

MAINSTREET MONITORING REPORT

MAINSTREET TAURANGA INC. (DOWNTOWN TAURANGA)

Reporting Period: 1 July 2023 – 31 December 2023

Chair Comments

As 2023 drew to a close, Mainstreet Tauranga entered into a new era, with a fresh outlook and markedly refined focus for the mission that is ahead of us. This report outlines the results and achievements that have occurred since this new era began. By way of a short summary, we have passionately applied ourselves to re-building our organisational structure, re-establishing open lines of communication and re-connecting with members.

Mainstreet is made up of diligent City Centre volunteers, so moving from an agency model to an employee model was an immense undertaking. This transition has required a large degree of adjustment and effort from our board. The rapid transformation of the City Centre has also meant an increased tempo of meetings and interactions with Tauranga City Council (TCC) staff. To increase the effectiveness of these meetings, and to ensure we could meet our stated desire to directly assist with the transformation of the City Centre, we set out to appoint a skilled and highly motivated manager. This led to the appointment of Genevieve Whitson, who is already making great progress in reinvigorating members and stakeholders. We are now in the process of hiring our second employee who will assist Genevieve with administrative & event management, and ensure we continue to deliver with a high level of excellence and precision.

The reporting period has presented its fair share of challenges. The changing scope of works, activities and personnel involved in the City Centre transformation has made it complicated to plan ahead and we have often found ourselves operating reactively as various decisions are enacted. This evolving landscape also creates opportunities, which we have pursued with focus and intent. These changes have also revealed gaps that existed in communications with our stakeholders, which we have set about to close so that trust is maintained and stronger relationships are built. The potency of these communications has led to more accurate and timely feedback to TCC from Mainstreet's members. For example, the desire to be included in conversations from the onset so Mainstreet can assist in collating responses from businesses, and to ensure decisions are being made that factor in the impact on all stakeholders. These communication channels are proving effective and will continue to provide avenues for our members to seek and pass on information about all City Centre activities being undertaken.

Mainstreet has made a significant amount of progress in the last six months, and especially so given that we have been understaffed and subsequently had to undertake a major organisational restructure. Key achievements are as follows:

- **Perseverance:** Adjustments to our management structure was a time-intensive process, which meant an increase in the amount of tasks being handled by the volunteers on the Mainstreet board. We are grateful to the Board for their tenacity and participation during this time
- **Improved Advocacy:** The 2023 AGM resulted in the largest amount of attendees we have seen in years, indicating a resurgence in interested and active members. Extremely positive feedback was received about the vision we cast, and the pragmatic mission we outlined to those present.

- Enhanced Communications: We have markedly increased the volume of direct and indirect communications with our members. We are working on a new website that will be due to launch before the end of June 2024.
- Effective Events: Santa's Grotto & City centre Christmas decorations was a huge success and a great starting point to work on for this year's Christmas activations.

It has been both rewarding and challenging as we have begun the process of rebuilding a sense of community, connection and atmosphere alongside our collaborative partners. There is still a lot of work to do, but a tangible sense of hope and positivity has been clearly evident as we cohesively work with businesses, organisations and the 'people' who are the very heart of the Tauranga City Centre.

Thank you for the opportunity to provide this 6-month update.

Ash Gee – Chair – Mainstreet Tauranga

Membership

Mainstreet Tauranga is a membership organisation spanning the area bounded by the Tauranga Harbour to the east, Cameron Road to the west, 1st Avenue to the south, Harrington Street, and part of McLean Street to the north. We interface with and represent the property owners, business owners and operators (along with the staff) that live, work and conduct business within these geographic boundaries. Mainstreet Tauranga is proactively inclusive in our day-to-day operations, and seeks to involve as many of our members as possible as we strategise and make decisions.

Vision

Tauranga City Centre: The best City Centre in New Zealand

We envision the Tauranga City Centre to be vibrant, diverse, and thriving, and definitively known as the region's commercial, cultural, and civic hub. A City Centre that boasts remarkable attractions, amenities, and offerings that enrich, inspire, and meet the needs of the people who live, work, learn, eat, shop and play there.

This Vision is encapsulated in both our long-term (3-5 year) strategy, and our short-term strategy (Annual plan) which will be presented at the 2024 AGM.

