

# E MOVING FORWARD

## 10 Implementation

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## 10.1 Overview

This implementation section is designed to support delivery of the Spatial Plan.

While this is not a detailed implementation strategy for specific projects, it has been informed by local conditions and known constraints. Furthermore, it distinguishes between development that is likely to be procured through active intervention and that which will primarily depend on passive measures such as development controls within the District Plan.

The implementation advice aims to be clear about what active public sector intervention is necessary and is mindful of both the management and financial constraints which apply. Clearly it is neither possible nor desirable to achieve everything proposed at once, and therefore a phased approach is suggested. As far as incremental delivery is concerned, the following general principles apply:

### Early phase development will:

- Deliver 'quick wins' and projects that are within Council control or have minimal dependencies;
- Require public funds that need to be identified in the Council's Annual Plan;
- Have the highest positive impact on the viability and benefits of later phases;
- Inform the detailed design of P2G and CVL and affect the attractiveness of these major infrastructure projects; and,

- Can be delivered using existing or accessible budgets or as market conditions dictate.

### Medium phase development will:

- Depend on the successful completion of early phase development by the private sector; and,
- Require public funds that need to be identified in the Council's LTP.
- Require completion of CVL in order to facilitate 'de-tuning' of The Esplanade and possibly Randwick Road; and,
- Require popular acceptance of limited residential development of public open space (e.g. York Park)

### Later phase development will:

- Require a change in market conditions (e.g.. viability of North Park Village dependent on medium-longer term market trends to towards higher residual land values);
- Require public funding that either needs to be bid for or is not covered in current LTP and thus cannot be relied upon within proper implementation planning.

Issues of financial viability, timing and risk are intimately related, but deliverability and viability are not fixed hurdles. They can be lowered by assuming longer time frames, projecting values, and forging closer relationships with partners in the public and private sectors.

The ownership of sites is key to developing a strategy for implementation of the plan. When development initiatives cause Council-owned sites to increase in value, the sale of land can capture this increment and raise funds for improvements to the public realm. However, because relatively few Council-owned sites are disposable, this source of revenue is unlikely to recover the full cost of the works identified. It will therefore be necessary for the Council to seek other ways of generating funds for the capital works suggested in this plan.

## 10.2 Delivery Constraints and Opportunities

### There are four main delivery opportunities/strengths:

- The potential to meet a part of Hutt City's new housing growth requirements through proposed developments;
- The potential to enhance the range of facilities and level of amenity in the centres of Petone and Moera;
- Redevelopment potential within the North Park Village area presents a major opportunity for comprehensive long-term change; and,
- The opportunity to leverage public space improvements off planned/known strategic infrastructure projects and subsequent upgrade of the foreshore/The Esplanade.

### There are six main delivery constraints/uncertainties:

- Funding for public realm and other capital works will not be deliverable solely through an increase in the value of Council-owned sites;
- Although HCC has limited capital funds for site assembly, compulsory acquisition of land should be considered in a few critical locations;
- Uncertainty over the implications of natural hazards and acceptable levels of risk;
- Uncertainty over the increase in land value that would be required for the three gateway precincts to become viable;
- The majority of opportunity sites are in private ownership/control, so timescales are uncertain and value capture is limited to that which can be achieved through planning agreements and planning contributions; and,
- Improvements to the environment along The Esplanade, Hutt Road and Randwick Road are dependent upon wider infrastructure projects (notably CVL) and relocated Ava station depends on agreements with GWRC.

### The implementation strategy addresses the following issues:

- Using the spatial plan as a mechanism for influencing future District Plan changes so as to encourage good design and avoid inappropriate development;
- Extracting value to pay for public realm enhancements;
- Focusing on well defined development opportunities, i.e. projects and sites with promising outcomes;
- Looking to the 'bigger picture' to assess how each initiative contributes to overall comprehensive change, shifting the character and image of certain areas (e.g. North Park Village or Petone West);
- Maximising development value; and,
- Subject to funding over the longer term, securing development value by introducing compulsory purchase.

### Responding to the Market

One objective of regeneration is to change the economics of investing. Accordingly, it is important to examine foreseeable long-term demands and their effect on land prices and development viability.

The potential increases in land value across the various initiatives however have not been reviewed and therefore it is not possible to provide an indication of the deliverability of the plan. This viability appraisal should be undertaken as a next step. However, it is understood that property and land values (and therefore project viability) are highly sensitive to even minor changes in market conditions. Therefore, cost estimates may be of limited use, and the perceived value of a development can depend on an individual developer's outlook.

### Council Ownership

Where HCC owns land outright, the City has control over the format and timing of a development. Such sites could be used as a kickstart scheme to help fund early public works. At York Park or Hutt Park, for example, the Council may take the lead in preparing design proposals, finding potential partners and packaging the site for a comprehensive development.

### Private Sites

On privately owned sites the Council will have less direct influence but can work to demonstrate to the land owners the potential of the site within the spatial plan vision. This may extend to assisting in the preparation of development briefs (for example on the gateway projects) and providing contacts and links to interested parties.

This kind of assistance can help to achieve the optimum sequence of development in key areas. With the right public-private agreements in place, Council assistance with private development can also generate resources for other works which are not self-funding.

### Delivering the Public Realm Enhancements

As described above, an increase in site value can be used to generate funds for the public realm improvements identified in the spatial plan. Implementation of these public works is dependent on HCC capital budgets and on capturing some of the increased value which accrues to neighbouring properties. This will not always be possible as most sites are privately owned. In these locations, development decisions rest with the land owners. Therefore, what needs to be reviewed are the following:

Priority – Are some public realm works more important than others? By prioritising public realm projects, early investment can target the most beneficial developments; and,

Scope – The spatial plan identifies public realm works that affect privately owned sites (e.g. new routes through North Park Village). Aspects of these works may therefore be provided as part of the site (re)development;

This is particularly relevant for the gateway projects where a public open space element (i.e. a new street pattern) occupies privately owned land. In this case, the scope of the developer's contribution needs to be clearly understood so that works undertaken by public and private sectors may be coordinated and correctly apportioned.

