

STATEMENT OF PROPOSAL TO EXTEND THE AREA OF THE JACKSON STREET PROGRAMME TARGETED RATE

MAY 2019

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1. Introduction

Council received a request from Jackson Street Programme (JSP) that the area covered by the targeted rate is extended to the area bounded by Cuba Street, Old Hutt Road, Jackson Street and The Esplanade. The Local Government Act 2002 requires Council to undertake a Special Consultative Procedure in order to make an amended or new targeted rate.

This statement of proposal has been prepared in accordance with section 83 of the Local Government Act 2002 ("LGA"). It includes information about the request from JSP, the reasons for the request and the impact on those likely to be affected by or interested in whether Council agrees to and implements a revised targeted rate and strike the rate accordingly.

2. Background – history of JSP targeted rate

In 1991, residents and members of the business community in Petone formed an incorporated society known as the Jackson Street Programme Incorporated (JSP), specifically to implement a plan to economically revitalise and promote Jackson Street and through this "uplift and enhance"¹ the business area generally. The area covered all 220 businesses along Jackson Street – from railway Station to Cuba Street.

Over the years since then Council has supported and encouraged JSP in its endeavours and has been committed to help finance JSP's activities by way of a targeted rate. Originally the targeted rate was established to raise \$60,000 per annum to be used by JSP to achieve its objectives. The terms and conditions under which the fund was raised and used were set out in a legal agreement between Council and the JSP that commenced on 1 July 1992.

The JSP has been in place since that time. It promotes Jackson Street as a destination for shopping, eating out, professional services, commercial services and socialising. It also organises promotional and community events. Three part time staff run the JSP activities from an office in the Historic Police Station. The JSP Board is elected at an AGM held each spring.² The Board is made up of business owners, managers and business people with the governance skills required for Boards in New Zealand.

Funds also come from charitable donations and subscriptions paid by supporters and associate members. Businesses not in Jackson Street can become Associate Members and can become a Board member. JSP prepares an annual budget to generally describe how it will use the funds and reports to Council on progress on a 12 monthly basis.

JSP has asked Council to consider supporting its request to extend the area covered by the extended targeted rate and to consult those likely to be affected.

A survey has been sent to all commercial building and business owners to assess the level of support for the extension of the area covered by the JSP targeted rate - that is the area bounded by Cuba Street, Old Hutt Road, Jackson Street and The Esplanade.

¹ 26 July 1994, Policy and Finance Committee paper

² <https://www.jacksonstreet.co.nz/the-jackson-st-programme/> for Board members

3. Jackson Street programme

JSP offers the following services to business owners, managers and business people:

- a. monthly newsletter updates providing news on what is happening;
- b. updates about safety and security issues, government or Council matters that could affect business or buildings;
- c. work with Petone Library, Settlers Museum, Community House, Lions, Sports Clubs, Workingmen's Club, Historical Society and local schools ;
- d. enhance existing businesses, attracting customers through the JSP website and free touring Petone app. The website provides business details, links to business Facebook/Websites, provides pictures and videos and secondary business information; and
- e. keeping track of people making business inquiries – for example, 13,512 people made more than 53,766 inquiries to businesses on www.JacksonStreet.co.nz over the six months to 30 June 2018

4. Why extend the targeted rate area?

Currently JSP is performing at the maximum level it can with the funding available to it. Increased funding will bring greater benefits for all businesses in the targeted rate area from the increased ability of JSP to run events, seminars, work with Council to attract larger numbers of visitors to Petone and ultimately to wider Lower Hutt. For example JSP will be able to expand the work they are currently doing with Council's Events and Promotions team, the Great Harbour Way promotion and the provision of information about other attractions in the wider Hutt Valley.

5. Implications for ratepayers

For existing JSP rate payers there will be some reduction to the amount paid as more people will be paying the rate. Those currently not paying, but possibly benefitting from JSP's work will begin to pay. Currently it is likely that benefits to business owners are not evenly spread between those paying and those not paying. There will be increased benefit for all from increased ability of JSP to run events, seminars, work with Council to attract larger numbers of visitors to Petone and ultimately wider Lower Hutt. For example, work with Events and Promotions team, Great Harbour Way, JSP provides information about other attractions in wider Hutt Valley.

Currently JSP receives \$156,000 (which includes GST) via the targeted rate. This amount is adjusted annually by CPI. The extended area will enable the targeted rate to raise a further \$74,000 with the rate set to collect a total of \$230,000. The current rate is 0.0008032 cents in the dollar.

Based on the new footprint, to collect \$230,000 (which includes GST) equates to 0.0004154 cents in the dollar. So a property worth \$100,000 pays \$41.54, one worth \$1M pays \$415.41 and a property worth \$10M pays \$4,154.11.

6. Process required to extend the area subject to the Jackson Street Programme targeted rate

Hutt City Council must:

- Consult those people likely to be affected by a decision to extend the area subject to the JSP targeted rate. It is doing that through the Special Consultative Procedure;
- Strike the rate at the same time as it sets all other rates prior to 30 June 2019
- Amend its Financial Impact Statement to reflect the changes made to the targeted rate for the Jackson Street Programme.

7. NEXT STEPS

The special consultative procedure will end at 5:00pm on Tuesday 4 June 2019. People may speak at the Community Plan Committee meeting on 11 June 2019.

An analysis of survey results will also be presented to the Community Plan Committee for consideration. The proposed extended area subject to the JSP targeted rate will then be referred to the Council for consideration and establishment of the rate.