Our Mission

Externally: Mainstreet Tauranga initiates, facilitates and supports events, activities, activations, and other offerings that have been purposefully chosen to ensure our City Centre is viewed as a highly desirable place to live, work, learn, eat, shop and play. We actively promote the City Centre as a destination to the greater community and region. We proactively communicate positive news stories about the City Centre, including the vibrant, engaging and progressive activities that are occurring, and the transformational change that is already underway.

Internally: We support and nurture our members, advocate on their behalf and champion their ability to do better and more profitable business in our City Centre.

KPIs

Our KPIs for the current financial year are:

- ***An engaged membership*** – Increased membership and satisfaction with Mainstreet Tauranga
- ***A safe and inviting city centre*** – Increased confidence in the city centre
- ***A considered community*** – Submit on areas of concern and provide feedback on behalf of our members
- ***A city centre for everyone*** – Effectively promote and support our members using efficient marketing tools, events, and promotions

This report illustrates how we are working towards these KPIs.

Reporting Timeframe

The following report includes details on Mainstreet Tauranga's long-term strategy and short-term initiatives, components of which will be aggregated into the Annual plan that will be presented at the 2024 AGM.

KEY HIGHLIGHTS & ACHIEVEMENTS

A large amount of activity has been undertaken and accomplishments achieved in a relatively short time frame for this reporting period. The following key highlights and projects have been delivered, alongside a growing list of events, tasks and activities that are in progress or being activated:

1. Key Appointment – Genevieve Whitson

Genevieve started her role as Mainstreet Manager in late September 2023 and has already made a noticeable difference to the capacity and capability of the Mainstreet team. Genevieve brings a strategic skillset, and a high level of organizational proficiency which will be (and has already been) of great benefit to the organization and our members.

2. Increased transparency & Communications

Our overarching goal has been to proactively support the people and businesses of the Tauranga City Centre. A requisite part of this is to ensure there is increased (and increasing) transparency and communications between us and our members. This has proved very important to build trust, a sense of community and to enhance the efficiency and safety of all of our stakeholders.

The following activities have been pursued to improve communications:

- ***E-newsletters distributed weekly*** – We have sent weekly emails to 4,329 recipients between September & December 2023 on key activities, events and areas of interest to our members. We have achieved an open rate of 53%, which is a 20% increase on previous reporting periods. This demonstrates a tangible increase in the amount of engagement among our members.
- ***Community relationship building*** – The Mainstreet Manager & Chair have done countless business 'meet and greets' to connect with the businesses Downtown. This has involved listening to their concerns and advocating on their behalf on a range of matters, from parking to improving general business outcomes. We have also held numerous stakeholder meetings to support a unified vision for the City Centre, and collectively explored a range of ways to align all stakeholder interests going forward.
- ***WhatsApp group*** – Downtown Tauranga created a 'WhatsApp' group for businesses to share safety concerns, raise awareness of any disruptions and provide a platform for immediate response. Around 12% of businesses have already signed up for this service and the group continues to grow. This group promotes a sense of collegiality, and a platform to share knowledge, details of community activities, and also wins / positive news stories.
- ***Social media presence*** – Regular posts have been reintroduced to promote and support City Centre businesses, activations and offerings as well as the chance for businesses to interact online. Our following on Instagram and Facebook continue to grow. Our

Facebook page currently has 13,500 likes and we have 3,177 followers on Instagram. Longer term plans to improve our reach and impact using Social Media is included in the report that follows.

3. Promotions & Marketing

Social media company contracted - Recognising the need for a strategic and clear marketing and promotions strategy for the City Centre, the social media company, Design Juice have been employed to manage and promote City Centre businesses, events and activities. This will include a number of key activations in line with events for 2024 to further increase engagement and foot traffic to the City Centre. Design Juice will provide professional, engaging and effective marketing through our various social media channels, and have a clear brief (and written KPI's) to guide their engagement with us and our stakeholders.

4. City Centre Activations

Christmas in the city – With the support of TCC, Downtown Tauranga implemented a successful City Centre Christmas activation for the month of December. This included strategically-placed decorations around town and a Santa's grotto on Grey Street. In just ten days, Santa's grotto had 1,200 people through the doors, which in-turn, drove additional patronage into the businesses in the surrounding area. This event was accompanied by a series of positive media stories, including a stand out feature with SunLive making the front page of the paper.

