



**PAPAIOEA**  
**PALMERSTON**  
**NORTH**  
**CITY**

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **ECONOMIC GROWTH COMMITTEE**

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9:00 AM, WEDNESDAY 28 FEBRUARY 2024

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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**Leonie Hapeta (Chair)**  
**William Wood (Deputy Chair)**  
**Grant Smith (The Mayor)**

**Mark Arnott**  
**Brent Barrett**  
**Rachel Bowen**  
**Vaughan Dennison**  
**Roly Fitzgerald**

**Lorna Johnson**  
**Debi Marshall-Lobb**  
**Billy Meehan**  
**Orphée Mickalad**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
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# ECONOMIC GROWTH COMMITTEE MEETING

28 February 2024

## ORDER OF BUSINESS

**1. Karakia Timatanga**

**2. Apologies**

**3. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**4. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**5. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made.)

**6. Confirmation of Minutes**

Page 7

"That the minutes of the Economic Growth Committee meeting of 25 October 2023 Part I Public be confirmed as a true and correct record."

**7. Confirmation of Minutes**

Page 13

"That the minutes of the extraordinary Economic Growth Committee meeting of 15 February 2024 Part I Public be confirmed as a true and correct record."

**8. Pioneer Highway Signalised Dual Crossing**

Page 23

Report, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

**9. Annual Economic Snapshot - Palmerston North**

Page 37

Memorandum, presented by Stacey Andrews, City Economist.

**10. Central City Transformation - Streets for People 6 Monthly Update**

Page 45

Memorandum, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

**11. Proposed Bus Shelter: 85 Amberley Avenue/ Clarke Avenue - Update**

Page 49

Memorandum, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

**12. Work Schedule - February 2024**

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**13. Karakia Whakamutunga**

**14. Exclusion of Public**

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.



## PALMERSTON NORTH CITY COUNCIL

**Minutes of the Economic Growth Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 25 October 2023, commencing at 9am.**

- Members Present:** Councillor Leonie Hapeta (in the Chair), The Mayor (Grant Smith) and Councillors William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan and Orphée Mickalad.
- Non Members:** Councillors Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.
- Apologies:** Councillors Vaughan Dennison, Roly Fitzgerald

### **Karakia Timatanga**

Councillor Debi Marshall-Lobb opened the meeting with karakia.

### **53-23 Apologies**

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies from Councillors Roly Fitzgerald and Vaughan Dennison.

Clause 53-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

### **54-23 Presentation - Palmy BID**

Presentation, by Matthew Jeanes, Manager and Rob Campbell, Chair of Palmy BID.

Matthew Jeanes and Rob Campbell updated the Committee on the work Palmy BID has done in the past year, particularly around advocating for and supporting the business community of Palmerston North. They commented on:

- Working with the Police and community groups to make the city centre safer with a focus on reducing youth crime, and rough sleepers.
- Participating in Council's consultations on speed management plans, bus terminal re-development and the proposed parking framework.
- Providing key events to attract visitors to the city.

Moved Leonie Hapeta, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Economic Growth Committee receive the presentation for information.

Clause 54-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**55-23**

**Presentation - The Factory**

Presentation, by Nick Gain, Chair of The Factory.

Nick Gain updated the Committee on the work of The Factory and its strategic focus to advocate, support and access investment for innovative start-ups in the Manawatū.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Economic Growth Committee receive the presentation for information.

Clause 55-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**56-23**

**Confirmation of Minutes**

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**



1. That the minutes of the Economic Growth Committee meeting of 30 August 2023 Part I Public be confirmed as a true and correct record.

Clause 56-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**57-23**

**Confirmation of Minutes**

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the minutes of the extraordinary Economic Growth Committee meeting of 9 October 2023 Part I Public be confirmed as a true and correct record.

Clause 57-23 above was carried 11 votes to 0, with 3 abstentions, the voting being as follows:

**For:**

Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Lew Findlay, Patrick Handcock and Kaydee Zabelin.

**Abstained:**

The Mayor (Grant Smith) and Councillors Billy Meehan and Karen Naylor.

**58-23**

**Central Economic Development Agency (CEDA) Annual Report 2022-23**  
Memorandum, presented by David Murphy, Chief Planning Officer.

Bobby O'Fee, Chair and Jerry Shearman, Chief Executive presented CEDA's Annual Report 2022-23.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Central Economic Development Agency (CEDA) Annual Report 2022-23 (Attachment 1).

Clause 58-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

59-23

**Palmerston North Airport Limited - Annual report for 12 months ended 30 June 2023**

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Murray Georgel, Chair, David Lanham, Chief Executive and Jonothan Baker, Chief Finance Officer presented the Palmerston North Airport Limited Annual Report 2022/23. They also discussed the review of the directors' fees for the forthcoming year.

The meeting adjourned at 10.45am  
The meeting resumed at 11.02am

The Chair put a motion to increase the directors fees to \$146,000 per annum to acknowledge the market rate of similar sized airport boards in New Zealand.

Councillor Naylor put a motion to establish a policy that enables annual inflation adjustment to directors' fees so that fees stay closer to the market rate.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Annual Report and Financial Statements of Palmerston North Airport Limited for the year ended 30 June 2023.

Clause 59-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RECOMMENDS**

2. That Council increase the total remuneration for directors of Palmerston North Airport Limited from \$135,000 per annum to 146,000 per annum.

Clause 59-23 above was carried 10 votes to 4, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Rachel Bowen, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay and Patrick Handcock.

**Against:**

Councillors Brent Barrett, Lorna Johnson, Karen Naylor and Kaydee Zabelin.

Moved Karen Naylor, seconded William Wood.

The **COMMITTEE RESOLVED**

3. That the Chief Executive establish a policy of regular CPI increase to PNAL director fees.

Clause 59-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

### **60-23 Work Schedule - October 2023**

Moved Rachel Bowen, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Chief Executive present an annual summary report on the economic impact/ benefits of the events funded by PNCC for their economic impact with the first report to cover 2022/23.
2. That the Economic Growth Committee receive its Work Schedule dated October 2023.

Clause 60-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

The Chair announced that Items 12 to 17 on the agenda will be referred to the Council agenda of 1 November 2023.

### **Karakia Whakamutunga**

Cr Debi Marshall- Lobb closed the meeting with karakia.

The meeting finished at 11.53am

Confirmed 28 February 2024

**Chair**



## **PALMERSTON NORTH CITY COUNCIL**

### **Minutes of the Extraordinary Economic Growth Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 15 February 2024, commencing at 9.05am**

**Members Present:** Councillor William Wood (in the Chair), The Mayor (Grant Smith) and Councillors Leonie Hapeta, Mark Arnott, Brent Barrett, Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan and Orphée Mickalad.

**Non Members:** Councillor Patrick Handcock.

**Apologies:** Councillors Rachel Bowen, Roly Fitzgerald, Brent Barrett (early departure), Debi Marshall-Lobb (late arrival and early departure)

Councillor Vaughan Dennison entered the meeting at 9.21am during consideration of clause 3. He was not present for clauses 1 and 2 inclusive.

