



Economic development stimulus policy

1 Purpose

This policy seeks to stimulate economic growth within Upper Hutt by encouraging development that provides employment and GDP growth, as well as by supporting building upgrades to elevate the presentation and structural safety of Upper Hutt premises.

It proposes to do this through provision of the following incentives:

- a. reduction and remission of rates;
- b. building and resource consent fee waivers;
- c. retrofit and relocation incentives; and
- d. earthquake strengthening grants.

It is considered that by providing a stimulus incentive the future flow on benefits will be significant, such as an increased rating base, increased local employment opportunities, increased local expenditure, increased GDP, a wider business offering, and improved local skills. Council also seeks to increase safety, reduce risk, encourage repair and refurbishment of buildings, and limit building vacancies by providing an incentive to encourage the strengthening of earthquake-prone buildings.

2 Upper Hutt City Council - economic development stimulus incentives

Incentive 1: rates remissions and reduction
<ol style="list-style-type: none">a. For new developments and building conversions that will not generate an income stream whilst construction is taking place, Council will provide a grant to cover the relevant property rates requirementⁱ. The grant would cover rates for the duration of the construction, with a maximum of one yearⁱⁱ. To be eligible applicants must meet the criteria set by the Rates Remission Policy for Economic Development.b. A reduction on rates - for a maximum of three years following the revaluation of the developed property, for all developments and conversions that meet the criteria set by the Rates Remission Policy for Economic Development.
Incentive 2: fee waivers
<ol style="list-style-type: none">a. Council seeks to create employment by waiving building and resource consent charges on all commercial and/or industrial developments that involve the construction, erection or conversion of any building(s) intended to be used for industrial, commercial or administrative purposes, and expected to create additional new full-time equivalent

<p>jobsⁱⁱⁱ.</p> <p>b. Council will waive building and resource consent charges on all new and/or renovated developments in the CBD^{iv} that have a mix of retail/commercial space and high density residential apartments^v.</p>
<p>Incentive 3: earthquake strengthening incentive</p>
<p>Council will provide a grant of 10% of the value of the work, up to a maximum amount of \$15,000, towards building strengthening work^{vi}.</p> <p>Applications for this grant will also be entitled to have the related building consent fee waived.</p>
<p>Incentive 4: retrofit incentive</p>
<p>Council will provide one of the following financial incentives (for one year only) to retrofit^{vii} existing buildings:</p> <p>a. Exterior retail/commercial facade improvements – within the CBD. For exterior storefront improvements (visible from the street or footpath only) with a value over \$5000, Council will contribute \$2,500.</p> <p>b. Commercial property retrofits - within the CBD. For retrofits with a total cost over \$40,000 in value, a maximum allocation of \$10,000.</p> <p>c. Commercial property retrofits - within the CBD. For retrofits with a total cost over \$70,000 in value, a maximum allocation of \$30,000.</p> <p>d. Commercial property retrofits (small) - city wide. For small to medium retrofits with a total cost over \$70,000 in value, a maximum allocation of \$10,000.</p> <p>e. Commercial property retrofits (medium) - city wide. For businesses retrofitting an existing site with a total cost over \$70,000 in value and which will employ between 10 and 30 FTE's (with an existing or new tenancy contract signed) - a maximum allocation of \$20,000.</p> <p>f. Commercial property retrofits (large) - city wide. For businesses retrofitting an existing site, which will either employ over 30 FTE's or it is a significant retail store^{viii} (with an existing or new tenancy contract signed) - a maximum stimulus allocation of \$50,000.</p>
<p>Incentive 5: relocation and new building costs incentive</p>
<p>a. Small relocations - Council will contribute \$5,000 or 50% of the total cost (whichever is lessor) towards relocation costs for businesses that are not already located in Upper Hutt that employ between 3 – 10 FTE's (and have signed a tenancy contract).</p> <p>b. Medium relocations - Council will contribute \$15,000 or 50% of the total cost (whichever is lessor) towards relocation costs for businesses that are not already located in Upper Hutt that employ between 10 – 30 FTE's (and have signed a tenancy contract).</p> <p>c. Large relocations - Council will contribute \$30,000 or 50% of the total cost (whichever is</p>

<p>lessor) towards relocation costs for businesses that are not already located in Upper Hutt that employ over 30 FTE's (and have signed a tenancy contract) or it is a significant retail store^{viii}.</p>
<p>d. New commercial/industrial building construction. For new commercial/industrial building construction, with a total construction cost over \$750,000 (as evidenced by quotes and corresponding invoices), Council will contribute \$30,000 towards the build. Proof of a signed tenancy/lease agreement with a business employing more than 5 FTE's, such agreement being for a period of not less than two years, that is acceptable to Council, is required prior to Council approval being granted.</p>

3 Additional incentives

There are some applications that can also apply to the Rates Remission Policy for Economic Development. Whilst the Rates Remission Policy has a set criteria, Council will consider all applications on a case by case basis.

