

26. USA AND CANADIAN STUDY TOUR: 21 NOVEMBER TO 7 DECEMBER 2009 – KEY FINDINGS AND LESSONS LEARNT

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PURPOSE OF REPORT

1. The purpose of this report is to provide feedback to council on the key findings of the Study Tour conducted in November 2009 by the Mayor, Chief Executive and General Manager, Strategy and Planning Group.
2. The report builds on the workshop presented to Councillors in December 2009, and should be read in conjunction with the Key Findings and Lessons Learnt report, attached.

EXECUTIVE SUMMARY

3. The purpose of the study tour was to examine in detail and achieve first hand experience from a series of North American cities involved in urban regeneration and inner city redevelopment. The cities selected for the tour were ones that had been involved in regeneration and revitalisation projects over a number of decades, and who had used or integrated transit systems [predominantly rail (light rail)] into their regeneration programmes.
4. In selecting both cities and interviewees the Council was guided by the desire to address five key areas: urban regeneration, use of public transit systems to support urban regeneration, the development/redevelopment of inner city residential areas, the role of affordable or assisted housing in supporting regeneration, and the use of a variety of governance and financial mechanisms to achieve such outcomes.
5. The tour was conducted from 21 November 2009 to 7 December 2009 inclusive. The tour consisted of visits to four key North American cities (San Francisco, Vancouver (Canada), Seattle and Portland). The tour included 11 structured interviews with a range of city officials, Redevelopment Agencies, transit authorities, the Granville Island Trust, and a meeting with the Mayor of Seattle. These meetings were complemented with a series of site visits in each centre.

Overall Key Findings

6. The four cities selected, are all very different, though all were located on the Pacific North West Coast. While in population each was larger than Christchurch all were involved in consciously seeking to regenerate and repopulate their inner city areas, all were involved in some utilizing both transit systems, and affordable housing to assist and facilitate their regeneration objective. Each authority had been involved in regeneration over an extended period of time and was able to demonstrate models of leadership and intervention that had both been successful, and alternatively had failed to be effective.
7. Five key themes consistently emerged in each of the cities visited. These can be summarized as follows.
 - Urban Regeneration is a significant challenge that requires a long term commitment, investment, and a collaborative approach to achieving success.
 - Urban Regeneration requires strong local government leadership and the use of a variety of tools, including civic leadership, regulation, financial investment, and partnerships with other agencies and the private sector to achieve change.
 - Transit systems are key players in both regeneration, intensification and modern suburban “centres based” development. Rail in particular is considered to be a key tool in shifting community acceptance towards use of public transport.
 - Timing, critical mass, and scale are important elements in shifting community understanding and involvement and maintaining community support for regeneration and intensification initiatives.
 - Commitment to design, quality and a complete lifestyle package was required to encourage people back into the central city, including the innovative use of existing styles, form and heritage factors.

Affordable Housing was a key part of each of the regeneration programmes visited. However its significance in this context was largely related to the financial capacity it brought to such programmes, along with the populations supported, rather than because of any specific social or economic outcomes it achieved.

8. The attached report addresses these key themes in detail. What was evident in areas where cities had succeeded, was that all of the above elements had come together in a deliberate and sustained way. There were numerous examples and comment from each of the city's about initiatives tried, succeeded and failed, but the evidence of enduring change came with the consistent application, over many years of the principles and processes summarised above.
9. In reality how did this evolve? Firstly in each instance with a clear commitment or need to rejuvenate, revitalize an area, or to reintroduce the community to the inner city. From that point the key processes seem to revolve around bringing the right tools in place in a sustained way to effect change. The Pearl District of Portland City, provides possible the most complete picture, though not unique in any way, and is used below by way of example.
10. The Pearl District was developed through the concentrated effort and cooperation of the Metro Board (who initially established the Urban Limits for Portland) but more directly through the combined efforts of the Portland Development Commission (PDC), the Portland City Council, and Trimet (the Transit Agency). The Pearl, as it is commonly known, was a derelict warehousing and industrial area on the edge of central city Portland. The core of the Pearl was acquired by the PDC, who with the Portland City Council established a vision for the area, based on low scale medium density development, themed around its historic industrial grid.
11. Actions by the authorities in Council included, over 30 years:
 - Establishing a strong design code which reflected its industrial past (heritage) and emphasised a human side
 - Selecting developers to work in the area who were sympathetic to the concept and ideas through PPPs
 - Direct investment by the PDC and Portland City Council in key elements of the area
 - Establishing a funding model that allowed the PDC to develop some of the quality elements, but also to directly finance and support private developers
 - Using the PDC affordable housing mandate to direct a core population to the area, and to stimulate and fund private investment in both the affordable, and market led sectors
 - Introducing a streetcar system that created a high quality and desirable public transport element that integrated the district with key city elements (the CBD, hospital, State University)
 - Commitment to high quality public realm, matched to private design, density and development outputs
 - Long term marketing of the district, as both a living space and a destination
 - Working with the city code to facilitate the overall outcomes while maintaining a degree of design and outcome flexibility.
12. These elements in various guises were evident in all the areas the group visited. They were however as stated above neatly summarized in the experience in the Pearl.

The lessons for Christchurch

13. In broad summary what are the lessons this provides for Christchurch? Firstly an initial response is that many of the initiatives, plans and processes the City has in place are very consistent with the experiences of other cities. The Central City Revitalisation Project, the Central City South Master Plan, the development of Design Guides, the Heritage Incentives Programme and the significant project for a public realm encapsulated in the City for People (Gehl) Programme, are all initiatives and tools that are consistent with the experience of the authorities and cities visited. The Turners and Growers and Henderson purchases are entirely consistent if one goes back to Council's rationale for these acquisitions: that is to buy key pieces of consolidated land that could contribute to and act in part as a catalyst to the regeneration of a key part of the Central City area. The study confirmed therefore that we have a lot of the building blocks, and that these buildings blocks need to be there irrespective of the size of the city, its age or the depth of its problem.