Councillor Pat Handcock left the meeting at 9.49am during consideration of clause 4. He entered the meeting again when it resumed at 11.36am. He was not present for clauses 4 to 6 inclusive.

Councillor Debi Marshall-Lobb entered the meeting at 9.55am during consideration of clause 4. She left the meeting at 11.57am. She was not present for clauses 1 to 3 inclusive and 8 to 12 inclusive.

Councillor Brent Barrett left the meeting at 10.10am during consideration of clause 4. He entered the meeting again when it resumed at 2.02pm. He was not present for clauses 4 to 10 inclusive.

The Mayor (Grant Smith) left the meeting at 10.28am after consideration of clause 4. He entered the meeting again when it resumed at 11.36am. He was not present for clauses 5 and 6 inclusive.

#### **Karakia Timatanga**

Councillor William Wood opened the meeting with karakia.

## 1-24 **Apologies**

Moved William Wood, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 1-24 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Lorna Johnson, Billy Meehan, Orphée Mickalad and Patrick Handcock.

## 2-24 **Objections Received - Bus Shelters 2024**

Moved William Wood, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That the Committee hear objections from presenters who indicated their wish to be heard in support of their objection.
2. That the Committee note the Procedure for Hearing of Objections (Attachment 1).

Clause 2-24 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Lorna Johnson, Billy Meehan, Orphée Mickalad and Patrick Handcock.

## 3-24 **Transport Choices, Bus Stops - Summary of Submissions for Bus Shelters**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport

Councillor Vaughan Dennison entered the meeting at 9.21am

Moved William Wood, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Transport Choices, Bus Stops – Summary of Submissions for Bus Shelters' presented to the Economic Growth Committee on 15 February 2024.

Clause 3-24 above was carried 10 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark

Arnott, Brent Barrett, Vaughan Dennison, Lorna Johnson, Billy Meehan, Orphée Mickalad and Patrick Handcock.

#### **4-24 Proposed Bus Shelter: 92 Pacific Drive, Fitzherbert**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport.

Councillor Pat Handcock left the at 9.49am  
Councillor Debi Marshall-Lobb entered at 9.55am  
Councillor Brent Barrett left the meeting at 10.10am

The residents spoke to their objection and presented a PowerPoint with additional photos.

The residents were concerned with the loss of privacy to the front bedroom if a bus shelter was installed. They emphasised the right to privacy is a human right and the privacy of their child is protected under the UN convention on the rights of the child.

The Committee resolved to move the shelter further to the east boundary of the property to alleviate the privacy concerns with the proposed shelter being in close proximity to the front bedroom windows.

Motion 1 was initially lost, and a subsequent motion (Motion 2) to uphold the objection was also lost. In order to give officers direction, 75% of the Committee present (6 members) agreed to take Motion 1 again under Standing Order 2.24.3 Revocation or alteration of resolution at same meeting .

Motion 1 was subsequently carried as clause 4.2-24.

Moved William Wood, seconded Mark Arnott.

#### **Note:**

Motion 1: That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop with a modification to move further to the east side of the property boundary.

The motion was tied 4 votes to 4, with 1 abstention. The chairperson declared the motion lost, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors William Wood, Mark Arnott and Lorna Johnson.

#### **Against:**

Councillors Leonie Hapeta, Vaughan Dennison, Billy Meehan and Orphée Mickalad.

#### **Abstained:**

Councillor Debi Marshall-Lobb.

Moved Billy Meehan, seconded Leonie Hapeta.

**Note:**

Motion 2: That Council uphold the objection. That Council notify 94 Pacific Drive for the installation of a bus shelter with a proposal to remove the tree.

The motion was lost 4 votes to 5, the voting being as follows:

**For:**

Councillors Leonie Hapeta, William Wood, Mark Arnott and Billy Meehan.

**Against:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb and Orphée Mickalad.

Moved Grant Smith, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. Under SO2.24.3 Revocation or alteration of resolution at same meeting, Councillors, Wood, Arnott, Dennison, Johnson, Mayor Smith, and Deputy Mayor Marshall-Lobb agree to take motion 1 again.

Clause 4.1-24 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan and Orphée Mickalad.

Moved Grant Smith, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

2. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop with a modification to move further to the east side of the property boundary.

Clause 4.2-24 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan and Orphée Mickalad.

The Mayor (Grant Smith) left the meeting at 10.28am

**5-24**

**Proposed Bus Shelter: 36 Airport Drive, Milson**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport.

The residents spoke to their objection and presented photos. The



following additional comments were made:

- They do not object to a bus stop but a bus shelter.
- They have concerns the Council does not appear to be fixing current vandalised bus shelters in the community and hence if a shelter were erected in front of their property it would not be properly or efficiently maintained.

Officers reassured the committee that any incident reports will be promptly dealt with.

Moved William Wood, seconded Lorna Johnson.

#### The **COMMITTEE RECOMMENDS**

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

Clause 5-24 above was carried 5 votes to 3, the voting being as follows:

**For:**

Councillors Leonie Hapeta, William Wood, Lorna Johnson, Debi Marshall-Lobb and Orphée Mickalad.

**Against:**

Councillors Mark Arnott, Vaughan Dennison and Billy Meehan.

#### **6-24**

#### **Proposed Bus Shelter: 85 Amberley Avenue, Highbury**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery, and Michael Bridge, Service Manager, Active Transport

The resident spoke to their objection and presented the aerial view of the proposed bus shelter (included in report). The following additional comments were made:

- The shelter should be moved further down the road across from the park.
- The proposed location would impede access to his driveway and this would significantly limit parking options for him and any visitors.
- The area is a high risk traffic safety area with multiple traffic incidents in the past.

The Committee resolved to lay the report on the table, to give officers time to receive and consider a Safe System Audit it had commissioned as part of its response, and then report back to the Committee.

Moved Leonie Hapeta, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. To lie the report on the table.

Clause 6-24 above was carried 5 votes to 3, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Mark Arnott, Vaughan Dennison, Billy Meehan and Orphée Mickalad.

**Against:**

Councillors William Wood, Lorna Johnson and Debi Marshall-Lobb.

The meeting adjourned at 11.17am

The meeting resumed at 11.36am

The Mayor (Grant Smith) and Councillor Pat Handcock were present when the meeting resumed at 11.36am.

**7-24**

**Proposed Bus Shelter: 17 Featherston Street, Takaro**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport

The resident spoke to their objection and presented a document showing the layout of their house. The following additional comments were made:

- The resident has a medical condition where she uses a wheelchair and spends a significant time in her front bedroom.
- Her bedroom is located at the front of the house nearest to the footpath.
- Excessive noise triggers her condition and she is concerned with the additional noise that will be generated by people waiting at the bus stop.
- Her house is modified to accommodate her condition and therefore she cannot easily relocate to the bedroom at the rear of the house.

