

Regenerate Christchurch

Central City Momentum

30 June 2018

Executive Summary

Christchurch is New Zealand's first established city, by Royal Charter dated 31 July 1856, and the largest city in the South Island of New Zealand. It is home to 381,500 residents¹ making it New Zealand's second largest city by population.

The Canterbury earthquake sequence of 2010 and 2011 left large parts of the city devastated. The centre of Christchurch was particularly hard hit and at risk of suffering significant losses to its economic, social, environmental and human capital. To compound issues, the ground did not stop shaking - with over 11,000 aftershocks from February 2011 which did not stop until well into 2012².

The task of rebuilding Christchurch in partnership with local government, iwi, businesses, investors and community, became one of the Government's four key priorities in delivering a stronger and more prosperous nation.

A thriving, vibrant central city³ is critical to Christchurch's recovery and regeneration. The rebuilding of the central city to realise its bold and aspirational vision for the people of Christchurch and its many visitors is the most ambitious urban renewal project in New Zealand's history.

The vision for the central city is set out in the Christchurch Central Recovery Plan (CCRP), a statutory plan that included a new spatial plan (the **Blueprint**) and associated measures designed to be a platform for re-establishing local, national and international confidence in Christchurch.

The subsequent progress that has been made in respect of the city's rebuild and recovery has been significant, and reflects the level of confidence expressed by the private sector during the initial recovery period. Restoring the functionality of a city through major vertical and horizontal rebuild programmes, enabled through bespoke planning frameworks, not only doubled the size of the construction sector, but also reached levels that stretched the capacity and capability of international, national and local contractors and service providers.

Regenerate Christchurch has been requested to evaluate progress and provide advice to the Crown and Christchurch City Council (the **Council**) on what is required to increase momentum and support regeneration of the central city. In preparing this advice our approach has progressed in three stages:

- **Strategic Context and Role of the Public Sector** – a review of the importance of central Christchurch from a city, regional and national perspective, and an overview of the impact of the earthquakes and the scale and nature of central and local government response;
- **Current State Assessment** – gathered data and information relevant to the assessment of the five key regeneration themes that emerged from our analysis of the CCRP and associated documents. These themes are the Economy; Development and Delivery; People and Place; Environment and Ecology; and Living in the central city. The assessment looked not only at how far the city has come since the earthquakes but how far there is to go to secure the recovery, restore momentum and achieve the aspirations of the CCRP; and
- **Strategic Response** – in accepting the Current State Assessment and revised problem definition, this review also provides a series of recommendations for the Crown and Council to consider in responding to the current issues, challenges and opportunities present in the central city. The Strategic Response identifies several areas where organisations need to amend their existing work programmes to better reflect and address the vulnerability identified in the Current State

¹ Subnational Population Estimates, at 30 June 2017 (provisional), Statistics New Zealand

² Ideas to Reality - Building a 21st century city, Canterbury Earthquake Recovery Authority

³ Central City is defined in the Christchurch Central Recovery Plan as the area bounded by the avenues of Bealey, Fitzgerald, Moorhouse, Deans and Harper Avenues

Assessment and align with a renewed focus on partnership, execution, delivery and ultimately successful regeneration.⁴

In preparing this advice, and subsequent recommendations, it has become apparent that there is no quick fix. A series of singular initiatives that can be divided up and allocated to separate entities will not meet the test of increased momentum and successful long-term regeneration. At the core of our advice is the need for visibly cohesive leadership, supported by a coherent strategy which demonstrates a strong sense of awareness regarding the current challenges facing the central city and progress towards the outcomes sought than is currently evident. It is only through an effective framework that guides the timely delivery of an integrated programme that private sector investment will be secured and activation of the central city occur.

In reflecting on both the CCRP's aspirations and Current State Assessment, Regenerate Christchurch's advice is that the 5 recommendations below should be accepted as priority areas of focus for the Crown and Council in supporting the long-term regeneration of the central city.

In turn these recommendations are also supported by specific initiatives which would have a material impact in underpinning confidence and accelerating momentum through the transition period emerging as the rebuild phase of the recovery tapers off.

Recommendations

1. **Lead a Confident Response** – the city is looking to the public sector for visibly cohesive leadership, while the public sector also needs to create and communicate a coherent framework and competitive approach to drive the success of the city.
2. **Relentlessly Pursue Residents** – the central city needs to prioritise and target 6,000 new residents within the next 5 years to support a self-sustaining city economy. We need to actively pursue and attract a mix of residents.
3. **Unlock Prosperity** – the central city requires an extra 15,000 jobs to support long term regeneration. Support the significant growth sectors in unlocking the central city's potential as place to live, learn and earn.
4. **Light up the City** – let's be a good host. Make Christchurch city an attractive place to live, work and play. Shift the emphasis from building new things to investing in the flow of activity across the central city.
5. **Focus on Implementation** – own the outcomes of the Current State Assessment and use it to guide future decisions that impact the recovery and regeneration of the central city. Align work programmes to reflect and address the current vulnerability of the city.

⁴ See Appendix A – Regenerate Christchurch's Draft Implementation Framework

The Strategic Context

In the immediate aftermath of the Canterbury earthquakes the Government identified the rebuild of Christchurch as one its four key strategic priorities that would deliver a strong and prosperous economy. The rebuild sat alongside the commitments to responsibly manage the public finances; build a more productive and resilient economy; and deliver more efficient public services.

Our strategic context review considered not just the CCRP, but also the subsequent chapters and range of associated agreements, strategies and policies designed to underpin confidence, increase certainty of outcome and provide direction for private sector investment.

The review of the strategic context has highlighted the ongoing relevance of Christchurch at a regional and national level.

As the capital of the South Island, a major gateway city and the beneficiary of significant investment in new infrastructure, building and housing stock over the past 6 years, Christchurch is well placed to absorb growth in a way that other major cities across New Zealand are struggling to do.

In this context, the scale of the response to the earthquakes by the public sector can be considered proportionate to the national importance of the city. The public sector's response delivered a sense of ambition, supported by committed investment, that deliberately sought a step-change in outcomes for Christchurch when compared with pre-earthquake levels. This was done for the benefit not just of the city, but to create a sustainable growth story for the region and country.

This aspiration is grounded in the attributes Christchurch retains which are widely considered to be key for any successful, modern 21st century city. These include:

- The major service centre for the South Island.
- Home to a teaching hospital, three tertiary institutes and the offices of six of New Zealand's Crown Research Institutes.
- A city with strong natural attributes, such as nearby beaches and ski fields.
- A competitive city with comparatively affordable housing and commercial property, quality infrastructure and connectedness.
- Offers high amenity value which makes it an attractive place to live, work and play.
- Will have the social infrastructure assets in the form of hospitals, schools, leisure, community and events facilities to match or exceed comparable cities of international relevance.
- A city with an improved demographic and skills shift – the earthquakes have meant more working age people and more skilled people in the professional skills industry than ever before.

Christchurch's growth is also supported by the following trends in urban regeneration that provide potential tailwinds in respect of future growth:

"A new science of cities is evolving globally. The World Bank's 2009 World Development Report ably showed that the rise in standards of living in lower income countries is strongly correlated with urbanisation: cities reduce poverty, they don't cause it. Recent OECD studies have shown the economic advantages of urban proximity and exchange. Cities help make businesses more productive. The Intergovernmental Panel on Climate Change's (IPCC) work keenly observes that cities are the key sites for climate change action. Smarter cities can be very environmentally efficient. Recent United Nations reports highlight the importance of well-run cities to secure development goals. In almost all fields of daily life, the city is an important context, or shaper, of life chances and human outcomes."

- Australian Government, National Cities Performance Framework

- The international shift toward flexible working arrangements which encourage movement to cities with high liveability ratings.
- Christchurch is a realistic competitor for future population growth now that Auckland and Wellington have reached major capacity constraints.
- Housing meets the test of relative affordability now that housing affordability has emerged as one of the issues of national significance.

An independent assessment⁵, completed as part of this review, considers that the CCRP was the right plan and response for the recovery phase. As the Current State Assessment highlights the CCRP was successful in underpinning confidence and catalysing a wave of private sector investment that led the central city development cycle from 2012 – 2016. Relative to the risk of city failure that was present in the post-quake environment the central city has made progress through the development cycle in lifting economic activity, restoring jobs and increasing participation.

While the sequence of public and private sector investment may not have followed the path anticipated by the CCRP, the Blueprint has also worked to influence the new urban form across the central city. The public sector's horizontal infrastructure and capital works programme has delivered new facilities including the Bus Interchange, Hagley Cricket Oval, Margaret Mahy Family Playground, Earthquake Memorial, public carparks, high value amenity, all supported by an investment in transitional activities. With strong private sector investment occurring in a coincident manner, the partnership between the public, private and community sectors did build momentum.

However:

- The impact of not delivering the core social infrastructure assets such as the Metro Sports Facility, Multi Use Arena and the Convention Centre in the timeframes contemplated by the CCRP, has undermined realising the uplift in economic benefits and 'social participation' anticipated by the CCRP. These delays have also created elevated bands of uncertainty within the private sector and wider community around the ongoing commitment of the public sector to support recovery and regeneration. The recent announcements and progress in relation to the Metro Sports Facility, Convention Centre and Multi Use Arena are important in providing confidence that the public sector will follow through on the commitments set out in the CCRP in 2012.
- The observed pattern across the public sector is a framework in which the client, governance, delivery, reporting and monitoring functions are also often fragmented and/or lack appropriate escalation mechanisms when considering 'best for city' rather than 'best for project' decisions. Likewise, there is no programme level independent assurance mechanism which reports directly to shareholders in respect of the shared value their investment in the central city is intended to create.
- This concern is amplified by the lack of visibly cohesive leadership and a coherent strategy, not just in pursuing the objectives and outcomes sought in the CCRP but also responding to changing dynamics within the central city.

The success of the central city is undoubtedly vital to the success of the city and region. Whilst the CCRP contemplated that in 2018 the public sector's role would have become secondary to the private sector in leading the transition from recovery to regeneration the subsequent sequence of the development cycle has challenged this assumption. With the public sector still inextricably linked to private sector as a major client, landholder, employer, investor and tenant there is a clear requirement for that cohesive leadership with a coherent strategy that reflects the enduring role the public sector will play in enabling a successful transition to regeneration.

⁵ SGS Economics and Planning, Christchurch Central Recovery Plan Review, April 2018

Current State Assessment

The Current State Assessment confirms that Christchurch has made significant progress when assessed against the levels of activity in the period immediately after the Canterbury Earthquakes. Overall functionality has been restored to the city, the business community is returning to the central city and a new spatial framework-within the four avenues is starting to emerge.

However, the objectives of the Christchurch Central Recovery Plan were not just intended to restore what was lost. Instead, it also sought to take the opportunity to create a new city form that would be a driver of social and economic growth for the region and country.