14. But there were also a couple of key lessons. One was about time. Most of the agencies clearly with regeneration had been pursuing it in various guises for upward of 40-50 years. Even where success had been achieved it had not occurred instantly or overnight. The Pearl District today began with a decision to recognise and ring fence the area as a blighted area (which conferred specific provision to Council and the PDC) in 1970. As the Chief Executive of the PDC noted, that the work in the Pearl District still continued to often draw significant criticism even in the face of obvious success. However over the life time of the revitalisation the PDC invested US\$150m into the Pearl, but in doing so generated over US\$1b in new investment, and created over 8,000 new housing units.
15. The second was about the degree of interaction and investment required by the community to make it work for the market. There were few instances of the market achieving the outcome unaided. Local Authorities and Redevelopment Agencies were intimately involved, through direct funding, through financial mechanisms (eg. tax breaks, forgivable loans, land), and or by direct development. Often this investment was directed through specific Redevelopment Agencies, who utilised Federal monies, or who had large asset bases, but whichever model was used, the provision of land, finance, part ownership (PPP) or security was an ongoing role of these agencies. Such investment was also necessary to create sufficient energy to support a "relatively" quick uptake of development. In a separate exercise with UK based redevelopment specialists, their model suggests that "benign" agencies need to hold close to 40% of an area in some form of control to "guarantee" a change in form, style and function.
16. One of the key tools that each major city used was the injection of affordable housing monies, and land into the development mix. However in each of the cities visited the authorities eschewed dedicated 'affordability' developments, and invariably used PPP models with private developers, to provide integrated developments (the preferred ratio of affordable units to market properties was 1 in 6 [15%]). Each agency had a range of tools at its disposal to protect the affordability dimension over time.
17. As with Christchurch each of the cities were focussed on reinvigorating their central city areas a living environments. The essential keys in this were creating a place for a real community to flourish, a human scaled environment, the use of the public realm as part of that living environment (parks, pavements, laneways) and localising residential, entertainment, and employment activities were consistent themes. While each city's development reflected the geography, climate and temperament of the place there was a key focus on humanising the central city.
18. Developing a critical mass, and getting the support elements in place early were key parts of the strategies employed to achieve such inner city conversions. While it was not an area we explored in detail the Council was again quite interventionist in their approach. For example in the Pearl District, the parks were only built once the developers had demonstrated they were achieving a specified level of urban density, and the streetcar, while promised, only got introduced when certain development thresholds were reached. Equally the PDC funded the major car parking building in the area, reducing that cost on private developers but also taking a plethora of garage entrances out of the residential blocks. None of the authorities involved were apologetic about the fact that they picked winners and used their fiscal muscle to support outcomes, even private outcomes where it supported the overall purpose, vision and goal.
19. Public transport was both a tool and a catalyst for regeneration. There was a clear link between public transport and the affordable housing focus of some redevelopment areas, but equally, and in particular where rail was introduced it was seen as a tool to shift communities from cars to public transport. This reflected both a desire to address issues of pollution, congestion and sprawl, but also to overcome any sense of disconnectedness where the areas were outside a natural walking distance to the centre of the city. In such circumstances the streetcars in particular were on relatively short routes, but focussed on being highly accessible (eg. In the Pearl, no point was more than 1 block from the streetcar line).
20. All of the transit authorities spoken to ran buses, rail (some ferries) and all had mixed systems. Buses were often identified as the backbone services but generally conceded to be a social service. In contrast rail (both light street rail and heavy rail) was credited with generating a

positive shift in public transport behaviour. Where such lines had been put in they were carefully fitted between key destinations, they were well (seamlessly) integrated with other modes, their quality, safety and efficiency made them respectable, and development was generally hubbed around stations or routes. This not only reflected the significant carrying capacity of rail, but also that these authorities had successfully transitioned it from a mode, which communities moved away from, to a mode which they were drawn to. The streetcar of both Portland and Seattle were identified as key elements in the success of the Pearl, and as a life line to achieving success in the Denny Triangle/South Lake Union area of Seattle.

STAFF RECOMMENDATIONS

As the attached report expresses there are a range and raft of experiences, and learnings that can be taken into the organisation as part of the way the Council develops its business around central city revitalisation, and subsequently as it looks toward suburban consolidation models, under the guise of the Urban Development Strategy. There are a number of areas of work which, based on the experiences in the USA and Canada that Council could usefully give some direction on, as they offer possible or potential additions to the city's toolbase, as Council explores how to achieve success in this area of endeavour. Specific amongst these are recommendations concerning how Council might support and catalyse regeneration, and how it might explore its role in Affordable Housing and public transport to influence, shape and support urban regeneration in the city.

It is accordingly recommended:

- (a) That the report on the Mayor's Study Tour to the USA and Canada: Key Findings and Lessons Learnt, be received.
- (b) That Council instruct the Chief Executive to undertake full detailed investigations on and report back on the following topics, based on the learnings, examples and opportunities identified during the study tour.
 - (i) Funding, investment and financial tools to facilitate and accelerate regeneration in key parts of the central city.
 - (ii) Mechanisms, organisational and governance structures to support ongoing investment and facilitation of regeneration projects through direct investment, Public Private Partnerships and other development entities.
 - (iii) The scope, opportunity, scale and costs of developing a rail based (including streetcar, light rail and heavy rail) to facilitate and support urban regeneration, in concert with existing and future public transport tools and mechanisms.
- (c) That the Housing Working Party be asked to consider how the Council's current Social Housing Programme could be enhanced to assist and support urban intensification objectives in the central city and priority suburban areas.