The Committee resolved to uphold the objection, because the impact to the resident's health significantly outweighs the need to have a bus shelter. The Committee requested officers consider relocating the bus stop from this location.

Moved Lorna Johnson, seconded Grant Smith.

The **COMMITTEE RECOMMENDS**

That the Council decide not to proceed with the bus shelter at that site – 17 Featherston Street.

Clause 7-24 above was carried 8 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Debi Marshall-Lobb and Orphée Mickalad.

**Against:**

Councillor Patrick Handcock.

Councillor Debi Marshall-Lobb left the meeting at 11.57am

**8-24 Proposed Bus Shelter: 292 Ruahine Street, Terrace End**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery, Michael Bridge, Service Manager, Active Transport

This objection was taken on the papers.

The Committee resolved to uphold the objection as they considered the impact to the resident's health significantly outweighs the need to have a bus shelter.

Moved Lorna Johnson, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Council decide not to proceed with the bus shelter at this site – 292 Ruahine Street.

Clause 8-24 above was carried 8 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Orphée Mickalad and Patrick Handcock.

**9-24 Proposed Bus Shelter: 165 James Line, Kelvin Grove**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport.

This objection was taken on the papers.

Officers noted attachment 4 (aerial view of proposed shelter) was incorrect. The correct version was presented at the meeting.

Moved William Wood, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

Clause 9-24 above was carried 8 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Orphée Mickalad and Patrick Handcock.

**10-24**

**Proposed Bus Shelter: 552 Ruahine Street, Hokowhitu**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport.

This objection was taken on the papers.

Moved William Wood, seconded Patrick Handcock.

The **COMMITTEE RECOMMENDS**

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

Clause 10-24 above was carried 8 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Lorna Johnson, Orphée Mickalad and Patrick Handcock.

The meeting adjourned at 12.22pm

The meeting resumed at 2.02pm

Councillor Brent Barrett was present when the meeting resumed at 2.02pm

**11-24**

**Proposed Bus Shelter: 91 Milson Line, Milson**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery and Michael Bridge, Service Manager, Active Transport.

One of the owners of the complex spoke on behalf of all the owners. He spoke to the objection and presented documents showing plans for a proposed medical centre. The following additional comments were made:

- There are three issue with the proposed bus shelter location around safety, parking and future proofing.
- Safety concerns due to the high traffic use in the current facility.
- Concerns over a reduction in parking

- Concerns over a lack of future proofing for the bus network to better service the community when the planned medical centre is implemented.
- Suggested moving the bus shelter in front of the proposed medical centre, which is around 100m down from the current proposed site. This would better service the community and stop the need for it to be moved in the future when the medical centre is complete.

A second objection received was taken on the papers.

The Committee resolved to uphold the objection and propose the shelter be moved in front of the planned medical centre as this made more sense to service both current and future users.

Moved Lorna Johnson, seconded William Wood.

The **COMMITTEE RECOMMENDS**

1. That the Council decide not to proceed with the bus shelter at that site – 91 Milson Line.

Clause 11-24 above was carried 8 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Vaughan Dennison, Lorna Johnson and Orphée Mickalad.

**Against:**

Councillor Patrick Handcock.

**12-24**

**Proposed Bus Shelter: 41 James Line, Kelvin Grove**

Memorandum, presented by Frances Duffin, Intermediate Project Manager, Bryce Hosking, Group Manager – Property & Resource Recovery, Michael Bridge, Service Manager, Active Transport

The resident spoke to the objection but did not make any additional comments.

Moved William Wood, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

Clause 12-24 above was carried 8 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors William Wood, Mark Arnott, Brent Barrett, Vaughan Dennison, Lorna Johnson, Orphée Mickalad and Patrick Handcock.

**Against:**  
Councillor Leonie Hapeta.

**Karakia Whakamutunga**

Councillor William Wood closed the meeting with karakia.

The meeting finished at 2.47pm  
Confirmed 28 February 2024

**Chair**

## REPORT

**TO:** Economic Growth Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Pioneer Highway Signalised Dual Crossing

**PRESENTED BY:** Bryce Hosking, Acting Group Manager - Transport and Development

**APPROVED BY:** Chris Dyhrberg, Chief Infrastructure Officer

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### RECOMMENDATION TO COUNCIL

**1. That Council EITHER:**

- a. **Agree Option 1 and construct the signalised dual crossing in the location described in Attachment 2, noting this will remove the right-hand turn exit from the shopping centre.**

**OR**

- b. **Agree Option 2 and construct the signalised dual crossing as described in Attachment 3, noting this will continue to allow a right-hand turn exit from the shopping centre.**

### SUMMARY OF OPTIONS ANALYSIS FOR

<p><b>Problem or Opportunity</b></p>	<p>Council is planning to construct a signalised dual crossing across Pioneer Highway outside the Pioneer Highway Shopping Centre. The crossing will provide a safe connection between the shopping centre, bus stops, and the existing separated cycleway to the shared pathway on the opposite side of the road.</p> <p>Consideration needs to be given towards whether a right-hand turn exit from the shopping centre is still to be permitted. Right turns on this section of Pioneer Highway have been stopped due to safety concerns already. This consideration will determine the exact location of the crossing. The businesses within the Shopping Centre have been further consulted with on this matter.</p> <p>This report presents the feedback of the consultation with the businesses in the shopping centre and seeks a decision on whether the right turn is to be retained, and by association, the exact location of the crossing.</p>
<p>Community</p>	<ul style="list-style-type: none"> <li>• Safety improvements and raised signalised crossings to make road corridors safer are generally well received and viewed</li> </ul>

Views	<p>positively by the wider community.</p> <ul style="list-style-type: none"> <li>• There was mixed public views on removing the right turn exit from the shopping centre, with some concerns around a loss of convenience and the potential for unsafe driving behaviour as people try to do U-turns down the road.</li> <li>• The views of the businesses in the shopping centre mirror the wider mixed views with some in favour, some opposed and some neutral on the elements of the project.</li> <li>• The three largest retailers in the shopping centre opposed removing the right turn exit from the shopping centre as they felt it would inconvenience their customers, negatively impacting their respective businesses. While no weighting has been given on their views compared to the other retailers, this may be a consideration in decision making when considering the feedback.</li> </ul>
<b>OPTION 1:</b>	<b>Construct the signalised crossing as detailed in Attachment 2; remove the right-hand turn exit from the shopping centre.</b>
Benefits	<ul style="list-style-type: none"> <li>• Safety in this section of Pioneer Highway will be improved as the right turn exit from the shopping centre will be stopped.</li> <li>• Stopping the right turn will be consistent with the other previous right turns in this section of Pioneer Highway being stopped.</li> <li>• Removing the right turn exit from the shopping centre will satisfy some members of the public and businesses within the shopping centre.</li> <li>• This location provides a direct route for the bus users to access the shopping centre (via the dual crossing).</li> </ul>
Risks	<ul style="list-style-type: none"> <li>• Council may be criticised by some sections of the community for removing the right turn exit. This risk can be mitigated as through proactive communications to the wider public to illustrate Council's reasons for stopping the right turn.</li> <li>• Council may be criticised by some of the businesses in the shopping centre for not adhering to the feedback they provided in the consultation with them. This risk has been mitigated through providing them the opportunity to provide feedback and working to a transparent process around making this decision.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• The total project cost is \$800K (\$400K for the signalised crossing, and \$400K for the extension of the shared path to Lyndhurst Street). This is a planned and budgeted programme in 2023/24.</li> <li>• There have been some minor costs incurred in respect to further consultation and exploring alternative design options,</li> </ul>