In that respect the Current State Assessment also reveals that, despite the progress that has been made, the central city is still well short of those aspirations across most metrics assessed within the five regeneration themes identified through this assessment. As a result, the potential upside from the combined investment across the public, private and community sectors has not yet been fully realised.

WHAT DOES SUCCESS LOOK LIKE?	WHERE ARE WE AT?
THE ECONOMY <ol style="list-style-type: none"> 1. A vibrant, prosperous central city at the heart of a strong city and regional economy 2. A central city that demonstrates a unique local identity that is relevant on a national and international scale 3. A central city economy that leverages the City's traditional strengths and embraces the willingness to innovate and invest in pursuing new aspirations 4. A central city that is accessible to all in offering the opportunity for employment and higher life-time incomes 	 
DELIVERY AND DEVELOPMENT <ol style="list-style-type: none"> 1. A compact city centre creating denser patterns of economic activity 2. A new city geography creating defined areas of business, activation and participation 3. The facilities and amenities required to be a regionally, nationally and internationally relevant and competitive city 4. Sufficient confidence in the future of the city for the private sector to continue to invest in and around the central city 5. Attract and compete for talent 	 
PEOPLE AND PLACE <ol style="list-style-type: none"> 1. Participation by locals, workers, students and tourists at levels that create a virtuous circle of attraction 2. A place of arts, culture, festivals, entertainment and discovery; a great place to enjoy day and night 3. A city for all people and cultures including incorporation of Ngāi Tūāhuriri/Ngāi Tahu values, aspirations and narratives; a hub for ethnic diversity 4. A place where cultural revitalisation is a catalyst for urban regeneration; a hub for the creative economy 	 
ENVIRONMENT AND ECOLOGY <ol style="list-style-type: none"> 1. A central city that is embracing a new environmental footprint and responding to the social, cultural, economic and environmental challenges and opportunities presented by climate change 2. Demonstrable integration of the green economy by the public and private sector in choosing their development paths in the central city 3. A central city that embraces the river with a high amenity space and a restored habitat 4. New and improved existing green space as well as relative accessibility by residents and visitors 	 
LIVING IN THE CENTRAL CITY <ol style="list-style-type: none"> 1. A diverse range of residential opportunities in the central city to support a wide range of economic activity 2. A public sector delivery, planning and policy framework that favours Central City development over inner city or suburban infill 	 

Economy and investment

The Canterbury economy embarked on a strong period of rebuild-led growth in 2012 which peaked in 2014-2015. Growth is now slowing as the economy transitions back toward the underlying drivers of activity – which themselves are changing in the post-quake environment. The slowdown commenced in 2016 at a Christchurch City level and decelerated further through 2017.

While a period of slower activity is not unexpected following a construction boom the pace of the slowdown is creating a level of some discomfort. Not only is the city economy lagging the Greater Christchurch, Regional and New Zealand economies in several key areas, the fact that it is occurring as the initial development cycle within the central city also tapers off raises risks regarding sustaining momentum across the central city.

Whilst there is some existing advice which assumes this transition will be relatively smooth, supported by a 'strong economy', the evidence in the Current State Assessment is challenging these assumptions. The strong economy assumption, for example, masks a two-speed economy where Selwyn and Waimakariri are clearly outperforming while the city economy operates well below its long-term potential.

Similarly, when set against its pre-quake benchmark of contributing 9% of national output, the Christchurch economy has taken a step backward. At 8.4 % in 2018, not only has Christchurch slid backwards in terms of national relevance but the \$1.15bn output gap is material.⁶ The emergence of a 'productivity recession' across the city in the early part of 2018 does not help.

The Current State Assessment also considered several indicators which are important signals of momentum and confidence. These include:

- Unemployment and jobseeker support applications – **rising**
- Central City employment – **below minimum requirements for central city viability.**
- Trends in central city rents and vacancy rates – **stable to deteriorating**
- Central city retail spend – **pace of growth slowing**
- Business growth - **pace of growth slowing**
- Asset and land valuations – **stable to deteriorating**
- Investor confidence measures – **weak**
- Civic pride measures – settling **below other cities**
- Residential participation – **below minimum requirements for central city viability**

The economic soft patch in Christchurch, with sub optimal activity levels across the central city, highlights a point of vulnerability, which requires a confident response. As noted earlier, however, Christchurch is well positioned to accommodate stronger growth and the potential to unlock the well-recognised benefits of agglomeration within the central city remains a key component of that.

A key component within this is the strong economic anchors that exist in the central city. These include the significant presence of Ara and Otago University in the central city. There is also an opportunity to engage with Lincoln University about the central city's capacity to host research and education programmes. The economic anchors also include the Arts Centre, the West End Commercial Precinct, the 'merchants quarter' south of St Asaph street and a visitor economy that has strengthened further into 2018, emerging as a more prominent bright spot.

⁶ See Appendix B – the Relevance Gap

Likewise, a successful transition back to underlying drivers of activity in Christchurch has the potential to create 12,500 new jobs over the next 4 years as total employment grows from 232,000 to 245,000⁷. The central city is well placed to participate in this growth across the high value Health, Professional and Technical Services, Education and Technology sectors. Increased emphasis could also be placed on integrating the Creative, Arts and Social Enterprise sectors in building out the new urban fabric with integrated, well-targeted and phased policies, strategies and commitments from the public sector.

In that respect the base to a 'regeneration s-curve' is relatively well established. What is required is a more granular focus at a central city level on understanding Christchurch's competitive strengths and developing strategies to leverage those in accelerating momentum through that curve⁸. If the central city was to lift its share of jobs back to pre-quake levels over the next 5 years, then moving from 35,000 to 50,000 employees in the central city would not just help secure the recovery, but provide a strong point of leverage for sustained long-term regeneration.

Development and delivery

The announcement of the CCRP and its implementation to date have contributed to successful recovery outcomes. Over \$1.8 billion of private construction projects have restored functionality and activity to the central city across all key areas – office, retail, hospitality and accommodation sectors. This has been delivered by a private-sector investment cycle that has led, rather than lagged, the expected public investment in social infrastructure assets.

However, despite the intent of the CCRP, Christchurch remains a dispersed city without a sufficiently dense urban core to ensure successful regeneration. The aspiration in terms of an enhanced new offering with broad participation of workers, visitors, residents and students remains unfulfilled.

The development cycle has passed its peak and the pace of construction in the central city is continuing to slow. Whilst investment flows into well-tenanted buildings remains strong there are significant challenges impacting the feasibility of development in the city. Work undertaken through the course of this review reveals a requirement to sacrifice land value and/or development margin to get new projects away in the face of soft demand and tighter credit conditions⁹.

If the public sector is not willing to join the private sector in sacrificing land value or return it is difficult to see any new major developments announced in the short-to-medium term. Part of the slowdown in momentum can also be explained by the slower than anticipated pace of the public-sector rebuild. Shifting this dynamic in terms of clear commitments, with accelerated processes and a 'first in, last out' approach to risk transfer are all mechanisms that are available to the public sector to catalyse and accelerate the next phase of the central city development cycle.

Environment and ecology

The CCRP was aspirational in terms of improved environmental performance for the central city across a broad range of areas including green spaces, the river, energy use and production and transport.

However, initiatives to deliver on these aspirations were limited. Evidence based measures to track performance were not established and largely remain unavailable for the central city.

Green open spaces within the central city are variable in terms of providing amenity to surrounding areas. Public sector investment in green infrastructure has been material in the core however lacks a coherent strategy across the central city. There has been no incentive nor regulation to drive open space upgrades and green building approaches, resulting in low take-up across the board.

⁷Source: Infometrics, Current conditions and the economic outlook, April 2018

⁸ See Appendix C – the Regeneration S-Curve

⁹ See Appendix D – Strawman Development Feasibility

Yet the opportunities presented by the green economy are substantial¹⁰. Significant shifts in public policy and private sector behaviours have occurred since the CCRP with carbon neutral targets and environmental policies a key focus both at local and central government levels.

People and place

Almost every regeneration theme is dependent on increasing the number of people engaged in activities within the central city in order to realise a successful outcome. It should not be surprising then, that the presence of people engaged in activity in the central city has recovered significantly since the earthquakes, but remains well below pre-earthquake levels.

The overwhelming conclusion emphasised by the Current State Assessment is that people are the key ingredient missing from the central city. They are missing from all user cohorts including residents, workers, shoppers, visitors, tourists and students. The pride that residents take in the central city also remains substantially lower than pre-earthquake levels.

It is important that the city continue engaging and incorporating Ngāi Tahu values and places of significance as an important aspect of people and place.

People outcomes must be elevated to a central position in decision making for all initiatives and actions taken by the public sector in the central city. Targeted initiatives such as activation and events are essential but are just one factor. We must get better at understanding who is coming into the central city, and what they do when they are here. If we are to be a city that positions itself with the opportunity to test new ideas then having more comprehensive and timely information to understand the presence and activity of people would be a competitive advantage.

Likewise, targeting a creative economy as a mechanism to rebuild the fabric of cities and offer employment and social inclusion is also necessary to achieve the aspirations for the central city. The public sector has significant investments in land, facilities and amenities that all lend themselves to attracting small and medium sized enterprises across the private, social and community sectors. Yet the Current State Assessment demonstrates little evidence that decisions are made knowing how they will leverage the creative economy as part of accelerating outcomes across the central city.

Living in the central city

The residential chapter of the CCRP proposed a population target between 12,000 and 24,000 people living in the central city to support a prosperous commercial and entertainment hub.

Currently the central city population is around 6000 residents, with growth of only 800 people in the period 2014-2017. Residential population is largely absent from the core and population distribution is confined to the fringes at relatively low density.

New 'Greenfields' residential development has been enabled in the greater Christchurch area, including areas in the Waimakariri and Selwyn districts. While this was anticipated in the Greater Christchurch Urban Development Strategy (UDS), after the earthquakes the development of this land was fast-tracked. This has resulted in the Greenfields allocation largely being realised, while the remainder of the allocation it anticipated through infill and intensification, particularly in the central city, has not. Further Greenfields development, while also important in supporting, and being supported by, the central city, may therefore affect the residential offering in the central city.

Given the lack of success in attracting inner-city residents over the past 6 years a step change to a more pro-active approach is required. This change will need to demonstrate a more granular understanding of the near-term opportunities that exist within 'the core', as well as a shift in the public sector's approach to enabling these. It should also embrace the emerging districts and neighbourhoods our

¹⁰ See Appendix E – Green Economy Roadmap, A guide for business, policymakers and society, International Chamber of Commerce

review has identified¹¹ and integrate these into the existing public sector residential work programmes. Our review has highlighted, for example, the opportunity to build the inner city residential population via four tranches, each of which hosts 6000 residents.