15 December, 2023, Sunlive – [Linked here](#)

Proactive and engaging marketing assisted to get the highest numbers of people into the grotto in the week prior to Christmas (social media, e-news, newspaper & word of mouth). This activity was in direct alignment with our annual plan goal to 'Tell': To generate *more positive new stories* that showcase the good work and progress that is taking place in the City Centre.

2023 Annual General Meeting (AGM) – We had one of the highest turn-outs to a Mainstreet Tauranga Inc. AGM in recent history. Around 50 people were in attendance including local businesses, stakeholders, TCC representatives & Commissioner Stephen Selwood. This is a marked increase from previous years and reflects the increased interest in the City Centre, and the purposeful engagement of our stakeholders by the Downteam team. We presented our annual draft plan for 2024-25 with the message of SUPPORT - GROW - TELL. This was very well received, and allowed for honest and open discussions about the future of the City Centre, which took place within a tangibly evident atmosphere of positivity and hope.

5. Advocacy

Downtown Tauranga has established a solid foundation of trust and collaboration and is now very well placed to advocate for City Centre businesses and ensure their best interests are considered. Genevieve as Mainstreet Manager, is the designated point of contact. Advocacy work completed during the reporting period included the highly successful Wharf Street carpark petition which was signed by 3,209 residents and business owners in Tauranga and featured in the BOP Times. There have been ongoing discussions around the City Centre developments to ensure that impact is minimal where possible and businesses are fully informed. As discussed with various business the ongoing position of advocacy has been heightened in importance due to the changing nature of the

City Centre and the increase attention to infrastructure spending. This highlights the need to increase our advocacy work so the specific needs of the City Centre businesses are met.

IN PROGRESS PROJECTS

Promotions, marketing & stakeholder engagement

The strategy pitched at the AGM to SUPPORT- GROW -TELL is directly aligned with the following activities:

- **New website** – Downtown Tauranga is in the final phases of building a new website. The new site will support & promote all Downtown Tauranga businesses, provide information to the community about events and activations, and encourage more foot traffic into the City Centre.
- **CRM** – Our database of contacts continues to expand within the City Centre, so we can continue to support & liaise with our members. The recruitment of a part-time Administration & Event Co-ordinator in late February will improve this even further, and allow us to focus more time and energy on seeking out opportunities for a wider range of stakeholders and also add more depth to membership support.
- **Media strategy** – Downtown Tauranga is finalizing a media strategy that intentionally highlights positive news stories that focus on city activations and the local community to support the perception that positive change is occurring right now. The details of this strategy will be shared in the coming months, along with intended goals, milestones and key deliverables.
- **Collaborative stakeholder relationships** – Over the last six months we have focused on reconnecting and developing relationships with stakeholders to ensure there is a collective approach to support the City Centre and will continue to do so going forward. This has included meetings with TCC, Priority One, Tauranga Business Chamber, Tourism BOP & the Tauranga Regional Council.

SPECIFIC AREAS OF INTEREST: Analysing City Centre foot traffic

Downtown Tauranga gains insights into foot traffic for the City Centre via Bellweather data. The data from these reports is from Devonport road, and while it only reflects one section of the City Centre, it provides valuable insights about trends & patterns for current activities and future projections. Please note that the TCC data received for foot traffic has not been referenced as there were noticeable gaps and variables making it difficult to draw conclusions from the provided dataset.

Of note: Total foot traffic for Devonport road was 579,952 in 2022, which increased by 10.7% to 642,170, in 2023

This illustrates an extra 62,000 people passed through Devonport road into the City Centre across 2023. While this reflects an upward trend **these numbers may be overly optimistic** when taking into account the return to the office for many corporate companies, as well as construction & contractors that have also been prevalent across the year. Current projections for 2024 suggest 700,000 people will visit Devonport road, which represents a 9% increase YoY.

Note: This increase does not account for the potential extra foot traffic (and revenue) generated by the opening of the Elizabeth Street Towers. Any variation in foot traffic must be paired with sales