	<p>however, there are no additional costs in relation to this option from the original planned project cost. These costs have been accommodated within existing budgets.</p>
<b>OPTION 2:</b>	<b>Construct the signalised dual crossing as described in Attachment 3; continue to allow a right-hand turn exit from the shopping centre.</b>
Benefits	<ul style="list-style-type: none"> <li>The status quo of turning right from the shopping centre will remain, which will satisfy some members of the public and businesses within the shopping centre.</li> </ul>
Risks	<ul style="list-style-type: none"> <li>The safety risk associated with the right turn exit from the shopping centre will not be resolved and this will also be inconsistent with removing other right hand turns along this road. This risk cannot be mitigated.</li> <li>Bus users will have to walk further to access the dual crossing to the shopping centre.</li> <li>Council may be criticised by some sections of the community for not removing the right turn despite this being identified as a safety risk. This risk can be mitigated as much as possible through proactive communications to the wider public to illustrate Council's reasons for retaining the right turn exit.</li> <li>Council may be criticised by some of the businesses in the shopping centre for not adhering to the feedback they provided in the consultation with them. This risk has been mitigated as much as possible through providing them the opportunity to provide feedback and working to a transparent process around making this decision.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>The total project cost is \$800K (\$400K for the signalised crossing, and \$400K for the extension of the shared path to Lyndhurst Street). This is a planned and budgeted programme in 2023/24.</li> <li>Further costs of circa \$30K will be incurred as the concept designs will need to be developed into construction ready drawings. This can be accommodated within existing budgets through the project contingency, although this will leave less contingency for the balance of the project should unexpected costs arise.</li> </ul>

## RATIONALE FOR THE RECOMMENDATIONS

### 1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 Council is planning to construct a signalised dual crossing across Pioneer Highway outside the Pioneer Highway Shopping Centre.

- 1.2 This report presents the feedback of the consultation with the businesses in the shopping centre and seeks a decision on whether the right turn is to be retained, and by association, the exact location of the crossing.

**2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS**

2019 Urban Cycle Network Masterplan, 2021-31 Long Term Plan and Transport Plans

- 2.1 Council adopted an Urban Cycle Network Masterplan in 2019. Its purpose is to map out an investment programme for the urban cycle network and to create an environment and culture that encourages more people in Palmerston North to choose cycling more often.
- 2.2 The implementation of the Urban Cycle Network Masterplan was endorsed in the 2021-31 Long-Term Plan and Transport Plans. The Transport Plan signals that one of the key measures of success for the plan is an increase in walking and cycling. The Transport Plan also highlights that in Palmerston North only a small proportion of total trips incorporate active transport, that fatal and serious injury crashes involving cyclists continues to increase and that the perception of cycling as unsafe is a key barrier to an increase in cycling uptake.

Main Street South – Pioneer Highway Shared Pathway

- 2.3 The report titled ‘Main Street Cycleway - Permanent Solution Decision’ was presented to the Economic Growth Committee on 22 February 2023. This report confirmed the plans to complete a connected cycleway and shared path along the Pioneer Highway route.
- 2.4 The signalised pedestrian crossing linking the Pioneer Highway shopping centre with an extended shared path on the northern side of Pioneer Highway are the final elements of the Pioneer Highway route and is a planned and budgeted project in the 2023/24 Financial Year.
- 2.5 In August 2023 design consultants were engaged to design the crossing and extended pathway.
- 2.6 Later, when the new bus routes were determined for the city, the designs were revised to include bus stops on each side of the road in the vicinity of the shopping complex. The design would remove the ability for visitors to the centre to exit right from the shopping complex onto Pioneer Highway. Broadly this design is considered Option 1 of this report.
- 2.7 On 1 November 2023, Council resolved the west-bound bus stop and shelter is not located in the existing loading zone outside Pioneer Bakery. An alternative location outside the Mobil Service Station was explored and Mobil was provided the opportunity to object, which they did not. This means this location can proceed without the matter needing to be heard by the Economic Growth Committee.

### **3. PIONEER HIGHWAY SIGNALISED CROSSING SAFETY ASSESSMENT**

3.1 In November 2023, WSP were commissioned to undertake a safety assessment in respect to the crossing and surrounding road corridor to help inform the design decision.

3.2 The key findings from the report and safety risks identified as part of the assessment are summarised below:

- A small proportion of the overall vehicles turn right out of the shopping centre access (20-25%, or 25-30 vehicles within an-hour period during AM and PM peaks).
- Although many were non-injury, there is a significant crash history at the shopping centre access related to the right turn out movement.
- There seems to be existing hesitation/ risky behaviour for vehicles exiting right from the shopping centre. This is evident in the crash reports and site observations.
- There is no crash risk or site observation that indicated a risk for U-turners.
- Some pedestrians may continue to cross in line with the existing crossing location (Desire line).
- The proposed west-bound bus stop may create a visual obstruction to oncoming vehicles and cyclists for vehicles exiting the shopping centre.
- Vehicles will queue at the signalised crossing when activated which could block right-turning traffic out of the shopping centre or encourage dangerous manoeuvres. The proposed position of the crossing in Option 2 of this report would improve this slightly but in peak times the risk would still exist.
- There will be an increased frequency of U-turn movements along Pioneer Highway resulted from the removal of the right turn out of the shopping centre.

### **4. SUMMARY OF FEEDBACK FROM CONSULTATION WITH THE BUSINESSES WITHIN PIONEER HIGHWAY SHOPPING CENTRE**

4.1 Officers have concluded consultation meetings with each business in the Pioneer Shopping Centre about the signalised pedestrian crossing and shared pathway.

4.2 A breakdown of the feedback received is attached as Attachment 1, however, a summary of the feedback is provided below:

- The shared pathway on the opposite side of the road was well supported.

- The signalised crossing was supported in principle by most of the businesses, with one suggesting the location should be changed to retain the right-hand exit.
- Four businesses do not support the existing proposal at all due to the removal of the right-hand exit from the shopping centre car park and would rather an alternative be explored such as signalling the Cook/ Pioneer Highway intersection.

4.3 Key issues/ concerns raised:

- There was a concern that there would be a higher likelihood of U-turns at Shamrock Street caused by the removal of the right-hand exit at the shopping centre.
- Removing the right turn exit from the car park may cause perceived inconvenience for customers.
- Removing right turns from the West Street intersection a few years ago has created issues with motorists' rat racing through the shopping centre car park to use the right-turn onto Pioneer there instead.