- Existing 6,000 Residents – we have 6,000 inner city residents who need to be recognised as the first movers and form an important source of information and context in informing future decisions.
- Near-term 6,000 Residents – we have identified existing public and private sector land parcels that have the capacity to accommodate 6,000 additional residents and short-stay visitors, within districts that have the capacity to accommodate near-term development.
- Medium-term 6,000 Residents – the Council has an existing central city residential work programme which has the objective of increasing the inner-city population over 30 years. This should be reviewed to identify where a third tranche of 6000 within areas that have existing capacity to accommodate medium density development.
- Long-term 6,000 residents – our review has determined that the central city’s new urban form has evolved, with new Districts hosting distinct neighbourhoods (See Appendix F). Community-led approaches to identifying special character areas and the organic development of these new neighbourhoods provides a fourth area of opportunity.

¹¹ See Appendix F – Regenerate Christchurch’s Emerging Districts Map

Strategic Response and Recommendations

The central city is very different now than in 2012 when the CCRP was produced. The strong post-quake period of construction led growth contributed to strong growth across all key metrics including GDP, earnings, population, employment – at a time when the city was most at risk. The CCRP has supported the recovery of the central city from the low point after the earthquakes, in underpinning confidence, and in catalysing a strong private sector response within the central city.

However, across almost all measures the central city is still well short of the aspirations set by the CCRP. The benefits of a denser, more active and vibrant city core are yet to be fully realised.

As a result, the current situation presents a new decision point for the city.

While momentum is faltering it has not stopped. The major social infrastructure assets are still progressing – in the next two years the Town Hall, Convention Centre and Central Library will be added to successful delivery of the Bus Interchange, Hagley Cricket Oval, Margaret Mahy Family Playground, Earthquake Memorial and new public realm. The recent recommitment to completing the anchor project programme was an important signal during a time of uncertainty, especially if followed by visible action. Likewise, the private sector development of the Hoyts complex, the Riverside Farmers Market and the Spark and Aotea Gifts buildings will add to the central city's value proposition.

As we approach the tail end of the rebuild cycle however, a new point of vulnerability is emerging. Construction activity will continue to decline, and it is not yet clear where the source of demand, outside of population growth, will come from, particularly within the central city. As a result, there is a significant risk that the transition will not be smooth – with negative spill overs in sectors that have been a beneficiary of the construction boom of most concern.

The findings from the Current State Assessment can be distilled to a revised call to action – identifying the challenges that must be addressed if the vision sought for the central city is to be achieved.

- **Progress is faltering** – the pace of recovery is slowing with elevated levels of uncertainty around public sector commitments and future demand, further undermining confidence and activity across the central city.
- **Lack of people** – the central city does not yet have the critical mass of residents, employees, businesses, students.
- **Relevance is fading** – Christchurch and the central city are not achieving the intended goal of increased relevance set by the CCRP and subsequent strategies. A stronger focus on identifying and leveraging a more compelling value proposition for the central city is both an opportunity and a priority.
- **No visible cohesive leadership** – decision making in the central city reflects a fragmented institutional structure where mechanisms to consider trade-offs between individual projects and 'best for city' outcomes are not evident. This is further compounded by perceived confusion and duplication within organisational mandates.

The potential courses of action the public sector can consider in addressing these challenges are varied. They are also a function of the extent to which the city wishes to retain the aspirations captured within the CCRP or adapt it to reflect new strategic priorities. The range of approaches include:

- **Recommit** – adopt and adapt the Current State Assessment into an accepted tool that helps inform future decisions and ensure a recommitment to the projects the public sector has said it will deliver is evident in underpinning confidence, increases certainty and provides direction.
- **Refresh and Realign** – refresh and realign Crown and Council's objectives for the central city. In doing so use appropriate governance mechanisms to ensure City Institutions demonstrate an increased degree of strategic alignment in pursuing best for city outcomes. Ensure any new

funding mechanisms that are being considered include the ability to invest in economic development and activation.

- **Regeneration Framework**– create a framework to guide the long-term regeneration of the central city. The public sector must adopt an integrated approach to regeneration spending, delivery and other key initiatives.
- **Leadership and Leverage** - build on the progress to date, including projects in the public and private sector pipeline. Develop a coherent regeneration framework and adaptable public-sector policy, process, funding and development risk appetite. Provide more effective mechanisms in which the private sector and community groups can test new ideas and present development options to a better organised public-sector client¹².

Following initial discussions with stakeholders, Regenerate Christchurch believes the appetite to deliver the CCRP's aspirations has not diminished with time. There is a desire across the city to compete harder for regional, national and international relevance.

As a call to action Regenerate Christchurch has developed the following recommendations to increase momentum and support regeneration. The recommendations acknowledge there is no 'silver bullet' answer for delivering regeneration. Nor is there a simple list of tasks to be allocated amongst existing entities that achieves that outcome.

Ultimately successful regeneration will be the result of the things it typically is - a combination of factors that include:

- Public sector investment in facilities and amenity that catalyses private sector development;
- Policy and regulatory settings supporting strong and resilient business, community and residential sectors who have the confidence, over time, to apply their own resources in contributing to regeneration;
- Mechanisms that put the business, community and residential sectors at the forefront of every decision, action and initiative;
- In doing so, promote greater equality and equity through access for all residents to jobs, housing, education and services.

Acknowledging both the CCRP's aspirations and the Current State Assessment, our advice is that the 5 recommendations below are considered as priority areas of focus for the Crown and Council in supporting the successful long-term regeneration of the central city.

In turn these recommendations are also supported by specific initiatives which would support regeneration and increase momentum through the period of transition emerging as the rebuild phase tapers off.

¹² See appendix G – Leverage Mechanisms

Recommendations

1. **Lead a Confident Response** – the city is looking to the public sector for visibly cohesive leadership, while the public sector needs to create and communicate a coherent framework and competitive approach to drive the success of the city.
2. **Relentlessly Pursue Residents** – the central city needs to prioritise 6,000 new residents within the next 5 years to support a self-sustaining city economy. We need to actively pursue and attract a mix of residents.
3. **Unlock Prosperity** – the central city requires an extra 15,000 jobs to support long term regeneration. Support the significant growth sectors in unlocking the central city's potential as a place to live, learn and earn.
4. **Light up the City** – let's be a good host. Make Christchurch city an attractive place to live, work and play. Shift the emphasis from building new things to investing in the flow of activity across the central city.
5. **Focus on Implementation** – own the outcomes of the Current State Assessment and use it to guide future decisions that impact the recovery and regeneration of the central city. Align work programmes to reflect and address the current vulnerability of the city.

Regenerate Christchurch's Recommendations

Recommendation 1 - Lead a Confident Response

The public sector has not yet fulfilled its own expectations in terms of providing cohesive leadership of the transition from recovery to regeneration. Whilst individual entities are busy contributing toward recovery and regeneration outcomes their respective strategic priorities, decision frameworks, work programmes and priorities lack coherency when assessed against a 'best for city' lens.

The Current State Assessment reveals a step change in central city leadership is required from the public sector with clarity on Crown and Council contributions and risk allocation. The role of the public sector is shifting from anchoring the post-disaster recovery to catalysing long-term regeneration. The focus should be on partnership, not process. In this context a change in the role of the public sector should not necessarily be interpreted as a requirement for a new governance structure, organisation or removing one party or another from a leadership role. Rather what is required is:

- **Clear leadership** - the slowing pace of recovery with elevated levels of uncertainty around the public sector's commitments and future demand are undermining confidence and activity across the central city. Clear and cohesive leadership is required across the public sector. This should also not be read as a recommendation for 'heavier' leadership as this would risk stifling the community support required for the success.
- **Cohesive and predictable interactions** - While individual entities are busy contributing toward recovery and regeneration outcomes their respective strategic priorities, decision frameworks, work programmes and priorities lack a sense of coherency when assessed against a 'best for city' lens. Increased strategic alignment is a requirement across all of these aspects.
- **Informed and accountable** - Regeneration occurs in a complex and dynamic environment. A focus on understanding the current state and tracking progress towards expected outcomes is essential when dealing with this complexity.
- **Collaborative culture** - Ultimately successful regeneration will be the result of enabling public sector investment, policy and regulatory settings supporting strong and resilient business, community and residential sectors which have the confidence, over time, to apply their own resources in contributing to regeneration. As a result, the business, community and residential sectors must be put at the forefront of every decision, action and initiative.

While the nature of central government involvement has and will continue to change, the extent of its involvement as well as its commitment towards achieving regeneration is unlikely to diminish in the short-medium term. The significant development footprint that the public sector retains in the central city provides it with a significant role in increasing momentum and supporting the successful long-term regeneration of the central city.

To bring about a refinement in the role of the public sector the following initiatives are recommended:

Initiative 1 - Creation of a Regeneration Framework - As noted in the Strategic Context, Christchurch developed a detailed framework of plans, strategies and implementation documents to guide the city through recovery. However, the review of this 'Recovery Framework' noted:

- The documents were developed over different time periods and for different audiences or focuses. Consequently, there has been a lack of coherency when considered as a package;
- The documents clearly show that initiatives, outcomes and benefits were focused on the short-term critical success factors of providing certainty, confidence and direction for investment as well as delivering a co-ordinated and speedy recovery; and
- There was a focus on construction and infrastructure with less focus on the longer-term success factors or investment in social, human or environmental capital.

In this context it is not surprising there is a lack of cohesive leadership or a single coherent strategy. A refreshed 'Regeneration Framework' that reflects new strategic priorities with clear leadership principles and includes a cohesive suite, policies, strategies and project plans is required. While many of these documents exist in some form across organisations, integration and co-ordinated implementation is required.

Initiative 2 - Development of a Performance Monitoring Framework- A regeneration framework will allow for both Crown and Council to focus on a clear vision and develop a strong partnership for delivering the aspirations of the CCRP. However, a monitoring process is also required to assess progress and allow continual refinement of the strategic direction. Without an active process of review and challenge the framework could lose relevance and coherency in a similar way to the Recovery Framework developed after the earthquakes.

A performance monitoring framework should include indicators which accurately reflect the Crown and Council's aspirations for the central city. This goes beyond the simple presentation of statistics, and instead helps understand the city's narrative, dynamics and emerging trends in informing future decisions.

Most importantly, the adoption of a performance framework would increase transparency and accountability in decision-making at a portfolio level. In doing so all stakeholders would benefit from a clear understanding of the progress towards the aspirations of the city and allows the effectiveness of regeneration efforts to be understood.

Initiative 3 - Confirming fit for purpose mandates– The Current State Assessment also reveals a point of vulnerability for the central city that requires a stronger public-sector role than might have been contemplated for this point in time.

A combined structure or single successor entity, appropriately funded with a clear mandate, could potentially provide the optimal solution for Christchurch. However, it is anticipated that either arrangement would need to be carefully planned and implemented to avoid loss of momentum on key projects. In the interim, the existing City Chief Executives forum is a mechanism which could implement the changes required to deliver cohesive leadership as consideration is given to Future Institutional Arrangements.

We have identified four critical success factors against which the central city's leadership structure and mandates can be tested:

- Does the leadership structure reflect the ongoing commitment from both the Crown and Council to the regeneration of the city?
- Does the structure create certainty of delivery of existing projects and associated commitments in underpinning confidence?
- Does the structure address the lack of cohesion amongst city institutions – whether real or perceived?
- Does the structure allow for efficient use of public assets / resources - land, funding and institutional capacity?
- Does the structure demonstrate a level of accountability for delivering outcomes at a best for city level?

