council to assist in retaining and developing local businesses. See: hutt-chamber.org.nz/
- Providing a key link between businesses and other Council services such as roading, parks and gardens and resource and building consents.
- Running an Economic Development Advisory Group (EDAG) made up of high profile and experienced business people, who provide advice to Hutt City Council on direction for economic development.
- A contract with and funding for the Seaview Working Group which represents the interests of businesses in this geographical location. See: seaviewbusiness.co.nz.
- A contract with the Jackson Street Programme which is funded by its own targeted rate to provide services to businesses in this geographical location. See: jacksonstreet.co.nz.
- Working with the WREDA on regional aspects of economic development such as the Lightning Lab-Manufacturing and central government grants/funding to support local businesses.
- Mayors Taskforce for Jobs – Youth Inspire working to place youth in Wainuiomata in further education, training or employment.
- Business owner training and development through libraries particularly focused on technology capability.
- Business support and collaboration through community hubs eg Taita Centre “leaping the digital gap courses”.
- An emphasis on “making it easier to do business with us” for local business through moving our business online and simplifying our processes. See: huttcity.govt.nz.
- Environmental sustainability programmes with local businesses to support their business needs.



Objectives and actions

The following objectives and actions have been identified to focus on continuing business support in Lower Hutt:

Objectives	Actions	Timing
<p>Continue to provide Council support to local businesses</p> 	<p>Continue with business visit programme</p> <p>Undertake regular communication programme with local businesses and the local community</p> <p>Establish business communications programme to target and bring in businesses outside of Lower Hutt</p> <p>Provide support and advice to get product to market</p> <p>Continue to provide funding to HVCC, Seaview Working Group and Jackson Street Programme</p> <p>Continue with environmental sustainability programmes with local businesses to support their need to show environmental responsibility</p> <p>Establish a business incubator such as the Entrepreneurship Outreach Network to provide incubation services for Lower Hutt residents and start-ups.</p> <p>Develop and implement a business survey to gauge satisfaction of local businesses with Council services.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>2016</p> <p>2016/17 onwards</p> <p>Ongoing</p> <p>Ongoing</p> <p>2016</p> <p>2015/2016</p>
<p>Continue to make it easier for businesses to do business with Council</p> 	<p>Maximise the potential of Community Hub development throughout Lower Hutt</p> <p>Continue to do more business online and improve processes eg regulatory consents</p> <p>Advocate to government regarding law changes to simplify business processes</p> <p>Identify and implement additional activities by our libraries to assist local businesses</p>	<p>2015 onwards</p> <p>Ongoing</p> <p>2016</p> <p>2015 onwards</p>

Measures and targets

The following measures and targets will be used to gauge the success of this Economic Development Plan.

Measure	Current Level	Target (by 2020)
Number of business visits per annum	100	100-150
Mayors Taskforce for Jobs (Youth Inspire) placements per annum into further education, training or employment	45	45
Business satisfaction - survey results (survey to be developed)	na	To be agreed



APPENDIX I: CURRENT ECONOMIC PROFILE

Overall information¹⁵

The 2009-2014 Economic Development Strategy (EDS) was introduced during a period of significant economic difficulty in the global economy. Whilst the city had seen good growth in employment and GDP during the mid-2000s the global financial crisis of 2008-09 affected businesses, led to falls in employment and saw GDP decline. In the last couple of years the city has seen some improvement with growth in the number of businesses, increases in GDP, and in productivity per employee. However GDP growth is lower than the national average and employment in the city fell slightly in 2014 compared to the level 12 months earlier.

The 2009-2014 EDS focused on encouraging more business activity, enhancing Lower Hutt's reputation as a business location and vibrant city, continuing investment in business activities, having a skilled workforce, and environmental sustainability. Key indicators for the EDS show both the progress made and the effect of the 2008/2009 recession on Lower Hutt's economy. Table 2 below provides a snapshot of the city's current situation and compares it with the circumstances that existed in 2009.

Table 2: Economic development data for Lower Hutt 2009-2014¹⁶

	2009-10	2010-11	2011-12	2012-13	2013-2014
GDP per capita	\$39481	\$40248	\$37453	\$48260	\$47158
Number of businesses	9448	9389	9456	9542	9764
Businesses in hi-tech and medium technology ¹⁷ sector	792	810	826	829	875
Number of employees	42,261	41,855	41,153	48,418	47,888
Percentage of population that is unemployed	5.5%	5.5%	6.4%	6.8%	5.4%
Median weekly household income	\$1400	\$1405	\$1475	\$1529	\$1659
High value sector as a percentage of the economy by GDP ¹⁸	26.8%	26.9%	27.1%	31.5%	31%
Population (Annual estimate at June) ¹⁹	101,600	101,700	101,200	101,200	101,700

¹⁵ Source: Lower Hutt City Annual Economic Profile 2014, Infometrics 2015

¹⁶ Data on **GDP per capita** and **number of employees** from 2012-13 onward is not directly comparable to the data shown for previous years due to a change in provider of the data

¹⁷ This sector includes Information Communication Technology industries, sectors of manufacturing, telecommunications and IT services, such as computer system design.