4 Our goal

Council is committed to operating in a business friendly manner and being open to support any opportunity that will increase employment growth. As a Council we are committed to breaking down the perceived barriers, and being solution-focused for all those who choose to build here.

Our promise is to:

- use the legislative processing timelines as guidelines only and always try to improve on these;
- keep the customer informed in an efficient and responsive manner, whilst providing consistent, reliable high quality customer contact, regardless of the communication channel; and
- provide a 'can do' culture across all divisions of Council.

Council will also support local business development via business liaison and information and will seek to attract new businesses whilst promoting the assets of Upper Hutt.

5 Criteria

This policy applies to commercial/industrial and/or residential property development that involves the construction, erection or conversion of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, retail, commercial, mixed or administrative purposes. Specific eligibility specifications have been included under each incentive, where applicable.

Consideration of emerging opportunities that do not fall within the remit of this policy will be considered by Council on a case by case basis.

Council reserves the right to decline an application based on what it offers to the community and/or degree of consistency with relevant Council plans, policies or strategies.

Council seeks to add a diverse range of specialty retail stores to the city centre with products that are likely to attract additional retail patronage to the CBD. Council also seeks to positively influence the retail/commercial quality in Upper Hutt.

Retail stores that do not enhance the diversity, vibrancy and/or quality of the total retail mix within the CBD will not be viewed favourably and Council reserves the right to decline such applications at its discretion.

6 Process

- a. Potential applicants are encouraged to verbally discuss any proposed applications with Council's Economic Development Manager, prior to lodging a formal application.
- b. Once Council feedback is gained, as to the viability of meeting the criteria, applications must be made in writing.
- c. Rates relief, fee waivers and grants are allocated from a contestable fund and the amount of relief given will be at the discretion of Council in every case.
- d. Decisions on stimulus applications (including specifying any conditions) will be delegated to a committee made up of the Mayor, the Chair of the Policy Committee and the Chief Executive. The exception to this delegation is with applications over \$95,000 in any one year.
- e. A Council resolution is required before any form of relief can be granted for individual applications proposing to receive \$95,000 and over.
- f. All appeals are required to go through a Policy Committee Meeting.

7 Conditions

- a. In granting remissions under this policy, Council may, at its discretion, specify certain conditions. Applicants will be required to agree in writing to these conditions and to pay any remitted charges if the conditions are violated.
- b. Should construction of a development not commence within one year of being granted building consent, the remission of charges and fees provided under this policy shall no longer apply. At that stage, all fees and charges will be fully payable for the development as per usual.
- c. Earthquake strengthening, retrofit and relocation incentive payments will be paid upon completion of the works and/or following staff movement, respectively.
- d. Should an application not be approved for remission, the applicant will be liable for resource and building consent charges as per usual.
- e. Fee waivers and grant amounts will only be paid out upon presentation of quotes and corresponding invoices.

- f. All applications (excluding fee waiver and rates remission applications) must be accompanied by formal quotes before Council approval can be granted.
- g. Should an application be approved and the associated works DO NOT commence within six months of the approval date, then the Council approval will expire and the funding will be made available for other applications. Should the same application be presented to Council for approval again (and it is approved) it will be subject to a two month period before it expires. An applicant will not be permitted to reapply with the same application three times in a row.
- h. No applications will be backdated and grants/fee waivers will only be allocated to the specific property/lot being developed.
- i. Fee waivers and grants are allocated from a contestable fund and the amount of relief given will be on a first come first served basis until the fund has run out. All payments will be at the discretion of Council in every case. Developments that have received significant other contributions from Council would not be eligible.

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- i Depending on the funds available, this will be discussed with the applicant at the time.
 - ii The grant amount will be to the nearest thousand, without exceeding the total rates owing for the year. Grant amounts will depend on the level of funding left in the stimulus fund. Grants will be paid via two instalments (the first half upon lodging the building consent application and the remaining half upon completion of the build, or the year's end, whichever is sooner).
 - iii Applications for fee waivers will be considered on a case by case basis, to ensure that the level of employment created by the development justifies the incentive.
 - iv As identified within the UHCC District Plan.
 - v While the focus of this incentive this to encourage mixed use within the CBD, Council will also consider applications for mixed use outside of the CBD on a case by case basis.
 - vi In order to be eligible the building must be listed on Upper Hutt City Council's 'Register of earthquake prone buildings' and be located within the Upper Hutt CBD. Applications for buildings not within the CBD will be considered on a case by case basis, at the discretion of Council.
 - vii Retrofitting: refers to the addition of fixed attributes, assets, or features to older systems. I.e. to install, fit, replace, adapt, or modify an existing building, shop, equipment, device or system with updated parts or systems.
 - viii Significant retail stores include those that have the ability to retain local expenditure by filling a perceived void in the marketplace and/or by increasing visitor expenditure by being a destination in itself.