A review of organisational mandates should ensure there are elevated expectations in terms of accountability; to ensure that key roles and responsibilities contributing to long-term regeneration are clear; contribute to a consistent set of 'best for city' objectives; are sitting within the organisations that are best placed to hold them; and are resourced appropriately and have the mandate to act.

Recommendation 2 - Relentlessly Pursue Residents

The lack of an inner city residential population has a significant bearing on achieving self-sustaining regeneration of the central city. A fast-track residential development strategy to utilise public and

privately-owned land is recommended to prioritise the accommodation of 6,000 new residents within the central city inside 5 years. An increased sense of urgency in reaching for a minimum critical mass of inner city residents is required to support the scale and form of private sector investment delivered through the development cycle to date. Within this are the following key dependencies

Initiative 4 - Catalyse and enable development - identify public and private land parcels where development feasibility is close to commercial viability. Focus on understanding and addressing the barriers to development and convert these into investment decisions to kick-start the development cycle. This should be accompanied by an integrated development management approach that includes a 'fast-tracked' residential consenting process - with a lower accessibility cost reflecting the priority nature of inner city residential development – and a willingness to innovate in terms of development and ownership models. Section 71 of the Greater Christchurch Regeneration Act should be considered for enabling a fast-tracked regulatory process, where appropriate to achieve regeneration.

Initiative 5 - Develop an integrated residential strategy - embrace the new urban form that is emerging across the central city to support existing organic development. Prioritising a more granular understanding of the current and future pattern of employment, activity and residential opportunities will help shape future decisions on infrastructure provision, land-use decisions and the An Accessible City work programme. Initiatives should be developed at the emerging district and neighbourhood level identified within this review (see Appendix F) that have the specific objective of enabling community-led approaches to neighbourhood renewal. Consideration should be given to areas of special character as opposed to areas where more unconstrained residential development could occur to accelerate outcomes.

Initiative 6 - Listen to the Future Residents - identify and listen to the 'future residents' in respect of their views on typology, location, affordability and ownership – the ideas should originate from within the neighbourhoods and reflect community aspirations, and from people who don't necessarily live in Christchurch. Find and compete for them.

Initiative 7 – Structured Market Approach - the central city development cycle is moving from one of 'committed capital' to 'competitive capital', which requires a shift in the skill-sets that have been a feature of decision-making processes over the past 6 years. The challenging development feasibilities that exist for most development types indicate the need for a more pro-active approach to accelerating residential development. This would extend beyond the fast-track proposal noted above and require the public sector to take more policy, process and development risk in seeking to build and maintain momentum. Separation between Governance and the Client function across the public sector will be critical if a more commercial approach is to be successful.

Recommendation 3 - Unlock Prosperity

The central city economy will continue to operate at sub-optimal levels unless the business community within the central city continues to grow and unlocks the benefits associated with agglomeration, market scale and the shift to knowledge-based jobs.

That said, the Current State Assessment has also identified Christchurch as the one major city in New Zealand that is well placed to accommodate growth. To take advantage of this opportunity the following initiatives are recommended.

Initiative 8 - Get Granular on Economic Development - in the same way the City's Residential Strategy needs to be further developed at a more granular central city level, so too the Christchurch Economic Development Strategy and new City Narrative. This strategy should identify and support a hierarchy of sectors that are best placed to contribute to growth in activity and jobs with the immediate priority to facilitate the creation of an additional 15,000 jobs within the central city inside 5 years. Christchurch

underinvests in economic development relative to the cities it aims to compete with, and needs to address this.¹³

Initiative 9 – Monetise and leverage the eco-systems - much has been made of Christchurch's innovation culture but without evidence, to date, of a growth dividend and sustained uplift in productivity. Investment in people and technology is at the core of any growth strategy, but needs effective mechanisms and accountability for delivering the economic uplift

Initiative 10 - Develop the Precincts and New Hubs - take the precincts beyond a vision and masterplan and into implementation plan. In doing so take a programme level approach which considers the opportunities for new hubs, complementary facilities and an awareness of the interaction and spill-overs between the precincts and their neighbours in adjacent blocks.

Initiative 11 – Capital Flexibility Programme - the traditional approach to capital discipline within the public sector has focused on pursuing value for money across capex and whole of life costs at a project level. A dynamic operating environment, particularly with constrained public-sector finances, suggests a more dynamic approach to capital management is required. It is important that the Crown and Council have an agreed set of investment objectives, with key performance metrics that informs capital allocation. Additional flexibility can also be pursued through an integrated pipeline of projects, development opportunities and operating models as well as opportunities to recycle capital through assets with relatively certain cash-flows (e.g. Justice and Emergency Services Precinct and Carparks). An initiative which gives effect to a set of economic and social benefits agreed between the Crown and Council is ultimately the key to increased fiscal revenues, lower social costs, higher liveability metrics and a stronger ratings base. Without it the ability to fund the shift in emphasis to investing in the flow of activity across the central city will be difficult to achieve. It is also difficult to make firm recommendations on whether programmes that require further funding for implementation, such as An Accessible City, should be prioritised without undertaking this approach.

In developing these initiatives directed at unlocking the potential for improved economic and social outcomes it is noted that:

- Harnessing local private sector leadership is essential.
- A multi-agency approach is required, recognising the broad spectrum of factors that influence place-based competitiveness.
- Starting from scratch is prone to failure; building on the existing strengths and assets of a place and building outwards from these is preferable.
- Developing a shared agenda galvanises collaborative efforts. Focussing on solving common problems and/ or collectively exploiting opportunities for growth can aid this.
- Understanding that success is often only realised in the longer term, meaning a concerted and ongoing effort is required.
- Targeting market failures, 'at risk' and new economy sectors is where the public sector can best intervene.

Recommendation 4 - Light up the City

The amount of vacant land in the central city is likely to be a feature of our environment for a considerable period. This does not need to be a barrier to success – it can become Christchurch's opportunity. What it requires, however, is a collective shift from an inward focus defined by a need to 'solve all problems' before any new investment can occur, to an outward focus on building an identity, strengthening connections and competing for relevance. The following initiatives are recommended:

Initiative 12 - Let's be a good host - ChristchurchNZ's Visitor and Events strategies are important drivers of increased activity within the central city. At the same time, however, they need to be more granular

¹³ Source; Regenerate Christchurch – A Comparative Analysis of Long Term Plans

at a central city level and ensure the strategies present the central city as ‘open for business’. We asked people to adapt their behaviour in leaving the central city after the earthquakes, which they did. It’s time to adapt back the other way – which starts with the central city adopting a ‘host city’ mindset.

Initiative 13 - Become creative with vacant sites

Develop a strategy to reduce the impact of abandoned buildings, vacant or unkempt sites and at grade carparking and turn these into part of the value proposition of the central city.

This should include recommendations on specific initiatives to both discourage negative behaviours and stimulate positive outcomes on current sites including:

- Establishing a pop-up accommodation, retail programme or other high quality transitional activities to make the most of our central city vacant land and bring activity back to the city;
- Use innovative design, temporary and semi-permanent installations and facilities to protect, enhance and activate vacant and unused spaces. Increase access for public use to privately owned and leased open space. In line with our recommendation to light the city up, an initiative such as lighting of trees and vacant sites in the city would improve amenity.
- Identify and unlock any regulatory barriers that constrain the ability to act with flexibility – for example Section 71 of the Greater Christchurch Regeneration Act provides the opportunity to unlock barriers to achieve regeneration.
- Develop pilot programmes which fund community-led groups to develop strategies which increase participation in the central city.

Initiative 14 - Build an Identity

The strength of connections between Christchurch residents and its central city is weak, in part because the central city has lost its sense of identity. Engage pro-actively with residents inviting them into the central city to help celebrate success. The new identity will continue to evolve over time but only if people are engaged in participating in and celebrating what is being created.

Recommendation 5 - Focus on Implementation

The Current State Assessment has highlighted that whilst individual entities are busy contributing toward recovery and regeneration outcomes the approach is more ‘eyes up’ than ‘eyes out’. Across all city institutions there is a need to instil a collaborative implementation culture to meet the test of effectiveness, efficiency and deliverability.

Initiative 15 - Shift the implementation culture

The Strategic Response identifies several areas where organisations need to amend their existing work programmes to better reflect and address the vulnerability identified in the Current State Assessment and align with a renewed focus on partnership, execution, delivery and ultimately successful regeneration.

If the tools, resources and levers that exist across the various institutions can be leveraged with a joint focus on catalysing the future and putting the business, community and residential sectors at the forefront of every decision, action and initiative the public sector will help underpin confidence in the future of Christchurch and create the path by which the aspirations of the CCRP and the benefits contemplated by the unprecedented investment in the city of Christchurch by both local and central Government and the private sector can be realised for everyone’s benefit.

Appendix A: Draft Implementation Framework

From the call to action, the review of the wider Christchurch context and in light of the continued desire to strive for the aspirations, Regenerate Christchurch has developed the following recommendations to increase momentum, support regeneration and ultimately increase the likelihood of a successful outcome for the city. The recommendations acknowledge there is no “silver bullet” answer for delivering regeneration and ultimately it will be a result of the interaction between the public sector, private sector, communities and households – all of whom will make decisions, over time, in respect of their willingness to contribute to, participate in and benefit from regeneration.

With this in mind and in reflecting on both the Current State Assessment and CCRP’s aspirations, the board of Regenerate Christchurch believes that the 5 recommendations noted below should be accepted as priority areas of focus for the Crown and Council in supporting the long-term regeneration of the central city.

1. **Lead a Confident Response** – the city is looking to the public sector for cohesive leadership, while the public sector needs to create a coherent framework and competitive mind-set to drive the success of the city.
2. **Relentlessly Pursue Residents** – the central city needs to prioritise 6,000 new residents within the next 5 years to support a self-sustaining city economy. We need to actively pursue and attract a mix of residents.
3. **Unlock Prosperity** – the central city requires an extra 15,000 jobs to support long term regeneration. Support the significant growth sectors in unlocking the central city’s potential.
4. **Light up the City** – let’s be a good host. Make Christchurch city an attractive place to live, work and play. Shift the emphasis from building new things to investing in the flow of activity across the central city.
5. **Focus on Implementation** – own the outcomes of the Current State Assessment and use it to guide future decisions that impact the recovery and regeneration of the central city. Align work programmes to reflect the current vulnerability of the city.

In turn these recommendations are also supported by specific initiatives which the board believes would have a material impact in accelerating momentum through the period of transition emerging as the rebuild phase tapers off.

This implementation framework is presented in draft as a starting point for discussion with supporting agencies. It is only with collaborative buy in, and the prioritisation of each of these workstreams that these initiatives will have a material impact on the potential outcomes for Christchurch. Regenerate Christchurch proposes that these initiatives are workshopped and refined with their respective owners.