4.4 When considering the feedback to inform a recommendation, officers have considered all views equally and not placed any weighting on the size of the different businesses in the complex. That said, it is acknowledged that the three largest businesses would easily generate most of the visitor traffic into the shopping complex, so their views needed to be considered carefully.

**5. DESCRIPTION AND ANALYSIS OF OPTIONS**

5.1 Preliminary designs for both options are attached as Attachment 2 and Attachment 3 which demonstrate the different locations of the crossing in respect to the shopping centre driveway.

Option 1: Construct the signalised crossing as detailed in Attachment 2, removing the right turn exit from the shopping centre.

5.2 Option 1 would remove a right turn exit from the shopping centre.

5.3 The design provides a direct route from the east-bound bus stop straight across to the shopping centre and prevents the right turn exit.

5.4 As referenced in 2.3, the west-bound bus stop will be located outside Mobil in both options, meaning an approximately 70m walk for passengers to the signalised crossing, across two busy vehicle crossings.

5.5 The total project cost for both Options is \$800K. This is broken down to \$400K for the signalised crossing, and \$400K for the extension of the shared path to Lyndhurst Street. This is a planned and budgeted programme in 2023/24.

Option 2: Construct the signalised crossing as detailed in Attachment 3, continuing to allow a right turn exit from the shopping centre.

- 5.6 Option 2 would retain the right turn exit from the shopping centre.
- 5.7 The design provides a slightly less direct route across from the east-bound bus stop, but still provides an obvious safe link across Pioneer Highway.
- 5.8 If this Option is chosen further costs of circa \$30K will be incurred as the concept designs will need to be developed into construction ready drawings. This can be accommodated within existing budgets through the project contingency, although this will leave less contingency for the balance of the project should unexpected costs arise.

**6. CONCLUSION**

- 6.1 Position of the signalised crossing is driven by the decision of whether to stop the existing right turn out of the shopping centre. The design of the crossing itself is not hugely different between the two options.
- 6.2 There is a significant crash history at the shopping centre relating to the right turn out movement. Much of this seems to be caused from hesitation/ risky behaviour for vehicles turning right out of the shopping centre. This is evident in the crash reports and site observations (see section 3).
- 6.3 After considering the consultation feedback from the businesses in the shopping centre in conjunction with the safety assessment and results, Council now needs to decide how best to achieve the project outcomes.

**7. NEXT ACTIONS**

- 7.1 Construct the signalised crossing outside the Pioneer Shopping Centre in the endorsed position along with the shared pathway on the opposite side of the road.

**8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS**




- 8.1 Officers have met with each business in the Pioneer Shopping Centre about the signalised pedestrian crossing and shared pathway. The feedback from this is covered in Section 3 of this report and in Attachment 1.

**COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>

Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
<p>The recommendations contribute to the achievement of action/actions in Transport</p> <p>The action is: Prioritise active transport programmes that deliver on Council goals, the purpose of this plan, and the Government Policy Statement on Transport.</p>	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	Road safety improvements will improve access to the shopping complex, provide more opportunity for people to choose active and public transport and in turn deliver transport, health, social, environmental, and economic benefits to the community.

**ATTACHMENTS**

1. Feedback from consultation with the Pioneer Highway Shopping Centre Businesses [↓](#) 
2. Option 1\_ Crossing location design [↓](#) 
3. Option 2 \_ Crossing location design [↓](#) 

**FEEDBACK FROM CONSULTATION WITH THE BUSINESSES WITHIN PIONEER HIGHWAY SHOPPING CENTRE**

<b>Date</b>	<b>Stakeholder</b>	<b>Proposed crossing</b>	<b>Shared pathway</b>	<b>Removing the right turn</b>	<b>Feedback</b>
15/11/23	Uncle Sam's Takeaways owner	Support	Neutral	Neutral	Email: "I have no issues with the proposed crossing and do not want to partake in the consultation."
21/11/23	Dominos Manager	Support	Support	Support	Email: "Everything looks good. No objections from our side." Meeting onsite: General support for the crossing. Believes right-turns out of the car park should remain.
17/11/23	Pioneer Home Cookery owner	Support – with location change	Support	Opposed	Preventing right-turns would only create additional safety issues further down the road, with drivers likely to U-turn at Shamrock St.  The issue is trying to balance the convenience of customers using the car park with improving the safety of the road.  Says a better solution would be to install the traffic lights at the West St intersection to re-enable the right turn there as currently the only right turns from side streets onto Pioneer is at traffic lights at Botanical and Cook intersections. Believes people will not drive around the block if right-turn exit is removed but rather U-turn.  Believes council should do some traffic surveys to monitor how many cars currently use the right turn exit – estimates it would be about 500 per day.
20/11/23	Vautier Pharmacy store manager	Support	Support	Support	Meeting onsite: Supports crossing and removing the right-turn exit from car park for improved safety.  Concerned about U-turns at Shamrock Street and potential for increasing number of accidents. Suggests infrastructure treatments to prevent U-turns.  Has witnessed motorists drive over the kerb/grass verge before, so says kerbs on crossing should be higher to prevent this or to install flexi-poles.

				Believes traffic counts should be done to determine the number of motorists using the right turn exit as this will likely be the number who consider doing do U-turns.  Says a lot of the centre's customers are often impatient, tooting at other motorists if they wait too long, and do not follow road rules.
30/11/23	Mad Butcher Liquorland T-Market	Opposed	Support	Opposed
				<p>Joint meeting onsite: These three businesses support retaining the right-turn exit from car park. They are concerned about the perception of inconvenience for customers by removing one of the most frequently used manoeuvres in the car park.</p> <p>They support traffic lights at the West Street intersection as the right turn was removed there a few years ago. Car park experiences a lot of rat racing via West Street for motorists wanting to turn right onto Pioneer. This adds vehicles to an already congested area – often at peak times.</p> <p>Concerned about motorists making U turns at Shamrock Street. Agrees U-turns at Shamrock Street are likely safer than right turns out of the car park due to having a dedicated turning bay to wait and fewer lanes of traffic to navigate, but questioned whether Shamrock Street turning bay is long enough to hold the number of vehicles from the shopping centre that would use the U-turn.</p> <p>Explains these three stores alone draw about 12,000 to 13,000 customers per week, and the nature of the businesses in the wider shopping centre means they all have varying peak shopping periods.</p> <p>There are currently on average a handful of minor accidents in the car park each week and Mad Butcher is often asked to review their security cameras.</p> <p>Shopping centre to be earthquake strengthened soon, but they are unsure exactly when and do not want construction of the crossing to occur simultaneously.</p> <p>Questioned whether council can mark new parking spaces in the West Street road reserve owned by Council to create additional capacity - see below image:</p>