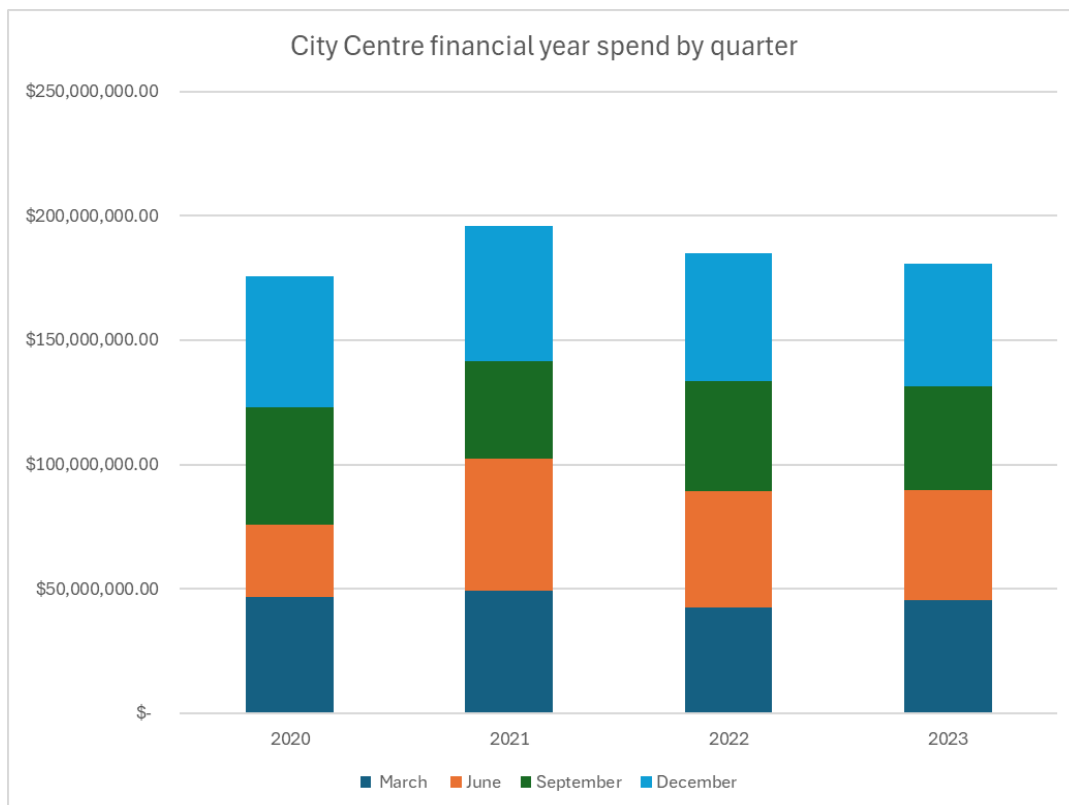
data so that a complete picture of converted activity can be discovered i.e., when the movement of people turns into profitable/value-deriving outcomes.

SALES DATA

The general consensus from City Centre business operators is that increased foot traffic hasn't always translated into additional value for their businesses. Downtown Tauranga and by extension, all other stakeholders are/should be more focused on actual revenue derived from the movement of people, which can be discerned by analysing how many (and the value of) sales transactions occurring across the City Centre. To that end, we have completed a preliminary assessment of assessment:

Note: The statistics provided to us by Tauranga City Council does not exactly match the Mainstreet (rateable) area. This report includes an overview of the total City Centre which is larger than our management area. We are currently investigating options to gain more accurate data that will be included in future reports.