PROBLEM DEFINITION					
PROGRESS IS FALTERING	LACK OF PEOPLE	RELEVANCE IS FADING	NO VISIBLE COHESIVE LEADERSHIP		
The pace of recovery is slowing with elevated levels of uncertainty around public sector commitments and future demand, further undermining confidence and activity across the central city.	The central city does not yet have the critical mass of residents, employees, businesses, students.	Christchurch and the central city are not achieving increased relevance set by the CCRP. A stronger focus on identifying and leveraging a compelling value proposition for the central city is both an opportunity and a priority.	Decision making reflects a fragmented institutional structure where mechanisms to consider trade-offs between individual projects and 'best for city' outcomes are not evident. This is compounded by confusion and duplication within organisational mandates.		
COURSE OF ACTION					
RECOMMIT					
REFRESH AND REALIGN					
REGENERATION FRAMEWORK					
LEADERSHIP AND LEVERAGE					
RECOMMENDATIONS					
RECOMMENDATION 1					
Lead a Confident Response					
The city is looking to the public sector for visibly cohesive leadership, while the public sector needs to create and communicate a coherent framework and competitive approach to drive the success of the city.					
Initiative 1	Initiative 2	Initiative 3			
Regeneration framework	Performance and benefits monitoring framework	Confirming fit for purpose mandates			
RECOMMENDATION 2	RECOMMENDATION 3	RECOMMENDATION 4			
Relentlessly Pursue Residents	Unlock Prosperity	Light the City Up			
The central city needs to prioritise 6,000 new residents within the next 5 years to support a self-sustaining city economy. We need to actively pursue and attract a mix of residents.	The central city requires an extra 15,000 jobs to support long term regeneration. Support the significant growth sectors in unlocking the central city's potential as a place to live, learn and earn.	Lets be a good host. Make Christchurch city an attractive place to live work and play. Shift the emphasis from building new things to investing in the flow of activity across the central city.			
Initiative 4	Initiative 8	Initiative 12			
CATALYSE AND ENABLE DEVELOPMENT	GET GRANULAR ON ECONOMIC DEVELOPMENT	LET'S BE A GOOD HOST			
Initiative 5	Initiative 9	Initiative 13			
DEVELOP AN INTEGRATED RESIDENTIAL STRATEGY	MONETISE AND LEVERAGE THE ECO-SYSTEMS	BECOME CREATIVE WITH VACANT SITES			
Initiative 6	Initiative 10	Initiative 14			
LISTEN TO THE FUTURE RESIDENTS	DEVELOP THE PRECINCTS AND NEW HUBS	BUILD AN IDENTITY			
Initiative 7	Initiative 11				
ACT COMMERCIALY	CAPITAL FLEXIBILITY PROGRAMME				
RECOMMENDATION 5					
Focus on Implementation					
Own the outcomes of the current state assessment and use it to guide future decisions that impact the recovery and regeneration of the central city. Align work programmes to reflect and address the current vulnerability of the city.					
Initiative 15					
SHIFT THE IMPLEMENTATION CULTURE					

Lead a confident response

The city is looking to the public sector for cohesive leadership, while the public sector also needs to create and communicate a coherent framework and competitive approach to drive the success of the city. To refine the role of the public sector the following initiatives are recommended:

	Title	Create a Regeneration Framework
	Description	<p>Effective and efficient governance arrangements require clear objectives, funding certainty and appropriate mandates. There should be specific and achievable targets for success that link to the initial vision and objectives that underpin regeneration. These need to be open and transparent to maintain trust and confidence from the community and investors.</p> <p>To do this a Regeneration Framework is required. Key aspects of a Regeneration Framework would include:</p> <ul style="list-style-type: none"> • Central City Strategic Plan • Spatial Plan • Funding Strategy • Sustainable Economic Development – growth and capital attraction (all forms) • Residential Strategy • People and Place strategy – identity, marketing, visitors. community and culture, open space, public realm, events and activation • Development Strategy – land, planning, infrastructure, transport, management (sequencing, co-ordination and partnerships) • Environment and Ecology Strategy • Major Facilities / Community Facilities
	Rationale	<p>Christchurch developed a detailed framework of plans, strategies and implementation documents to guide the city through recovery. However, the review of this “Recovery Framework” noted:</p> <ul style="list-style-type: none"> • The documents that make up the recovery framework were developed over different time periods and for different audiences or focuses. Consequently, there has been a lack of coherency when considered as a package; • The documentation clearly shows that initiatives, outcomes and benefits were focused on the short term critical success factors of providing and ensuring certainty, confidence and retention of investment and delivering a coordinated and speedy recovery;

		<ul style="list-style-type: none"> There was a focus on construction and infrastructure with less focus on the longer-term success factors or investment in social, human or environmental capital. <p>While most of the components of a new Regeneration Framework exist in some form, in most cases there is a lack of coherency, integration and co-ordinated implementation. As a result, updating is needed with a Regeneration Focus.</p>
	Who	Regenerate Christchurch to lead a multi-agency team with the responsibility of developing a Regeneration Framework – a suite of guiding visions, policies and plans to guide regeneration and assist decision making across the City and Region.
	Title	Creation of a Performance and Benefits Monitoring Framework
	Description	<p>The performance framework would increase transparency and accountability in decision-making by better defining the relationship between the evaluation and performance. This can be linked to policy objectives to understand how regeneration / resilience is progressing.</p> <p>A good performance monitoring framework should:</p> <ul style="list-style-type: none"> Ensure each indicator has a clear relationship with the objective/direction; Clearly articulate where indicators have a strong or weak relationship with the actions of Central or Local government; Utilise a select number of indicators and avoid repetition and/ or duplication within the Indicators; Present the 'baseline' for each indicator to identify the starting point of the Plan's implementation; Develop evidence based, time bound 'targets' for each of the adopted indicators; Where possible, include 'benchmarks' from comparative cities; Adopt an 'annual' and a 'medium term' (e.g. 5 years) reporting approach; Report Indicators at relevant geographic areas (e.g. central city / Christchurch); and Ensure Indicators are presented in an online format that is both user friendly and intuitive.
	Rationale	<p>A regeneration framework will allow for both Crown and Council to focus on a single strong vision and develop a strong partnership for delivering the aspirations of the CCRP. Agreeing governance and performance metrics that reflect a balanced set of objectives and 'real economy' objectives (jobs and productivity) can also be used to facilitate agreements on funding commitments and risk allocation. A monitoring process is also required to assess progress and allow continual refinement of the strategic direction. Without an active process of review and challenge the framework will quickly lose relevance and coherency in a similar way to the Recovery Framework developed after the earthquakes.</p> <p>Continual monitoring of progress, with appropriate levels of accountability, is crucial to ensuring the success of the plan and the</p>

		longer-term prosperity of Christchurch. Sharing this with the community will be an important aspect of building public confidence in regeneration and the vision for the city.
	Who	Regenerate Christchurch, with support from CCC and DPMC.
	Title	Confirming fit for purpose mandates
	Description	With some changes the current structure could work significantly more efficiently. The City Chief Executives forum would be charged with demonstrating how their respective organisations would work together more effectively, responding to the Current State Assessment in ensuring 'Best for City' decisions are made at a programme and project level. Where clarity of mandate as funder, client and delivery agents is not evident this should be rectified. Likewise, the mandate to leverage the public and private sector's significant investment to date in attracting capital, talent, business, jobs and residents to the central city should be equally clear and cohesive.
	Rationale	<p>The observed public sector 'programme approach' is one of fragmented delivery and implementation, with monitoring focused on work programmes, not impact. Decision making in the central city is done on a project basis as opposed to a 'Best for City' lens and is not done in collaboration; the tools available are not being used to full effect.</p> <p>At a minimum, clearer strategic alignment between city institutions is required which should also demonstrate clearer separation between client, delivery and assurance functions is required. A review of organisational mandates should ensure there are increased expectations in terms of accountability – you've made the investment, demand results.</p>
	Who	Governance
Relentlessly Pursue Residents – the central city needs to prioritise 6,000 new residents within the next 5 years to support a self-sustaining city economy. We need to actively pursue and attract a mix of residents.		
The central city needs to prioritise 6,000 new residents within the next 5 years to support a self-sustaining city economy. The following initiatives are recommended to help achieve these goals:		
	Title	Catalyse and enable development
	Description	Identify public and private land parcels where development feasibility is close to commercial viability. There should be a focus on understanding and addressing the barriers to development and converting these into investment decisions to kick-start the development cycle. This should be accompanied by a 'fast-tracked' and outcomes focused residential consenting process with a lower accessibility cost reflecting the priority nature of inner city residential development. Section 71 of the Greater Christchurch Regeneration Act should be considered for enabling a fast-tracked regulatory process, where appropriate to achieve regeneration.

	Rationale	Unlocking the residential development cycle is the key to stimulating a new wave of investment across all other sectors.
	Who	TBC as a matter for discussion with shareholders
	Title	Develop an integrated residential strategy - Nurture neighbourhoods & Listen to the Future Residents
	Description	The 'residential development strategy' should embrace the new urban form that is emerging across the central city. Understanding and prioritising the current and future pattern of employment, activity and residential opportunities will help shape future decisions on infrastructure provision, land-use decisions and movement patterns. Initiatives should be developed at emerging district and neighbourhood level. In doing so there should be a focus on identifying and listening to the 'future residents' in respect of their views on typology, location, affordability and ownership – the ideas should originate from within the neighbourhoods and reflect community aspirations.
	Rationale	<p>Regeneration is at its most effective when it embodies localness. As recovery transitions to regeneration, new requirements for and roles for leadership emerge. Ultimately as regeneration becomes established the benefits of local and community leadership become more pronounced.</p> <p>Our review has identified emerging districts and neighbourhoods which inform the capacity to strengthen the base in terms of inner city residents and progress intensification in incremental steps in targeting 24,000 residents. Within these districts there are areas of special character which communities will want to preserve, but also opportunities for largely unconstrained development.</p>
	Who	Regenerate Christchurch and CCC
	Title	Structured Market Approach - Support feasibility
	Description	<p>The residential strategy should develop strategic and economic cases for stronger interventions in the residential market to accelerate the development cycle. This should also include a long list of potential interventions including:</p> <ul style="list-style-type: none"> • Investment in neighbourhood services or amenity • Amendments to school's zones • Use of available regulatory tools • Public sector investment in housing development either through leveraging existing landholdings or via other forms of competitive funding • Support for new residential typology (including mixed use, build-to-rent or community led)
	Rationale	The current state assessment and CCC residential programme acknowledge the feasibility challenges that exist for most development types in the central city. As a result, stronger support for the residential market is likely to be required to accelerate the development cycle. This