¹⁸ This sector includes manufacturing industries, information and telecommunications, banking and finance, professional services and research, veterinarian services, architecture and design and science and technology, and health, leisure and the arts.

¹⁹ Statistics New Zealand, Subnational population estimates (TA, AU), by age and sex, at 30 June 2006-14 (2013 boundaries).

Sector information²⁰

Important sectors of the economy include manufacturing, professional scientific and technology sector, service sector, and retail.

The health care and social assistance sector is the largest employer in the city, followed by construction, manufacturing, professional scientific and technical services, retail, and education and training.

The financial and insurance services sector made the largest contribution to overall growth in the city between 2013 and 2014. The industry grew by 18 per cent over the year and contributed 0.61 percentage points to the district's total growth of 1.0 per cent. The next largest contributor was professional, scientific and technical services (0.35 percentage points) followed by the construction sector (0.28 percentage points).

While retail activity has grown in recent years, much of this growth has been concentrated in a few large format retail developments.

The number of business units and employees in the broad industry sectors is shown in the chart below.

²⁰ Source: Lower Hutt City Annual Economic Profile 2014, Infometrics 2015

Table 3: Number of business units and employees per sector in Lower Hutt in 2014

Broad ANZSIC06 sectors	Business units	Employee count
Agriculture, forestry and fishing	57	75
Mining	8	31
Manufacturing	497	4904
Electricity, gas, water and waste Services	44	592
Construction	1264	5120
Wholesale trade	487	2994
Retail trade	744	4827
Accommodation and food services	337	2578
Transport, postal and warehousing	440	2208
Information media and telecommunications	129	719
Financial and insurance services	534	872
Rental, hiring and real estate services	1952	863
Professional, scientific and technical services	1467	4848
Administrative and support services	360	2758
Public administration and safety	71	1854
Education and training	237	3990
Health care and social assistance	400	5629
Arts and recreation services	178	918
Other services	558	2108
Total	9764	47,888

Note that the information in this table comes from two separate sources so the two columns may not be comparable. Source: NZ.Stat. Data extracted on 16 Jun 2015 and Lower Hutt City Annual Economic Profile 2014 (Infometrics 2015)

Employment location information

There are four main employment hubs in Lower Hutt as outlined below in Table 3.

Table 3: Key employment hubs in Lower Hutt

Area	Main employment activity	Number of employees	Number of businesses
Seaview/Gracefield	Industrial	4983	450
Petone	Industrial, commercial, retail	8640	1035
Hutt Central	Commercial, retail	10,150	1753
Wingate	Industrial	1030	201

APPENDIX 2: LAND SUPPLY AND TRANSPORT

Commercial and industrial land supply

The city's commercial and industrial land supply is largely fixed by the extent of the existing development along with our topography and territorial authority boundaries, with only a few opportunities for expanding either. Three sites within the city that may be suitable for further development have been identified by Council - 12 hectares of land in Seaview, 5 hectares of land in Korokoro on either side of State Highway 2, and 15 hectares in Manor Park.

The Seaview land is owned by Centreport who currently use some of it as an inland port and plan to continue this use to accommodate the increasing volumes of logs moving through the port. The remainder of this land will be available for future developments. This land is bounded on all sides by industrial activities and consequently, has limited potential as any use other than industrial. Council has no plans to change the zoning for this site.

The land in Korokoro is zoned for general business use, which allows a wide range of non-residential uses, but limits development to a height of 12 metres. The area is located on the periphery of Petone and has excellent access to both Lower Hutt and Wellington via State Highway 2 and high frequency public transport. For these reasons, Council considers that the site has wider commercial development potential than is permitted under its current zoning. To address this, Council proposes reconsidering the zoning for this area at some time in the future, including raising the height limit. Council is conscious of the role this area plays as a city gateway, and will ensure any rezoning proposals enable only those developments that enhance the amenity of the area.

The land in Manor Park is currently owned by the NZ Transport Agency and is zoned rural, limiting its uses to farming purposes. Much of the land is uncompacted fill and is subject to two hazards – the fault line and flooding from the Hutt River. Consequently, it is not suitable for any intensive uses such as general business or residential. However, Council is interested in exploring the possibility of using this land for limited, light industrial purposes that are less at risk from these hazards, such as truck depots. Given the site is at the centre of the region and is at the junction of State Highway 2 and State Highway 58, the site could lend itself very well to such uses, especially once the Transmission Gully Motorway is built.