	Mobil Retail Territory Manager	Support	Support	Support	<p>Meeting onsite:          Proposal is unlikely to have any impact on Mobil site or operation.</p> <p>We are aware of safety issues at the car park to the Pioneer Shopping Centre. Entering and exiting the car park is currently dangerous as there can be multiple cars making multiple different turning movements at the same time.</p>
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## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Annual Economic Snapshot - Palmerston North

**PRESENTED BY:** Stacey Andrews, City Economist

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE:

1. That the Committee receive the report titled 'Annual Economic Snapshot – Palmerston North 2024 (Attachment 1)' presented to the Economic Growth Committee on 28 February 2024.
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### 1. PURPOSE

- 1.1 This memorandum presents a summary of the latest annual data for the Palmerston North economy. Although the information included in the snapshot is the latest data available, there are differences in the timing of the release of data.
- 1.2 Due to these differences, the following section includes commentary under the categories of population, Gross Domestic Product (GDP), business and jobs, earnings and income, spending, and housing. An economic outlook for the city based on all information available is also included.
- 1.3 The annual snapshot uses information from research currently being undertaken to develop the Palmerston North annual economic structure report. This more in-depth research is due to be reported to the Economic Growth Committee in April 2024, alongside the December 2023 quarter economic update.

### 2. ANNUAL ECONOMIC SNAPSHOT

#### Population

- 2.1 The population of Palmerston North is estimated by Statistics NZ to have increased by 1,500 to 91,800 over the year to June 2023. This is an annual increase of 1.7% compared with a 2.1% increase nationally. This growth was driven by renewed access to overseas workers after the opening of the borders in 2022. Machinery operation and driving services, and nursing and midwifery professions, benefitted the most with the number of workers employed increasing by 104 and 62 respectively, over the March 2023 year.

## GDP

- 2.2 GDP increased by 1.2% over the September 2023 year. The performance of the city economy was particularly strong over the timeframe 2018-2022, with annual growth slowing off a high base in 2023. This slower activity is indicative of national trends where economic activity has been impacted by higher interest rates and a slowdown in spending and investment activity.

## Business and jobs

- 2.3 There were 8,412 businesses in Palmerston North in February 2023; a slight increase of three businesses from the previous year. This flat growth follows a period of high growth over the February 2022 year, where the number of businesses in the city increased by 315 (+4.1%).
- 2.4 The business survival rate expresses the percentage of new businesses in February 2020 that continue to operate in February 2023. The business survival rate for the city over this three-year period was 55.5%. This compares with 61.6% nationally. Business survival rates for the city have fluctuated between 61.1% and 55.5% over the period 2017-2023.
- 2.5 Commercial and industrial investment was relatively strong over the year to December 2023, with consent values up 47.6%. This compares with 0.0% growth nationally. Construction consents for shops, restaurants and bars, and storage buildings were particularly elevated, with planned investment in office and farm buildings in the city easing over the year.
- 2.6 The annual average unemployment rate sat at 4.0% in the city in September 2023. This compares with 3.5% nationally. Labour shortages constrained business activity both in the city and nationally in 2022 and 2023. The easing of labour market conditions is helping to ease capacity constraints with the biggest concern for businesses now shifting to weaker demand.
- 2.7 The number of MSD jobseeker beneficiaries in the city increased by 138 over the year to September, to a total of 2,919. This is a 5.0% increase on the previous year and compares with a 6.7% increase nationally. Of this increase, 123 people were receiving the benefit due to health conditions and disability.

## Earnings and income

- 2.8 Linked Employer Employee Data from the New Zealand tax records provide the most detailed information on earnings and income at the local level. The downside of this data is that there is a fourteen month lag between the period covered and the release of the data.
- 2.9 The latest data for the city indicates that total annual earnings increased by 7.1% over the year to September 2022, a total of \$3,430.0m. This compares with a 10.2% increase in total national earnings over the same period.

Average household living costs<sup>1</sup> increased 7.8% over this period, and continue to be elevated, rising 7.0% over the year to December 2023.

- 2.10 Since September 2022, labour costs have increased a further 5.5%<sup>2</sup> across the country, therefore we anticipate that earnings, both in the city and nationally, have grown substantially since September 2022. The rate of earnings growth is expected to ease this year as the pool of available workers increases and pressure on wage growth subsides. Early indications of easing labour market conditions is reflected in the national unemployment rate increasing to 4.0% in the December quarter 2023.
- 2.11 Median earnings from salaries and wages also increased strongly over the September 2022 year, up 6.9% in the city compared with 7.6% nationally.
- 2.12 Average annual household incomes are estimated to have increased by 6.3% to \$118,873 in Palmerston North in the March 2023 year. This compares with a national average annual household income of \$127,423, up 5.6% over the year. While earnings have been increasing due to wage inflation, the cost of living has also increased sharply, eroding the impact of higher incomes on spending across the economy.

**Spending**

- 2.13 Retail spending increased by 3.0% in the city over the year to December 2023, to a total of \$1,493.3m. This compares with a 4.3% increase in retail spending nationally. Retail spending is in dollar value and does not account for the impact of inflation on the purchasing power of consumers.
- 2.14 The retail sector is under pressure as wider economic challenges weigh on spending. Spending growth fell well below the rate of household inflation, measured by both the Household Living Cost Index (+7.0%) and the Consumer Price Index (+4.6%), over the year to December 2023. This real decline in spending reflects the impact of higher costs and a reduction in disposable incomes and profitability on spending across the economy.
- 2.15 Total tourism spending in the city increased by 11.7% to a total of \$500 million over the September 2023 year, providing businesses with some support from weak household demand across the economy. National tourism spending increased by a 28.3% over the year, driven by the recovery of international visitors to our national tourism hotspots.
- 2.16 Palmerston North ranked 12<sup>th</sup> in the value of tourism spending over the year to September 2023. The city is dominated by domestic tourism ranking 10<sup>th</sup> compared with all other Territorial Authorities. The city ranked 20<sup>th</sup> in terms of the value of international spending over the September 2023 year.

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<sup>1</sup> The Household Living Cost Index includes the impact of interest rates on household costs. This differs from the CPI which includes the impact of the increase in costs of building a house but does not include interest rates.

<sup>2</sup> Statistics NZ Labour Cost Index, all sectors combined, all salary and wage rates.

## **Housing**

- 2.17 House prices have turned the corner, increasing 1.8% to an average value of \$648,190 in the city over the three months to January 2024. This compares with a 2.1% increase nationally to an average value of \$928,184. The average house price, both in the city and nationally, remains slightly down on a year ago.
- 2.18 The affordability of saving for a deposit alongside easing interest rate expectations is driving an increase in first home buyers. This is reflected in mortgage lending statistics, where mortgage lending to first home buyers increased by 20.3% in December 2023 compared with December 2022. Investor lending remains weak but is expected to strengthen as interest deductibility is restored by the new government.
- 2.19 Home ownership remains more affordable in Palmerston North with the average house price equal to 5.5 times the average income in September 2023. This compares with 7.1 times the average income, nationally.
- 2.20 National dwelling consents plummeted -24.8% over the year as tougher lending conditions and declining capital values impacted on investment. In contrast, new dwelling consents in the city peaked in July 2020 with 572 new dwelling consents issued over the year. The national peak was almost two years later with a total of 51,015 consents issued over the year to May 2022. Consents in the city are now rebounding from a weaker 2022 and 2023, while national consents continue to weaken off the 2022 peak.