		will require both an integrated land strategy, shared risk frameworks and potentially capital support.
	Who	TBC as a matter for discussion with shareholders, noting that it should be developed in conjunction with the Capital Flexibility Programme (initiative 11).
	Title	Structured Market Approach - the East Frame
	Description	The Current State Assessment has shown that the central city residential market has not yet returned to a buoyant state. At the same time the underlying demand, typology and affordability dynamics evident in vibrant central cities around the world has changed since this project was launched in 2012. The public sector remains in control of significant land parcels within the East Frame, and given the lack of progress in meeting the original development objectives, has the opportunity to rethink the strategic direction of this project.
	Rationale	<p>The East Frame is intended to be a major transformational project for the central city, critical in supporting the scope and level of public and private sector investment that has both occurred to date and is in the pipeline. Yet the project has not been delivered on the original terms, with the revised development timeframes compromising the realisation of the economic and social benefits contemplated by the CCRP.</p> <p>The current East Frame Development Agreement includes commercial terms agreed by the Crown in 2015, and as such does not reflect the vulnerabilities highlighted in the Current State Assessment.</p> <p>The opportunity for the Crown to re-set the strategic priorities and commercial terms for this project does exist – but would also require a development management approach that strengthens Ōtākaro’s ability to act, in enabling delayed settlement and/or longer-term value capture mechanisms that are more consistent with a ‘first in, last out’ risk appetite – irrespective of what any revised development objectives might include.</p>
	Who	Ōtākaro with support from DPMC, LINZ and Regenerate Christchurch if required. (It is noted that revisiting the East Frame Development Agreement is currently outside the mandate of Ōtākaro. As a result, this can only be achieved with specific instruction from shareholding ministers).
Unlock Prosperity		
The central city requires an extra 15,000 jobs to support regeneration in the long term and a secure it as a place to live, learn and earn. Initiatives to support the key growth sectors to unlock the city’s growth include:		
	Title	Create the Precincts and New Industry Hubs & Monetise and Leverage the eco-systems
	Description	Develop Implementation Plans for the designated Precincts that reflect the fine grain detail in respect of the vision, character, objectives and

		development management plan required to guide delivery. Provide flexibility within the precincts, and adjacent land-holdings to contemplate new Hubs which may offer complementary development opportunities. While unlocking the benefits of agglomeration remains a key objective, patterns of work and employment have also evolved since 2012.
	Rationale	<p>The public sector has a significant vested interest in many of the key precincts such as the Health, Convention Centre, Performing Arts and South Frame via its existing land holding. This is on top of the broader benefits that would be delivered if successfully implemented.</p> <p>The current approach to land valuation, development and disposal is potentially imposing a significant economic cost and reducing potential recoveries in the longer term. A different approach which enables interim, and transitional projects (including new hubs for organic business growth and community uses) as well as exploring partnership opportunities with private sector developers that are struggling to convert viable development propositions into committed investment could deliver both on the vision of the precincts and support long-term value recovery.</p>
	Who	TBC as a matter for discussion with shareholders noting that it should be developed in conjunction with the Structured Market Approach (Initiative 7).
	Title	Granular central city economic development strategy
	Description	<p>Develop a growth strategy for the central city that identifies and supports a clear hierarchy of sectors that are best positioned to contribute to ongoing growth in activity and employment - with the priority of creating an additional 15,000 jobs within the central city inside 5 years.</p> <p>This should include recommendations on specific initiatives to protect and stimulate the significant sectors within the central city with a focus on delivering sustainable above trend growth in these sectors.</p> <p>In developing the 'significant sector growth strategy', it is noted that:</p> <ul style="list-style-type: none"> • Harnessing local private sector leadership is essential. • A multi-faceted approach is required, recognising the broad spectrum of factors that influence place-based competitiveness. • Starting from scratch is prone to failure; building on the existing strengths and assets of a place and building outwards from these is preferable.
	Rationale	Economic development is the continuous process of growing an area's level of income and wealth and distributing that wealth (through local expenditure and jobs) to the community. Typically measured in terms of income and employment, economic development is also measured by improvements in education, health, culture, community wellbeing and the environment.

		<p>The central city economy will continue to operate at sub-optimal levels unless the business community within the central city continues to grow in realising the benefits associated with agglomeration, scale and the shift to knowledge-based jobs.</p> <p>The central city strategy will be informed by Economic Development Strategies developed at a City and Regional level, but should focus on lifting the central city's share of total employment in, supporting and growing the Health, Public Sector Services, Professional Services (Technology, Education, Creative Arts and Culture, Retail, Hospitality and "New Economy" Industries.</p>
	Who	ChristchurchNZ to lead a cross agency working group.

Light up the City

Let's be a good host. Make Christchurch city an attractive place to live work and play. Initiatives to lead a step change in pride, activation and participation include:

	Title	Build the Identity
	Description	A new sense of identity has not yet emerged in the central city. The new City Narrative and Economic Development strategy need to be driven down to a more granular central city level as a matter of priority.
	Rationale	Since the earthquakes Christchurch and Canterbury residents have lost their connection to their central city. Restoring the sense of ownership and pride is essential to delivering a step change in participation and returning vibrancy and character to the central city. In building this new identity a transformation in public sector mind-set is also required in moving on from an inward problem-solving focus to an outward, competitive focus which starts with a demonstrated expression of the central city's ability to be a good host to businesses, visitors and residents of the greater Christchurch area.
	Who	ChristchurchNZ to lead with support and resourcing from Ōtākaro, CCC placemaking, marketing and activation teams.
	Title	Be a Good Host - Build an Activity Pipeline
	Description	<p>Build on (and fund) a major event and activation strategy for the central city that cuts across events, activities, transitional use and in doing so demonstrates leverage off the higher quality facilities and amenities across the central city – both day and night.</p> <p>This should look beyond the public sector assets – the private sector is heavily invested in increasing activation and their enthusiasm for Christchurch needs to be harnessed.</p>
	Rationale	<p>A lack of participation is having a material impact on the retail and hospitality sector as well as confidence in the future of a Christchurch.</p> <p>A coordinated, well organised and effective activation and events strategy can reconnect people back to their central city and restore the</p>

		<p>sense of ownership and pride that has been lost since the earthquakes. While strategies exist, they current have a narrow focus aligned with their respective organisation's mandate – they need to take on a wider central city focus.</p> <p>Change is needed to ensure the city is ready to leverage the opening of the Town Hall / Central Library and celebrate these major milestones.</p>
	Who	ChristchurchNZ to lead with support and resourcing from Ōtākaro, CCC placemaking, marketing and activation teams as well as the private sector.

Focus on Implementation

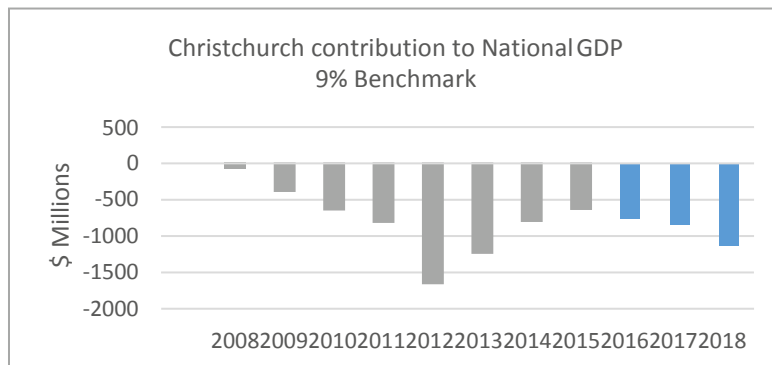
To own the outcomes of the Current State Assessment and use it to guide future decisions that impact the recovery and regeneration of the central city all organisations need to align work programmes to reflect the current vulnerability of the city the following key initiatives are recommended to be progressed as a Priority. Specific initiatives that would help better reflect the findings of the current state assessment include:

	Title	Support transformational projects
	Description	The members of the City Chief Executives Forum need to collectively hold themselves to account for ensuring transformational private or non-Governmental sector projects are supported.
	Rationale	<p>Private or new projects like the Lighthouse, the Otago University development, Ara's development programme and the ability to compete for Lincoln University can make significant contributions to regeneration of the central city however are often falling into the gaps between organisations and stagnating.</p> <p>Investigate ways in which the city can support pushing these from concept to reality – including committing to a proactive approach to land transactions where the projects would be consistent with the Regeneration Pillars.</p>
	Who	City Chief Executives Forum.
	Title	Explore the optimal way to pay for the Multi Use Arena
	Description	A standard public sector procurement process can take 18-24 months as it steps through the business case, procurement and negotiation phases. It is assumed that a robust 'project definition' process is underway but this does not require a full detailed business case given the strategic and economic case is largely defined. Ensure the Multi Use Arena project team demonstrates that their process contemplates the benefits of accelerating the commercial case to include a fast-track, preferred bidder process and adapt the financial case to consider partial public-sector capital contribution.
	Rationale	The Multi Use Arena will be the most expensive project undertaken in Christchurch – a traditional project structure with lump sum payment during construction has created significant fiscal pressures on both the

		<p>Crown and Council. In doing so it has limited the ability to support spending on other regeneration initiatives.</p> <p>While a Multi Use Arena is not a 'game-changer' in terms of regeneration it is a critical amenity that is required to attract the businesses, talent, investors and residents that do create change – this is particularly true in cities with strong sporting cultures and successful sporting franchises. We do not need to relitigate the Strategic and Economic Case for this project. Instead the Crown and Council should consider the benefits of utilising a partial capital contribution and paying for the certainty of transferring quality and delivery risk to the private sector. While this will require a return on private sector capital it also frees up public sector funding to pursue the \$1.15bn of missing economic output this review has identified, and target the additional \$4bn of economic uplift the CCRP aspirations still retain.</p> <p>Likewise, the business case process should prioritise intensity of effort on the Commercial Case – with the instruction that the project team develop a fast track process to appoint a lead developer for the Crown and Council to consider as the Commercial Case is being developed.</p>
	Who	TBC as a matter for discussion with shareholders noting that it should be aligned with the Structured Commercial and Capital Flexibility Initiatives
	Title	Measure Trust
	Description	Initiate the collection of a “trust in public sector institutions” survey within Christchurch to assess and track the performance of institutions as regeneration progresses.
	Rationale	The regeneration of Christchurch will only occur if the public and private sectors work in partnership together. Partnership provides trust so is important that the public sector understands how it is performing and how interactions can be more effective.
	Who	ChristchurchNZ to develop a survey for shareholder approval.
	Title	Create Capital Flexibility Work Programme
	Description	The challenges of optimising central and local government contributions to funding urban renewal and growth are not unique to Christchurch. Whilst the 2013 Cost-Share Agreement was ahead of its time, recent trends in embracing 'City Deal' structures have become mainstream in the UK, US and Australia in recent years which offer lessons in respect of how the City may adapt its approach to improving the efficiency of its limited funding resources.
	Rationale	The foundations of these new City Deals include a focus on prioritising economic growth, establishing clear governance and performance metrics and establishing funding parameters that optimise funding contributions. These are not only all part of the Christchurch fabric, but consistent with the key recommendations of this review in seeking a step-change to cohesive leadership with clear supporting strategies.