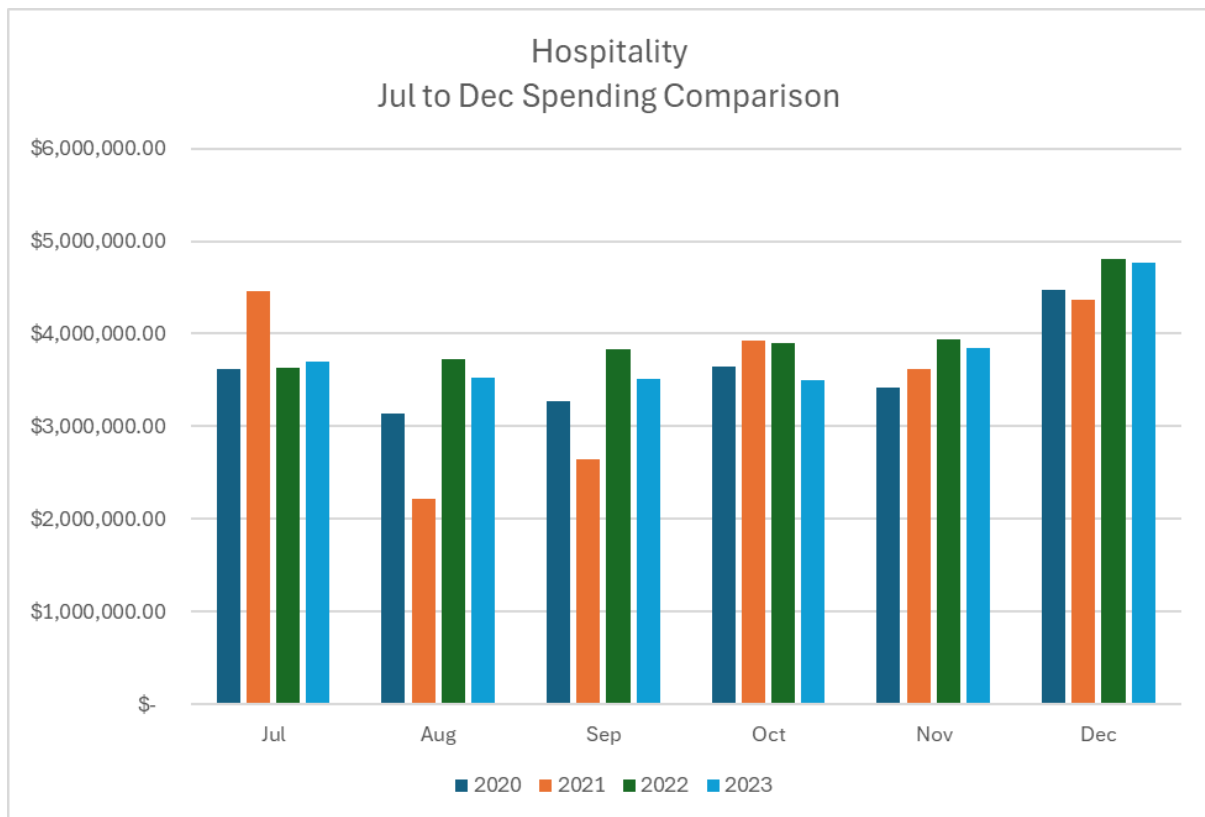
- As at 31 December 2023, total sales value of \$180,831,908 was transacted in 2023 across the City Centre. Between July and December, \$90,979,229 was transacted, for an even 50/50 split across the full year.
- At the end of 2023, the Accommodation, Hospitality and Groceries & Liquor sectors all returned their highest transacting year since data started to be tracked in 2020.
- Comparing July to December 2023 to the same months in 2022, Accommodation, Fuel & Automotive and Groceries and Liquor showed increases as well.



This graphs indicates a relatively flat year – when comparing 2022 and 2023 – which could be due to a variety of reasons including the changing state of the economy, the effects of inflation, a subdued post-COVID recovery that has affected various sectors, and/or the diminished perception of a disrupted City Centre as a destination for spending/activities. The trajectory of this graph must be kept in mind across 2024/2025 so that investments, infrastructure changes, and other supporting activities are assessed according to their measurable (and positive) impact on the spend that is occurring across the City Centre.

Accommodation: Due to available data, we are unable to compare pre-COVID spending for a full year, however sales of \$1,379,272 in December 2023 looked to be up on 2019 levels which were \$1,088,254. There was a 40% increase in accommodation sales for July to Dec 23 compared to the same period in 2022 which reflects a positive trend for this sector.

Hospitality spending showed an overall increase of 4.88% in 2023, however the statistics indicated a 4.12% decrease between July to December. According to the Restaurant Association Q3 report, there has been a significant downturn in customers nationally. On average, 40% of diners have reduced the frequency they are dining out to 1-2 times per month due to the cost of living crisis. The changing nature of spending across the country, and the shifting sentiment of consumers must be kept in mind as investment and targeted activities are conducted in the City Centre; to either differentiate Tauranga from other destinations or attract new business and spending (which will therefore ‘buck the trend’).



This graph of hospitality spending displays the general downtrend evidenced in all-but-one month when comparing 2022 and 2023.

Conclusion

The variations present in this spend data highlights the importance of providing balance in both analysis and reporting. For example: When taken in isolation, foot traffic statistics have the potential to distort the overall picture of activity that is occurring in the City Centre. When adding insights from spend data, it's clear to see that while there have been some gains, there have also been challenges for certain businesses in specific sectors.