## **Outlook**

- 2.21 Economic activity in the city has proven resilient with levels of GDP growth, employment and earnings remaining buoyant. Challenges have been increasing however, as pressure on the household sector impacts on spending, and business activity across the region. Retail and services are coming under increasing pressure as high living costs reduce demand for goods and services across the economy.
- 2.22 On the upside, the Reserve Bank is edging closer to the target range of 1%-3% inflation, signalling the likelihood of an OCR cut later in the year. Domestic inflationary pressures are not falling fast enough, however, and the labour market remains stronger than anticipated. These factors are likely to remove any incentive for the RBNZ to reduce interest rates sooner than late 2024. Falling interest rates from overseas are putting downward pressure on fixed interest rates here, but relief is likely to be minimal with the higher for longer OCR continuing to elevate costs to households and businesses throughout 2024. Labour demand is also expected to fall in 2024 in response to weaker demand across the economy, lifting the historically low unemployment rate to more normal levels.
- 2.23 Record net migration is boosting access to skilled overseas workers in short supply over the pandemic period. This has helped to reduce supply side



inflation but is also contributing to inflation on the other side of the equation. In particular, rental prices are increasing due to elevated demand. Housing pressures will be something to watch over the year, alongside population and labour force indicators.

- 2.24 Planned investment remains positive in the city with elevated central government investment in infrastructure and housing, and private commercial and industrial construction investment. The city economy is buoyed by the scale of the defence, education and health care sectors that are less exposed to economic cycles and the downturn in consumer and business spending. This will support economic activity in Palmerston North relative to parts of New Zealand with greater dependency on consumer demand.
- 2.25 There will be significant challenges in 2024, however, as the New Zealand economy navigates this period of higher interest rates and low growth required to bring inflation back under control.

**3. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the city and the longer-term outlook for growth, is important for encouraging local business to invest growing their business and attracting new businesses to the city.

**ATTACHMENTS**

- 1. Palmerston North Economic Growth Indicators 2023 [↓](#) 







## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Central City Transformation - Streets for People 6 Monthly Update

**PRESENTED BY:** Bryce Hosking, Acting Group Manager - Transport and Development

**APPROVED BY:** Chris Dyhrberg, Chief Infrastructure Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the memorandum titled 'Central City Transformation – Streets for People 6 Monthly Update' presented to the Economic Growth Committee on 28 February 2023.
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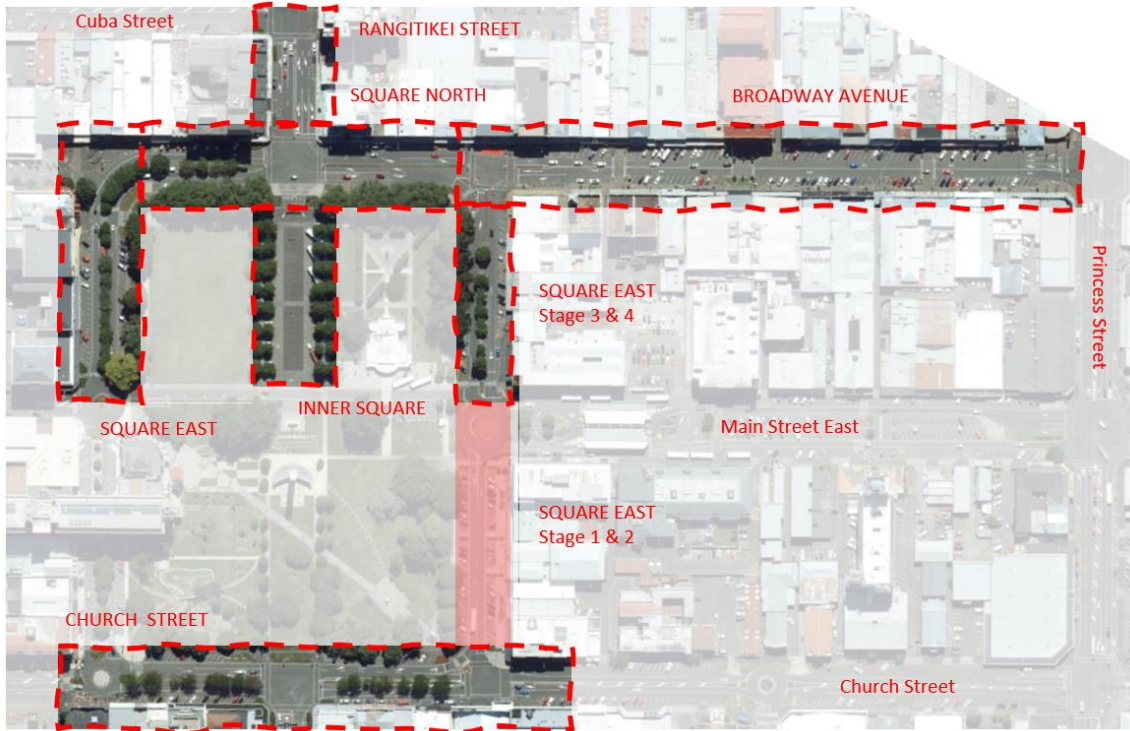
#### 1. ISSUE

- 1.1 The Economic Growth Committee requested 6 monthly updates be provided for Council's Central City Transformation – Streets for People Programme.
- 1.2 This report provides an update on the programme for the period ending 31 January 2024. The previous six monthly update was presented to the committee on [21 June 2023](#).

#### 2. BACKGROUND

- 2.1 The Streets for People Programme delivers on Council's City Centre Streetscape Plan and was included in the 2018-28 Long-Term Plan through Programme 2122 (CBD Streets for People). The objective of the programme is to invest into the public realm resulting in the following benefits:
  - Improved vitality in the city centre, more people, more often, more interaction with the streetscape.
  - Slow traffic speeds and decreased through traffic volumes – with pedestrians prioritised.
  - A range of population demographics actively using the streets; and
  - Improved multi-mode share for getting to and moving around the streets.

- 2.2 The Streets for People Programme aligns with the city's strategic aspiration for the road network and is one of the key work activities of the Palmerston North Integrated Transport Initiative (PNITI).
- 2.3 A map of the streets covered by Council's Central City Transformation- Streets for People programme is outlined in red dashed lines below:



- 2.4 The first stages of the programme, as noted in faded red, were completed in June 2020.

**3. PROJECT UPDATE**

Programme Steering Group

- 3.1 The Terms of Reference and the membership for the Central City Transformation Steering Group were adopted by Council in June 2023.
- 3.2 Due to availability the Steering Group has not yet met. The first meeting is scheduled for 29 February 2024.