		<p>In order to ensure the optimal use of capital, and unlocking the benefits of increased capital efficiency a programme level capital review is required. This would look at capital and whole of life contributions at a project level, as well as exploring synergies across operating models, asset ownership, development opportunities and capital recycling.</p> <p>Without this review the ability to fund the shift in investment emphasis to supporting the flow of activity across the central city will be difficult to achieve.</p>
	Who	TBC as a matter for discussion with shareholders noting that it needs specialist expertise and independent oversight.
	Title	Review the CEAG Recommendations on minimum targets
	Description	Advise CEAG to review their recommendations in light of the Current State Assessment and the immediacy of the requirement to drive an increase in central city population for the benefit of the central city – and therefore regional – recovery.
	Rationale	<p>The current CEAG recommendation signals a policy intent towards greater consolidation within the city, however, recommends allowing time for city intensification initiatives to take effect before amending policy settings.</p> <p>The Current State Assessment shows Canterbury cannot afford to wait – there needs to be an immediate focus on creating a thriving heart in the city to long term successful regeneration.</p>
	Who	CCC with support from Regenerate Christchurch and DPMC.

1. Contribution to New Zealand's Growth

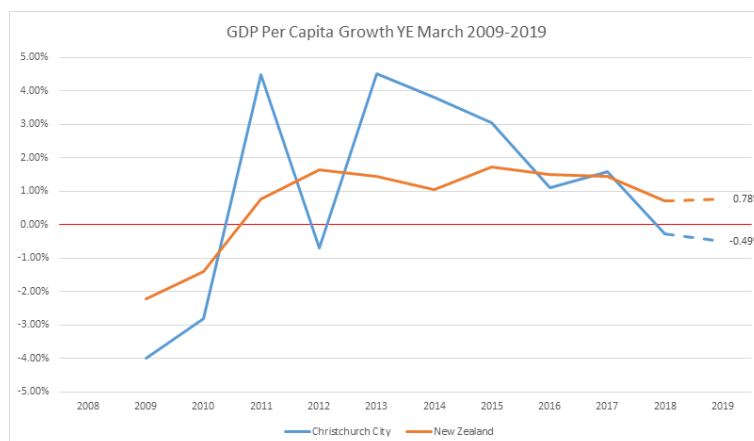


Key Observations

- Prior to the GFC and Canterbury Earthquakes Christchurch contributed 9% of New Zealand's GDP – a benchmark we have retained for this analysis.
- After the earthquakes this reduced to 8.2 %, opening up an 'output gap' of \$1.65bn
- The strong period of rebuild activity started to close that gap – but not fully
- With the Christchurch economy now growing at 1.4 %, relative to 2.7 % for the New Zealand economy and Christchurch's potential growth rate at 3 %, the gap has widened again
- The current output gap is \$1.15bn and raises a question – how does Christchurch see its relevance in a national context. Does it want to compete with Auckland, the Golden Triangle and Queenstown, or settle for 'third city' status in benchmarking against Wellington and Dunedin.

2. The Productivity Dividend

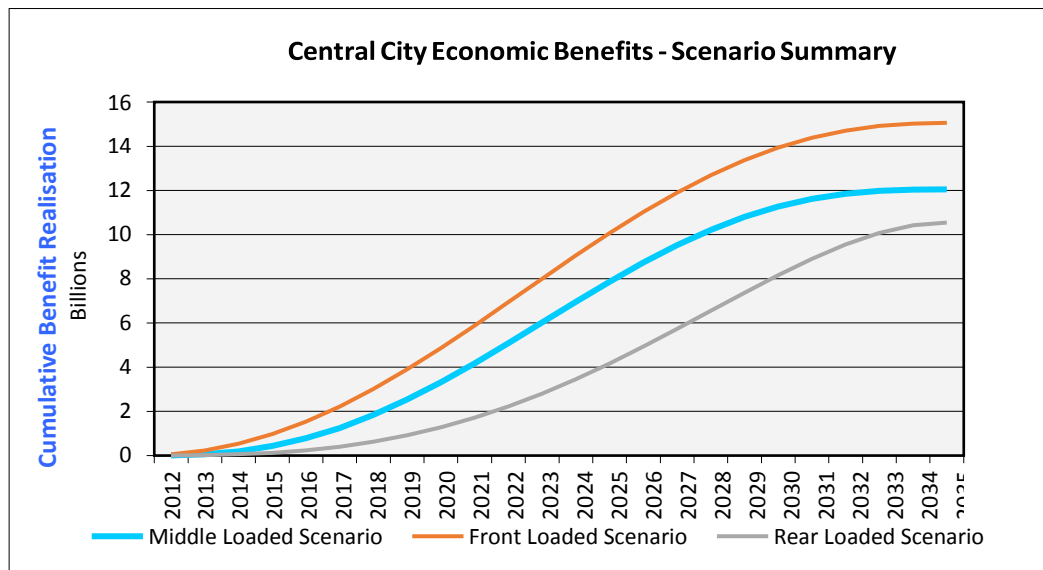
3.



Key Observations

- \$37bn of Capital Investment and a strong innovation culture should deliver a growth uplift through increased productivity
- Using GDP per capita as a measure instead tells a story of a 'productivity recession' in Christchurch
- The City's aspiration as a place to innovate, a city in which to test new ideas is not yet delivering a growth dividend
- Instead the 'underlying growth story' is more simply one of a near term dependency on strong population growth.

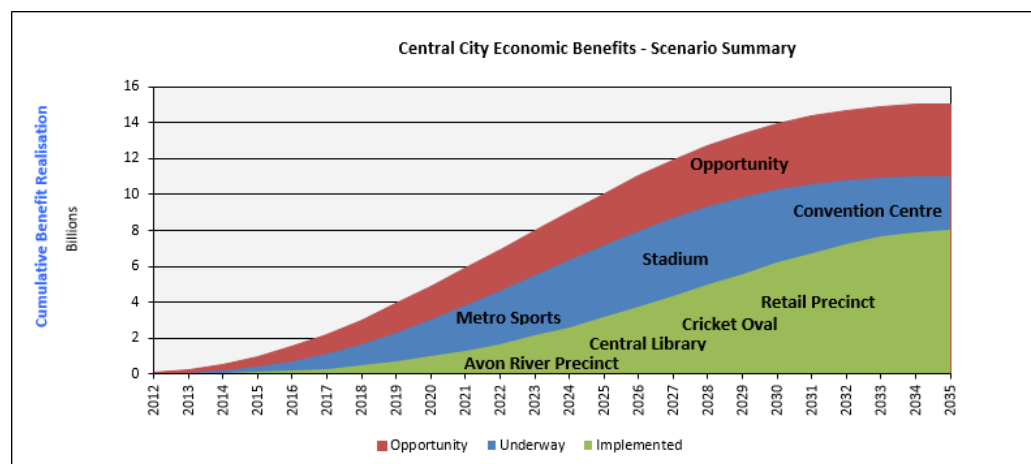
1. Central City Economic Benefits



Key Observations

- The question of momentum is material when assessed against its potential economic impact
- Three scenario's were tested in building a Regeneration S-Curve – front-loaded momentum , an orderly transition phase and a lagged delivery and development cycle
- At a high level these scenario's were based on the known economic benefits from Anchor Projects, overlayed with variable assumptions on the pace at which new residents and new jobs would be attracted to the central city
- The cumulative difference between an accelerated regeneration cycle and a slower path is circa \$5bn over a 20 year timeframe.

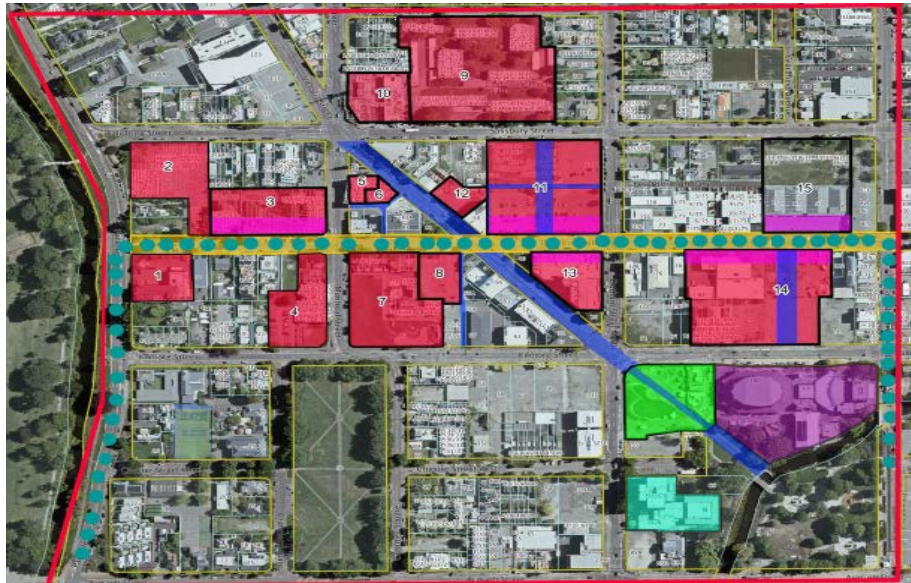
2. The Regeneration Building Blocks



Key Observations

- The building blocks to the middle scenario , an orderly transition phase, are relatively well known
- The path to unlocking the additional \$5bn uplift requires a reset of the public sector's appetite to take policy, process and development risk.

1. New Neighbourhoods of Scale



Key Observations

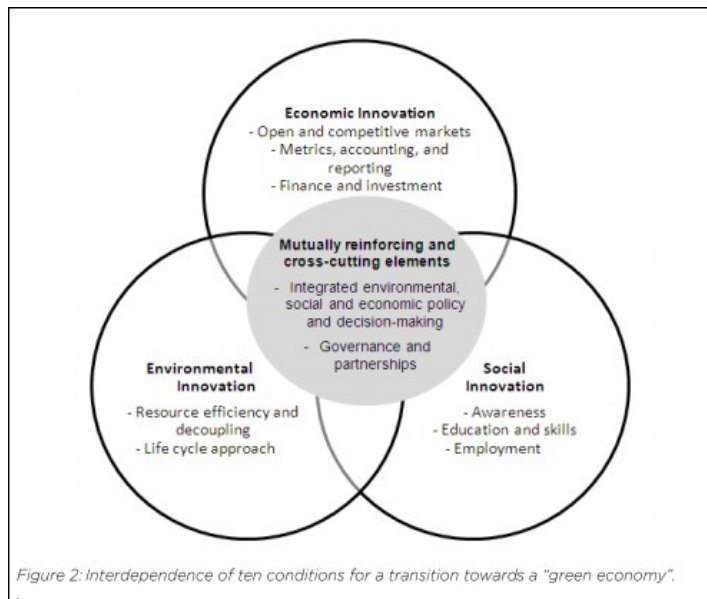
- We have neighbourhoods of potential scale within the Central City
- This area which straddles the Peterborough, Upper Victoria and City Core districts has a development value close to \$1bn, and the ability to accommodate 2200 new residents and visitors
- As the bottom line in the table below highlights, however, the residual land value from new developments is not worth 100c in the \$ when compared to the land-banking option.