Mainstreet will continue to analyse information from a variety of sources so that a complete picture is gained about what (positive or negative) impact occurs as the City Centre evolves. Particular attention will be given to the (anonymised, aggregated) financial statistics we will be collating directly from our members over the coming months; collated analytics will be passed onto TCC and other stakeholders in due course.

CHALLENGES AND ACTIONS

Security & Safety – Downtown Tauranga recognises that safety in the City Centre is an ongoing challenge.

- Since the introduction of Paul Mason, TCC's City Safety and Engagement Advisor - who has been an active and daily presence in the City Centre, there has been a reduction in 'incident' reports.
- The Downtown team meets with Paul on a regular basis and greatly values his input and involvement. Fostering this positive relationship builds trust and integrity among the City Centre community.
- We acknowledge there is more work to do in this space, and we will continue to implement projects informed by community engagement and education to support a safe environment for all future business activities. This includes instigating a series of 'Safety workshops' with support from stakeholders as well as ongoing discussions with local community groups and the local constabulary.

Access to City Centre & parking - More access routes and a variety of affordable & reliable transports options are required to get into the City Centre as well as place places to park. Key initiatives that are being investigated include:

- Re-instigating a Ferry service between the Mount and Tauranga
- Working with council to support safer bike routes & timely buses
- Continually reviewing parking access & opportunities within the City Centre.

Business Support - Downtown Tauranga has identified the need for greater support to ensure the City Centre remains a profitable and thriving place to conduct business. A range of activities and initiatives are being undertaken to increase support for our members, including:

- Improved direct engagement which has led to improved and focused advocacy
- Increasing safety and transparency through various support and partnerships programs
- Providing networking & engagement opportunities, and specific workshops that focus on improving financial proficiency & increasing marketing effectiveness.

Business Support will continue to occur as we work with our key stakeholders, and will be supported by a new part time Administrator & Events Co-ordinator.

Vacant spaces - There are currently a number of vacant spaces in the City Centre, reflecting the long term ramifications of COVID and ongoing disruption for some businesses, among other factors. However, with the shift for many workers back into the office verses remote working rental agencies are reporting an increased demand for City Centre office environments. Downtown Tauranga is looking at a number of ‘short term’ & ‘long term’ activations to support filling these spaces:

- Ongoing discussions with landlords, real estate agents, TCC and other parties as well as considering the type of services appropriate to fill the spaces.
Of note: Vacant spaces directly relate to a key area of concern, namely the ‘perception’ that the public holds about the City Centre. It is vital as part of this process to consider the types of shops that the City Centre needs, and the strategic blend of businesses that are required to support long term growth, promote regional health, and increase value for our members.
- Utilising a strong marketing and promotions strategy to support interest in the City Centre and these spaces.
- Potential for short term pop ups or alternative uses of vacant spaces beyond business services, promoted through Social Media and direct marketing channels

Perception – This is as a key issue that we are proactively addressing. As detailed, the above challenges inform and affect this issue and while complicated, also represent an opportunity to reframe public thinking in a new and impactful way. Downtown Tauranga is looking at a range of projects and initiatives to support a ‘perception change’, including:

- Utilising a strong marketing and promotions strategy that supports ‘positive’ news stories
- Greater advocacy with City Centre businesses
- Greater engagement and more consistent meetings with key stakeholders

LOOKING AHEAD

Implementation of the 3-5 year strategy – Armed with a renewed short-term plan, a more clearly defined business model and the ambitious goal of being ‘*The best City Centre in the whole of NZ*’, the key objective over the next six months is to finalise and begin the implementation of the 3-5 year Plan. This Plan is specifically aimed towards projects and outcomes that support revenue growth, City Centre expansion and activations, while nurturing a sense of love for the local and regional community. This plan will be implemented during the next five pivotal years where the city population of Tauranga is expected to exceed 200,000 (by 2028).

We have identified a number of key characteristics that illustrate the City Centre’s true potential, that also cater for and solve the challenges mentioned previously. These key areas will be addressed at our 2024 AGM and presented in our draft annual plan for 2024-25.

Financials

Profit & Loss (refer to table below)

Items to note:

1. Staff & Board – Due to the unique nature of the Mainstreet Manager role, it took longer than anticipated to recruit as well as a Part time support person (*at time of report: interviewing has begun for a part time Administration & Events Co-ordinator*)
2. Promotion and subsidies – We have used available funds efficiently over the reporting period by following a volunteer-augmented plan. As mentioned, significant time has been required to set up a number of administrative systems so the Mainstreet Manager can operate efficiently over the coming year, which also contributed to the decreased spend. Mainstreet Tauranga Inc. expects an increased spend across the next six months with an uptake in the number of projects, activations and key events taking place, including school holidays and the Jazz festival.

