

1. Invercargill Inner City Development Project PGF Application		For SROs: Approval
<p>Background & context:</p> <p>Applicant Organisation:</p> <ul style="list-style-type: none"> HWCP Management Limited (HWCP) – a joint venture between Invercargill City Property Limited (ICPL) and H.W. Richardson Group Limited. The ultimate owner of ICPL is Invercargill City Council (ICC). <p>Location:</p> <ul style="list-style-type: none"> Invercargill, Southland. <p>Proposal:</p> <ul style="list-style-type: none"> Invercargill Inner City Development - Stage 2 (Project). <p>Funding Sought:</p> <ul style="list-style-type: none"> Total estimated project cost (stage 2): \$^{Commercial} Requested PGF Funding: \$995,000. <p>Background:</p> <p>The Invercargill Inner-city development Project objective is to bring life and vitality to Invercargill. It is the anchor project in the Southland Regional Economic Development Plan that aims to deliver confidence back to retailers and businesses in the city through property development / redevelopment to provide retail, public and office space within the main city block.</p> <p>To date project promoters have already spent over \$^{Commercial} on initial feasibility studies and obtaining rights to existing buildings / land (Stage 1).</p> <p>This application is for Stage 2 which includes feasibility, planning, detailed design, procurement and capital raising.</p> <p>This development is critical for Invercargill City. This project is seen as the catalyst for the inner city. It is a core part of the regional economic development plan and is strongly supported by local stakeholders.</p> <p>https://www.stuff.co.nz/national/104800889/invercargill-cbd-plans-unveiled</p>	<p>Recommendation(s):</p> <p>We recommend that SROs:</p> <p>a) Note the applicant is a joint venture between a subsidiary of Invercargill City Council and a private enterprise with strong connections to the city.</p> <p>b) Note that the applicant is only seeking ^{com}% of the estimated cost for Stage 2 from the PGF.</p> <p>c) Commercial Information</p> <p>d) Approve \$995,000 from the PGF as a grant towards the Invercargill Inner City Development Project subject to:</p> <ol style="list-style-type: none"> Confirmation of final detailed planning and budgeting for Stage 2; Completion of due diligence on the applicant and project. Provision of an update to the progress against the resource consenting 	
PGF criteria that this proposal supports:		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> Additional FTE roles are expected to be created in the central city (unable to be 	✓✓✓✓

	<p>quantified at this stage).</p> <ul style="list-style-type: none"> An estimated Commercial Information FTEs during the construction phase 	
Delivers benefit to the community	<ul style="list-style-type: none"> Currently no defined central space. Higher inclusion through 'civic pride' and bring an economic 'heart' to the city. A strong catalyst for economic and productivity growth across the city. Also addresses seismic issues in the city. 	✓✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> Potential opportunities in construction, as well as development of local businesses. Ngai Tahu will be involved in design elements. 	✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	N/A
Mitigation of climate change effects	<ul style="list-style-type: none"> Better construction techniques and higher design standards, expected to result in more resilient and sustainable buildings. 	✓✓✓
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> Project will leverage existing buildings and central city infrastructure as appropriate 	✓✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Limited existing fit for purpose retail and office buildings. Project should encourage businesses to locate and employ. Strong cluster effect expected. 	✓✓✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> Clear alignment with local action plan (Southland Regional Development Strategy, SoRDS). Anchor project within the plan. 	✓✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Clear support from majority of local groups. Culture and Heritage and Heritage NZ are working closely with the applicant to best manage the trade-off between cost and heritage value. 	✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> Clear project management and governance approach provided for. 	✓✓✓✓✓
Risk management approach	<ul style="list-style-type: none"> Extensive risk register provided, with clear analysis and planning. Very strong. 	✓✓✓✓

Future ownership / operational management	<ul style="list-style-type: none"> Development phase activity, leading on to construction. 	✓✓✓✓							
<p>The purpose of this briefing is to consider recommending/ declining PGF funds to the:</p>									
<p>Risks Issues: The final detailed plan and budget will be required prior to financial close (including confirmation of Stage 2 estimated project cost).</p> <p>Eligibility points of note:</p> <ul style="list-style-type: none"> <i>Due diligence:-</i> Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team. Privacy of natural persons <i>Conflict(s) of interest:-</i> Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further, noting that no declaration was signed. <i>Illegal Activity:-</i> Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity. <i>Alignment with Regional development plans:-</i> this is an anchor project of the SoRDS plan. Commercial Information 									
<p>Consultation undertaken or implications:</p>									
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	Culture and Heritage Heritage NZ
<p>Supporting proposal:</p>		Yes							
<p>Appendices:</p>		Yes - Applications and supporting letters are as annexes Supporting letters withheld - Commercial Information							
<p>Sponsor(s):</p>		N/A							
<p>Manager/Author of paper:</p>		Privacy of natural persons , Investment Director, Investment Team Abby Cheeseman, Regional Lead							