Similarly, the redevelopment of privately owned sites needs to be synchronised with relevant public realm initiatives. Where significant residual value is generated on the private property, planning agreements could include a sizable funding contribution to other public projects.

### Funding

The type and scale of physical transformation promoted through the spatial plan requires significant investment. The extent of public sector funding is not known and this should be identified as a next step towards implementation. The Council can play an active role in the following ways:

- Using statutory powers;
- Releasing value by redesignating brownfield commercial/industrial sites as residential areas;
- Using compulsory purchase powers to acquire land;
- Obtaining planning contributions; and,
- Contributing Council funds, land and other assets to the initiatives.

It is important that any newly designated residential areas provide a wider benefit for the local area. This includes public realm improvements, access infrastructure and the creation of employment opportunities, either directly or indirectly. For example, the value of the residential development is used to cross fund employment opportunities.

As far as any potential compulsory purchase is concerned, support may be required from the Council's own resources for a rolling programme of land acquisition and disposal. This should operate on the basis that initial investment would be returned from the proceeds of disposal after enhancements and a change of use.

Council should also explore its power to require proper maintenance of privately owned land. Exercising this power is one way to reduce apparent dereliction and, indirectly to encourage the development of redundant or under-utilised sites.

In some cases, particularly at project level, there might be scope to involve delivery partners, such as HNZ and other providers of affordable housing. While Registered Social Landlords (RSLs) will have a key role both as purchasers of affordable housing and, in some cases, as developers in their own right, access to HNZ and loan funding will be crucial.

Planning gain will also be a major tool in the regeneration process and will mainly arise in situations where redesignation for residential use is proposed.

Marketing for Petone's town centre as an expanding, attractive and vibrant town centre should consider:

- Promoting the area as developer-friendly with a clearly articulated step-by-step planning process ;
- Promoting the area as a great place to live and work; and,
- Building working partnerships with local providers/ labour market to attract incoming employers.

### Phasing

Delivery of growth and regeneration through the PSP will be progressed in a phased manner over the period to 2040.

Investment required for infrastructure, train station relocation and so on will influence timescales. Ideally, each phase should be complete in its own right and should serve as a catalyst for successive stages of the work. Phasing must be considered in terms of both physical impacts and funding.

A broad-brush phasing programme is indicated in the table below. This is indicative only and should be informed by an economic and funding assessment (next steps).

### Risks

In order to develop a sound delivery strategy for the spatial plan, the risks associated with the various (re) developments and initiatives are identified below:

*Private owners are unwilling to develop their sites in accordance with the plan:*

Whilst the plan shows optimal configurations for public and private land, property owners will continue to make their own development decisions. Only through assistance in development preparation, partnership or direct intervention can the Council influence changes to privately owned sites.



*Timing of development:*

As noted above, development decisions for private property are largely outside the Council's control. Consequently, the timing of interventions is unpredictable and may not match the intended sequence.

*Dependencies and interlinking of projects:*

Whilst financial analyses can be carried out for individual sites, linkages between neighbouring developments may either facilitate or hinder delivery of the plan as a whole. Projects possess social and commercial ties that are difficult to unravel. If these links are well understood, catalysts for redevelopment and impediments to change are more easily identified and addressed. However, due to the complex and often private nature of these linkages, project synergies need to be the subject of a case by case assessment at a later stage of PSP implementation.

**Key**

-  Timeframe for primary initiatives
-  Timeframe for secondary initiatives

	SHORT TERM (2017-2021)	MEDIUM TERM (2022-2029)	LONG TERM (2030-2040)
Traditional Character Area			
Strategic Infrastructure			
Cross Valley Link (CVL)			
The Esplanade & Randwick Road			
Petone to Grenada (P2G)			
Petone West Gateway Area			
Hutt Road & Petone Station			
Streetscape			
Roading upgrade			
Railway station square			
The Esplanade			
Streetscape			
Roading			
North Park Village Gateway			
Jackson Street Heritage Precinct			
Streetscape			
District Plan application			
Cuba Street Axis			
Amenity Corridor			
Petone Rec Frame			
Petone East Gateway Area			
Randwick Road + Moera			
Streetscape			
Intensification			
York Park			
Hutt River Corridor			
Jackson Street East			
Te Mome Boat Sheds			

### 10.3 Moving Forward

The PSP outlines a vision for private development and significant enhancements to the public realm within Petone and Moera. It explains how the scale, type and nature of development is influenced by Hutt City's housing growth targets.

The high cost of improvements to the public realm (e.g. Amenity Corridor, River Corridor, Foreshore, Jackson Street Heritage Precinct and the like), means that public works need to be subsidised by capturing some of the value that accrues to private property and Council owned land.

As outlined there are a number of mechanisms to carry this out, and their effectiveness varies. Where the Council has the opportunity to dispose of land, asset sales can be a significant source of funding. However, realising capital

value in this manner often entails the loss of an income stream as well as diminished control over the future of the site. When such decisions are made, the Council needs to weigh financial and non-financial considerations.

The local community and key stakeholders have been consulted on the PSP. Underlying spatial concepts and Project Initiatives reflect their views and feedback. However, continued consultation is essential for taking the PSP forward.

Economic appraisals, review of site ownership, identifying potential partners, Council funding and District Plan alignment; these are the next steps towards refining initiatives and identifying packages of work for the next stage of the PSP.