Profit and Loss

Mainstreet Tauranga Incorporated For the 6 months ended 31 December 2023

	YTD	BUDGET YTD	BUDGET FULL YR
Income			
Council Levies	187,744	187,746	375,492
Sundry Income	20,000	-	-
Interest Received	2,088	-	-
TCC Mentor Programme Funding	-	4,998	9,996
Priority One - Website support	-	4,998	9,996
Total Income	209,832	197,742	395,484
Operating Expenses			
Staff & Board			
ACC Levies	-	252	504
Car parking	142	1,500	3,000
Computer expenses	-	1,248	2,496
Computer & I.T.	2,501	-	-
Rent	389	10,002	20,004
Staff Costs	10,800	11,500	15,500
Wages	32,764	71,352	142,704
Telephone & Tolls	491	600	1,200
Phone Reimbursement (Admin)	-	120	240
Payroll Processing Fees	26	300	600
Board Training	-	1,248	2,496
New board member induction programme	-	1,000	1,000
IT Support	-	1,002	2,004
Training Courses & Conference (staff)	-	1,248	2,496
Total Staff & Board	47,113	101,372	194,244
Operational Costs			
Promotions and Management Contract	2,800	-	-
Total Operational Costs	2,800	-	-
Events & Activations			
Art Festival	-	5,000	5,000
Christmas in the City	19,637	20,000	20,000
Flavours of Plenty	-	-	5,000
Jazz Festival	5,000	-	5,000
School Holiday Promotions	-	5,000	10,000
STEMFest	5,000	5,000	5,000
Total Events & Activations	29,637	35,000	50,000
Promotion & Subsidies			
Advertising	-	6,000	15,000
Website Hosting Expenses	340	306	612
Electronic Mail Distribution	-	1,020	2,040

	YTD	BUDGET YTD	BUDGET FULL YR
Rebrand	2,000	2,000	2,000
City Safety Programme	-	5,000	20,000
Cloud Storage	-	1,002	2,004
Membership Pack	-	498	996
Bi-Monthly Newsletter	-	4,000	10,000
Member Engagement	-	2,000	5,000
TCC Mentor Programme to member	-	4,998	9,996
Eat, Shop, Play guide	-	-	10,000
Website Maintenance	6,283	10,000	10,000
Mainstreet Members Database	-	1,248	2,496
Member Subsidies	-	6,000	12,000
Social Media Marketing	-	2,000	5,000
Strategic Plan Programme	-	2,000	5,000
Total Promotion & Subsidies	8,623	48,072	112,144
Administration Costs			
Accountancy Fees	4,060	3,000	3,000
Annual General Meeting	2,028	2,000	2,000
Annual Report	-	900	1,800
Audit Fees	6,002	6,000	6,000
Bank Fees & Charges	31	24	48
Consultancy Fees	2,681	1,098	2,196
Depreciation	6	-	-
Entertainment - Staff	22	-	-
General Expenses	333	774	1,548
Insurance	2,576	1,752	3,504
Interest - Other	38	-	-
Legal Fees	3,100	3,250	6,500
Photocopying	55	-	-
Printing & Stationery	151	-	-
Basestation rent	4,768	-	-
Storage Fees	6,209	3,324	6,648
Subscriptions & Licences	1,326	846	1,692
Xero Fees	416	342	684
Total Administration Costs	33,801	23,310	35,620
Total Operating Expenses	121,974	207,754	392,008
Net Profit	87,858	(10,012)	3,476

Balance sheet

Balance Sheet

Mainstreet Tauranga Incorporated As at 31 December 2023

	31 DEC 2023	30 JUN 2023
Assets		
Bank	205,942	153,856
Fixed Assets	60	66
Total Assets	206,002	153,922
Liabilities		
Current Liabilities		
Accounts Payable	2,283	9,304
GST	1,925	10,677
Rounding	(6)	-
Total Liabilities	4,203	19,981
Net Assets	201,799	133,941
Equity		
Current Year Earnings	67,858	(1,136)
Retained Earnings	133,941	135,077
Total Equity	201,799	133,941

Accounts Receivable - All current

Accounts Payable - All current.