Retail land supply

Council does not propose expanding the city's retail boundaries over the 20 years in either:

- The CBD
- Petone, beyond any changes outlined in District Plan Change 29
- Suburban shopping centres (such as Naenae, Wainuiomata, or Eastbourne) or convenience centres (such as Moera)

Changing consumer habits and willingness to travel for shopping has eroded the central role suburban shopping centres once played in their communities, while the rise of internet shopping now dominates trade in some goods markets and has slowed the growth of traditional shop retail in general. The last 15 years has also seen a major expansion of large format retail in the western area of Petone and in the CBD. The combined impact of this means many of the city's retail centres are struggling. A high number of vacancies are evident in the southern CBD and in some suburban shopping centres. Any future expansion

would further weaken the integrity of these areas as viable retail areas.

Council does anticipate some growth in retail development, however, of no more than 116,000m² over the next 20 years. Council has assessed the land availability in the CBD and Petone and is confident that there is sufficient land in these areas to accommodate this level of growth.

Transportation network

Lower Hutt is fortunate to have a generally sound transportation network. The city has an extensive network of roading and, for a city of our size, a high level of service from public transport. There are, however, opportunities for improving the transport network that will help raise the city's development potential, help our residents and businesses get around easier, improve our resilience to natural disasters, and provide a more enjoyable city to live in. These opportunities lie with continued development of our cycling network, improving the city's connections to State Highway 2, better east-west connections across the southern half of the city, and providing Greenfield infrastructure to spur development.

State Highway 2

The Hutt Corridor Plan developed by the Wellington Regional Transport Committee outlines the region's aspirations for development of State Highway 2, which is managed by the NZ Transport Agency (NZTA). Four key projects for State Highway 2 are proposed in the plan - all of which involve grade separating all remaining intersections at Petone, Melling, Kennedy Good and Haywards Hill and removing all minor direct connections from the city to State Highway 2.

These projects will improve flow along State Highway 2 and safety by reducing conflict between traffic coming to and from the city and State Highway 2. They will also potentially reduce congestion along The Esplanade and at Melling in the CBD.

Council supports these projects and will work with NZTA to ensure these remain a priority for both NZTA and the region. Council intends to work with NZTA to ensure that any interchange designs incorporate good urban design principles, can maintain good provision for cyclists, and avoid worsening community separation, particularly for pedestrians and cyclists on the western hills.

The Esplanade and Cross Valley Link

The city has aspired to develop an efficient east-west route across the lower half of the city for several decades. This aspiration forms an important part of Hutt City's current vision statements for both Petone and for Seaview/Gracefield.

The Esplanade currently acts as the main east-west route in the lower half of the city, connecting the rest of the region with Petone and the Wellington region's largest industrial centres, Seaview and Gracefield. However, there are a number of issues with this route that have driven the pursuit for a Cross Valley Link - namely heavy traffic volumes and the impact this has on congestion, economic development, and the amenity value of Petone Beach and the Esplanade. The Esplanade is also expected to be subject to subsidence in the event that the Wellington fault line experiences a major rupture.

At present around 30,000 vehicles per day use The Esplanade with 10 per cent being heavy commercial vehicles. This is higher than many of the region's state highways. As a result, The Esplanade provides an "E" level of service, meaning conditions are characterised by significant intersection delays and travel speeds of 33 per cent of free-flow speed or lower.

To address these issues, in 2011 Hutt City Council considered the potential for a Cross Valley Link route that would run along Wakefield Street and through the rail corridor to Moera. This followed completion of a project feasibility study in 2010 which concluded the route had insufficient transport benefits to justify its estimated \$70m cost (2010 price levels). Consequently, while the Cross Valley Link remained an aspiration for the longer-term, Council moved its attention to what improvement could be made to the Esplanade to reduce some of the above problems in the short term.

However, following widespread support from the community for a Cross Valley Link, as part of consultation on the Hutt Corridor Plan in 2012, the Regional Transport Committee called for further investigation into the wider economic benefits of it. Subsequently, a further study looking at the transport needs of the Seaview / Gracefield area, including the costs and benefits of different options is being completed.

APPENDIX 3: GLOSSARY

EDS	Economic Development Strategy
EDP	Economic Development Plan
UGS	Urban Growth Strategy
WRS	Wellington Regional Strategy
EDAG	Economic Development Advisory Group (advisors to Hutt City Council)
WREDA	Wellington Regional Economic Development Agency (the regional Economic Development Agency)
CBD	Central Business District
GDP	Gross Domestic Product
EEZ	Exclusive Economic Zone
STEMM	Science, Technology, Engineering, Manufacturing and Mathematics
STEM	Science, Technology, Engineering and Manufacturing
ASU	Arizona State University
CEI	Centre for Entrepreneurial Innovation