	Core: 50 Cathedral Squa	Core: 50 Cathedral Squa	Core: 50 Cathedral Squa	Non-core: 235 Gloucester	Non-core: 235 Gloucester
1 Site	High rise	Mid rise	Terrace	Mid rise	Terrace
2 Development type					
3 Site area	1,000	1,000	1,000	3,000	3,000
4 Current site value	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 3,000,000	\$ 3,000,000
5 Gross realisation value (GRV) per	\$ 6,000	\$ 6,000	\$ 5,000	\$ 6,000	\$ 5,000
6 FSR	4.2	1.8	1.5	1.8	1.5
7 Floor space (net)	4,200	1,800	1,500	5,400	4,500
8 Balconies	640	640		640	
9 Average dwelling size	80	80	130	80	130
10 Dwellings	53	23	12	68	35
11 Parking	53	23	23	68	69
12 Revenue	\$ 25,200,000	\$ 10,800,000	\$ 7,500,000	\$ 12,400,000	\$ 22,500,000
Costs					
24 RLV	\$ 427,041	\$ 232,723	\$ 1,299,194	\$ 539,384	\$ 3,898,183
25 RLV/dwelling	\$ 5,000	\$ 3,000	\$ 10,000	\$ 7,000	\$ 30,000
26 RLV/sqm residential floor space	\$ 102	\$ 129	\$ 866	\$ 100	\$ 866
27 Construction costs per dwelling	\$ 342,093	\$ 360,440	\$ 368,204	\$ 342,236	\$ 368,204
Summary and results					
34 Site area (sqm)	1,000	1,000	1,000	3,000	3,000
35 Residential floor space	4,200	1,800	1,500	5,400	4,500
36 FSR	4.20	1.80	1.50	1.80	1.50
37 Revenue (ex-GST)	\$ 25,200,000	\$ 10,800,000	\$ 7,500,000	\$ 12,400,000	\$ 22,500,000
37 Average revenue/sqm	\$ 6,000	\$ 6,000	\$ 5,000	\$ 6,000	\$ 5,000
38 Costs (excluding RLV)	\$ 24,772,959	\$ 11,032,723	\$ 6,200,606	\$ 31,860,616	\$ 18,601,817
37 Residual Land Value (RLV)	\$ 427,041	\$ 232,723	\$ 1,299,194	\$ 539,384	\$ 3,898,183
39 RLV/sqm site area	\$ 427	\$ 233	\$ 1,299	\$ 180	\$ 1,299
40 Current site value	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 3,000,000	\$ 3,000,000
41 Current site value/sqm	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,000	\$ 1,000
42 Ratio of RLV:current site value	0.24	-0.13	0.72	0.18	1.30

Appendix D: Strawman Development Feasibility

- The building blocks to the middle scenario , an orderly transition phase, are relatively well known
- The path to unlocking the additional \$5bn uplift requires a reset of the public sector's appetite to take policy, process and development risk.

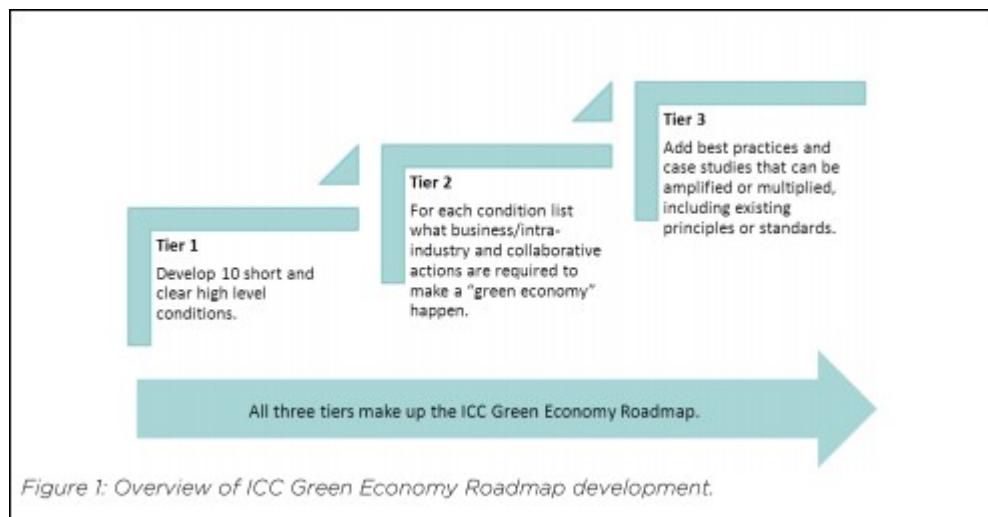
1. The Economic, Social and Environmental Trifecta



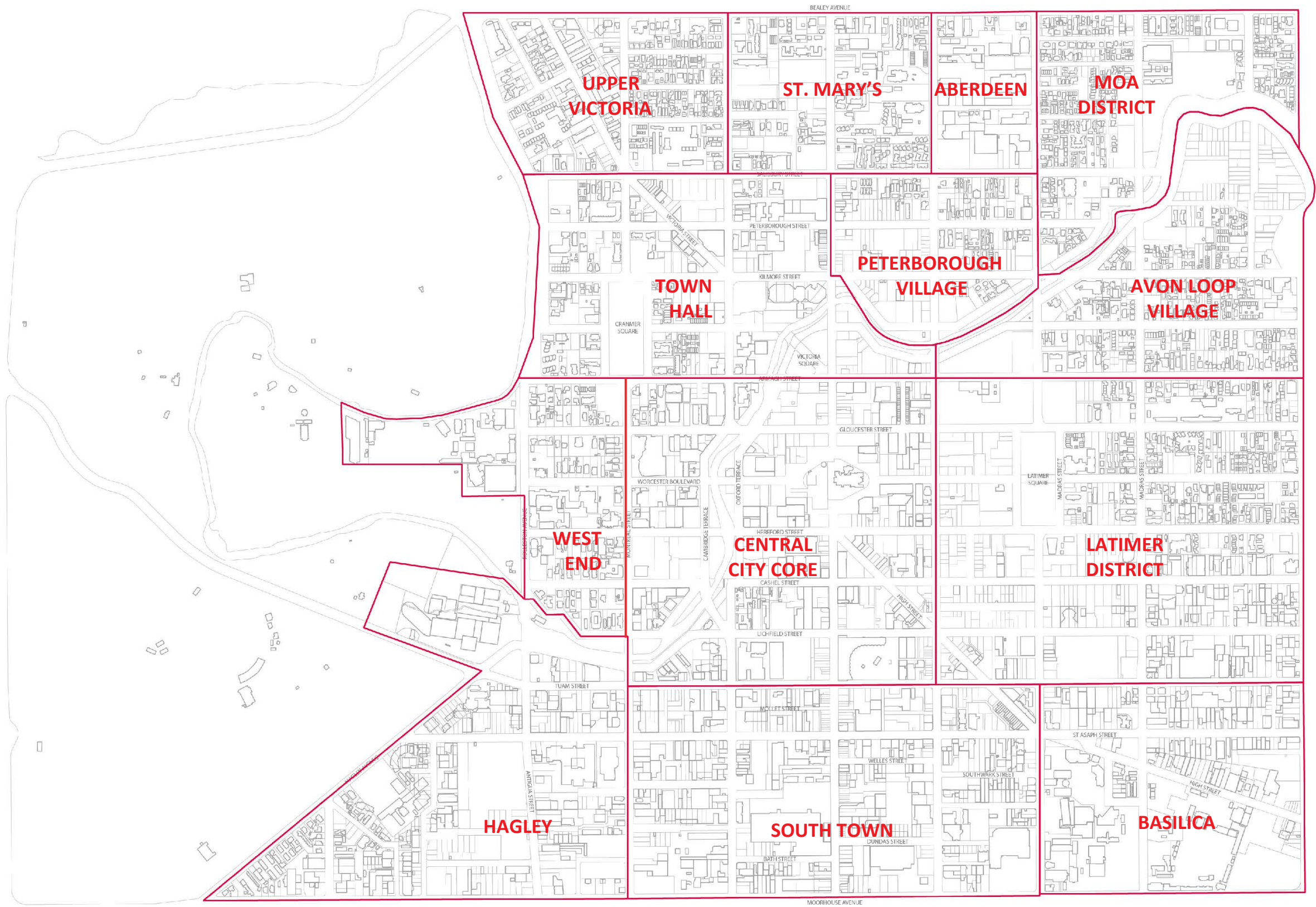
Key Observations

- The CCRP holds significant aspirations in terms of improved Economic and Social outcomes
- Stronger aspirations around improved Environmental outcomes have also emerged since 2012
- Where is the integrated strategy that binds the three together ?

2. The Green Economy Roadmap



- The building blocks of a Green economy roadmap are consistent with the desire to shift up the Regeneration S-Curve
- The implementation of the aspiration, however, are fragmented not integrated.



Appendix G: Leverage Mechanisms

Strong Institutions	Capital Attraction does not happen through ‘general conversations’ – it requires a public sector client who has a demonstrated track record in regeneration with create clear and familiar processes. Once that track record is established, it must not be lost	
Enabling Policies	Almost all investment is policy-dependant. As we move from a ‘committed capital’ to ‘competitive capital’ phase the requirement to incentivise not just enable investment becomes important	
Accountability	Private Sector capital will stay ‘in the game’ if they believe the public sector retains the will to act. Programme and Project level accountability is an important indicator of public sector discipline	
Public Sector Capital Investment	The scope and scale of investment in core infrastructure, city facilities, amenity and transport connections are critical in leveraging scale as a private sector response.	
Land Assembly and Remediation	Where brownfield sites are to be used to pursue regeneration the ability to assemble, remediate and market land in a timely fashion is critical in attracting a competitive private sector response	
Investor Ready Mind-Set	A clear vision supported by clear, credible commitments and processes that demonstrate an understanding of both what the City WANTS, and what investors NEED is required to present yourself as investor ready	
Economic Development	A lack of confidence in sources of demand, income and capital growth are all factors which ‘turn off’ investment. Understanding your strengths at a city level and actively leveraging them is an important part of the capital attraction platform	
Activation	Vibrancy breeds Vibrancy – commit to invest in activation in areas where the development proposition is difficult to assess.	
Shared Risk Frameworks	There is increasing acceptance of partnership arrangements in contributing to regeneration –adapt processes, capital programmes and development risk appetites to reflect the desire to create long-term value through shared up-front risk	
Enabling Planning Culture	Pursuing regeneration in areas of long-term decay or devastation requires a willingness to differentiate between short-term, medium-term and long-term planning and urban design outcomes. ‘Best practise’ process should eliminate bad outcomes but doesn’t necessarily guarantee good ones. Adapt the culture as regeneration evolves.	