Design

- 3.3 The designs for all sections of the programme were completed in June 2023 as planned.

Budget and Implementation

- 3.4 Programme 2122 (City Centre – Streets for People Upgrade) is included in the draft 2024-34 Long-Term Plan. Providing the programme is included in the final Long-Term Plan 2024-34, this will see the implementation of several sections of

the programme, starting with the Square East and Square North sections through to Cuba Street, budget permitting in 2024/25 and 2025/26. 51% co-funding has been applied for through the New Zealand Transport Agency – Waka Kotahi in Council’s Long-Term Plan submission.

3.5 The timing of the next stages is planned to align with the private redevelopment of the old post office site.

**4. NEXT STEPS**

4.1 The Programme Steering Group will meet on 29 February 2024.

4.2 The next 6 monthly update will be provided in August 2024.

**5. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in City Shaping	
The action is:	
<ul style="list-style-type: none"> <li>• The city centre contributes positively to the perception of Palmerston North.</li> <li>• Visible public life and pedestrian counts increase.</li> <li>• The city centre has a series of places with a strong place identity.</li> </ul>	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	<p>A vibrant city centre will make Palmerston North even more attractive for work and play, provide more opportunities for locals and visitors to connect with the city and the people who live here, and bring significant benefits for the local economy.</p> <p>Streets for People provides investment in the public space to ensure our roads are places for people, not just vehicles and encourages more private investment in the city centre.</p>

**ATTACHMENTS** Nil





## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Proposed Bus Shelter: 85 Amberley Avenue/ Clarke Avenue - Update

**PRESENTED BY:** Bryce Hosking, Acting Group Manager - Transport and Development

**APPROVED BY:** Chris Dyhrberg, Chief Infrastructure Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee lift the report '[Proposed Bus Shelter: 85 Amberley Avenue, Highbury](#)' from the table.
  2. That the Committee note the Chief Executive will relocate the bus stop at 85 Amberley Ave.
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#### 1. ISSUE

- 1.1 The report titled '[Proposed Bus Shelter: 85 Amberley Avenue, Highbury](#)' was laid on the table by the Economic Growth Committee extraordinary meeting of 15 February 2024.
- 1.2 The objector being heard cited wider safety concerns for the street.
- 1.3 After considering the concerns raised at the hearing, alongside the safe systems audit report for Clarke Avenue, Officers, under delegation have determined it would be appropriate to relocate the bus stop and any associated shelter to an alternative location.

#### 2. NEXT STEPS

- 2.1 The objector to 85 Amberley Avenue will be informed of the decision.
- 2.2 An alternative location for a bus stop will be sought on Clarke Avenue. If a shelter is also proposed, effected property owners and residents will be provided the opportunity to object to the shelter.
- 2.3 The existing bus stop will remain in place until a new location on the street is established as there needs to be an active stop on the street to support the new bus route. The existing location will then be decommissioned and the area 'made good'.

2.4 Officers will also consider what other safety improvement works could be implemented on Clarke Avenue to deter speeding and antisocial behaviour on the road.

**3. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: Active and Public transport are genuine mode choices.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	Modifies proposal in response to objector safety concerns.

**ATTACHMENTS**

Nil

## COMMITTEE WORK SCHEDULE

TO: Economic Growth Committee

MEETING DATE: 28 February 2024

TITLE: Work Schedule - February 2024

### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Economic Growth Committee receive its Work Schedule dated February 2024.

#### COMMITTEE WORK SCHEDULE – FEBRUARY 2024

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
1	28 Feb 2024	Annual Snapshot of Economic indicators for the city	Chief Planning Officer		30 August 2023 Clause 35-23
2	28 Feb 2024	Streets for People Update (6 monthly)	Chief Infrastructure Officer		Terms of Reference
	28 Feb 2024	Amendment to the Appointment of Directors & Trustees Policy 2022	Acting Chief Executive Unit Manager		
3	28 Feb 2024 24 Apr 2024	Parking Framework – Draft for consultation	Chief Planning Officer		
4	24 Apr 2024	Vogel Street Safety Improvements - Community feedback and analysis of options	Chief Infrastructure Officer		12 April 2023 Clause 14-23
5	24 Apr 2024	PN Airport– Six Month Report and draft SOI	Chief Financial Officer		<u>Terms of Reference</u>
6	24 Apr 2024	Quarter 2 Economic Report October-December 2023	Chief Planning Officer		<u>Terms of Reference</u>

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
7	24 Apr 2024	CEDA – Six Month Report and draft SOI	Chief Planning Officer		<u>Terms of Reference</u>
8	24 Apr 2024	International Relations and Education Activities – 6 monthly update to include Annual plan for international relations activity to Council	Chief Planning Officer		<u>Terms of Reference</u> Council Clause 203 - 23
9	24 Apr 2024	Road Maintenance Contract (six-monthly report on work programme and performance)	Chief Infrastructure Officer		<u>16 March 2022</u> <u>Clause 4-22</u>
10	24 Apr 2024	City Economic Structure Report (annually)	Chief Planning Officer		30 August 2023 Clause 35-23
11	24 Apr 2024	Puriri Terrace - solutions for improving safety	Chief Infrastructure Officer		30 August 2023 Clause 30-23
12	19 Jun 2024	Update on infill lighting required to achieve compliance in P and V categories (update for Programme 1367)	Chief Infrastructure Officer		<u>16 March 2022</u> <u>Clause 3-22</u>
13	19 Jun 2024	Tamakuku Terrace Update (6 monthly)	Chief Infrastructure Officer		<u>Terms of Reference</u>
14	19 Jun 2024	PNAL - Final Statement of Intent for 2024-27	Chief Financial Officer		Terms of Reference
15	19 Jun 2024	Quarter 3 Economic Report Jan-March 2024	Chief Planning Officer		<u>Terms of Reference</u>
16	19 Jun 2024	CEDA - Final Statement of Intent for 2024-27	Chief Planning Officer		Terms of Reference

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
17	19 Jun 2024	Manawatū Regional Economic Structure Report (2 yearly)	Chief Planning Officer		30 August 2023 Clause 35-23
18	19 Jun 2024	Annual Plan - International Relations Activity	Chief Planning Officer		Council 6 Dec 2023 203-23
19	18 Sep 2024	Streets for People Update (6 monthly)	Chief Infrastructure Officer		Terms of Reference
20	18 Sep 2024	International Relations 6 Monthly report	Chief Planning Officer		<u>Terms of Reference</u>
21	18 Sep 2024	Quarter 4 Economic Report April-June 2024	Chief Planning Officer		<u>Terms of Reference</u>
22	18 Sep 2024	PNAL – Annual Report for 2023/24	Chief Financial Officer		Terms of Reference
23	18 Sep 2024	CEDA – Annual Report for 2023/24	Chief Planning Officer		<u>Terms of Reference</u>
24	20 Nov 2024	PNCC Events - Annual Summary of Economic Impact and Benefits 2022/23	CE Unit Manager		25 October 2023 Clause 60-23