

Appendix 3

***Proposed District
Plan Change 66***

**Amendments to Suburban Centre
provisions and associated definitions**

and

***Proposed District
Plan Variation 5***

**Amendments to District Plan Change 48
(Central Area review)**

Section 32 Report

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WELLINGTON CITY COUNCIL **Wellington**

Section 32 Report

Proposed District Plan Change 66 – Amendments to Suburban provisions and associated definitions and Proposed District Plan Variation 5 – Amendments to District Plan Change 48 (Central Area Review)

Introduction

Council has recently identified a number of important resource management issues relating to how retail activities are managed in Wellington City (via the Central Area Suburban Centre Zones in the District Plan). These issues relate to the Council's ability to effectively manage the potential impacts of new, exceptionally large retail development within the Central Area or Suburban Centre zones.

Proposed District Plan Change 66 and Variation 5 have been prepared to allow Council to consider the potential effects of any new exceptionally large retail development. Council seeks to ensure that any new development enhances the sustainability of existing retail centres (including the existing hierarchy of centres), does not compromise the sustainability of the transport network, and does not result in the unsustainable location of retail activities

Purpose of the section 32 report

Before a proposed District Plan change or variation is publicly notified the Council is required to evaluate the appropriateness of the proposed changes and prepare a report documenting this (refer section 32 of the Resource Management Act 1991 (the Act)). Objectives are examined for their appropriateness in achieving the purpose of the Act, and policies and methods are examined for their appropriateness in achieving the Plan's objectives.

Section 32 requires:

An evaluation of objectives that examines:

(3)(a) the extent to which each objective is the most appropriate way to achieve the purpose of the Act;

An evaluation of policies, rules and other methods that examines:

(3)(b) whether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives.

In terms of examining policies, rules and other methods, an evaluation must take into account:

(4)(a) the benefits and costs of policies, rules, or other methods; and

- (b) *the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules or other methods.*

Benefits and costs include benefits and costs of any kind, whether monetary or non-monetary.

This section 32 report has been prepared summarising the evaluation and giving reasons for the evaluation. This report must be available for public inspection at the time the proposed change is publicly notified.

Background

Wellington's 'centres' are physically spread across the city, and include the Central Area, town centres, district centres, neighbourhood centres, industrial areas and work areas. They are the focus of economic and social life in our communities. Each centre has its own character and role that it plays in the city's day to day functioning, but retail and local services predominate in all centres.

Centres are the focus for much of the economic and social life of their communities. They provide accessible shopping and local services to meet people's day-to-day needs. The larger the centre, the greater the range of activities and functions that are typically located there. It is the combination of activities and functions that makes centres particularly important places, as it enables them to deliver a range of environmental, social, economic and cultural benefits.

Suburban Centres

The District Plan includes a generic Suburban Centre zone to manage all these centres under one set of provisions. Rules in the District Plan provide for a wide range of activities within Suburban Centres as long as certain conditions are met. Similarly, most building developments are permitted (within certain height limits and other controls). This flexibility enables developments in these centres to respond to changing economic and social drivers. It allows residential living, retailing, service providers, entertainment and industrial activities all within the same area (subject to conditions). However this flexibility allows for little control over the location and scale of development, which could result in developments of too large a scale occurring in some centres. Exceptionally large retail development in particular, could have a significant impact on the urban form of a centre and the patterns of travel to and from a centre. This is due to their economic dominance, its role as an anchor for other specialist retail and other uses and activities, and the number of transport trips generated by extremely large retail developments.

Central Area

The importance of the central city to both Wellington City and the region as a whole cannot be underestimated. As an employment centre it provides jobs for over 70,000 people (over 30% of all jobs within the region). As a shopping centre it has the largest concentration of retail in the region and is dominant in comparison goods, fashion and speciality shopping. The Golden Mile is of particular importance to the City, and is viewed by investors as Wellington's 'outdoor mall'. The concentration of office-based employment in the central city, combined with the significant retail offer of the Golden Mile, and the high quality of the public realm is critical to maintaining the international competitiveness of Wellington and achieving sustainable development outcomes. The importance of the central city to the economic and social health of the whole region is recognised in the Wellington Regional Strategy and the draft Regional Policy Statement. The overall approach of the District Plan is therefore to maintain and strengthen the central city, to ensure that it retains its primacy as an employment and retail centre, to further grow its residential population, and to strengthen its other roles and functions.

Plan Change 48 maintained the approach in the Operative District Plan of no restrictions on where activities can locate within the central area and no restrictions on the scale of activities, other than bulk and massing controls. Whilst this has provided for flexibility to respond to changing market conditions, it does mean that proposals for extremely large retail developments could be proposed that may have a significant impact on the existing patterns of use and travel within the central area. Currently there is no ability to consider the potential impact of such developments on the Golden Mile and the economic wellbeing of the central area as a whole, or to fully consider the travel impacts of such a proposal.

District Plan Change 66 and Variation 5 are proposed as a means to allow Council to more effectively manage the potential effects of exceptionally large retail developments.

Consultation

The following agencies were consulted during the preparation of proposed District Plan Change 66 and Variation 5 in accordance with the Act (Clause 3, Schedule 1):

- The Minister for the Environment
- Te Runanga O Toa Rangatira Inc
- The Wellington Tenth Trust
- Greater Wellington Regional Council
- Hutt City Council
- Porirua City Council

Key Documents

- Urban Development Strategy, Wellington City Council July 2006
- Retail Strategy, Wellington City Council September 2003
- Spatial Analysis of Retailing in Wellington Hames Sharley 2003
- Transport Strategy, Wellington City Council 2006
- Wellington Regional Strategy June 2007
- Draft Centres Policy Wellington City Council April 2008
- Draft Wellington Regional Policy Statement March 2008
- Johnsonville Mall Redevelopment Economic Impact Assessment (Draft) McDermott Miller April 2008
- Peer Review Johnsonville Economic Impact Assessment SGS Economics and Planning February 2008
- Harbour Quays Port Development Economic Assessment Property Economics February 2006
- Harbour Quays Port Development Peer Review of Economic Assessment SGS Economics and Planning April 2006
- Assessment of the Likely Urban Development Impacts of Harbour Quays and Implications for the Future Planning of Wellington's Central City Derek Kemp July 2006

Evaluation of options

Purpose of the Act

The purpose of the Resource Management Act 1991 is described in section 5 of the Act. It is to promote the sustainable management of natural and physical resources.

Sustainable management includes managing the use, development and protection of natural and physical resources to enable people and communities to provide for their social, economic and cultural well being and their health and safety while avoiding, remedying or mitigating adverse effects on the environment.

Matters of national importance and other matters

Section 6 lists matters of national importance that are to be recognised and provided for in achieving sections 5. The section 6 provisions of relevance for considering urban development area provisions are:

- The relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga
- The protection of historic heritage from inappropriate subdivision, use and development

Other matters

Section 7 identifies matters that particular regard must be given to. Of relevance are:

- the efficient use and development of natural and physical resources
- the efficiency of the end use of energy
- the maintenance and enhancement of amenity values
- the maintenance and enhancement of the quality of the environment
- any finite characteristics of natural and physical resources

These matters are considered more extensively in the assessment below.

Proposed Objectives

Section 32 requires that Council examine the extent to which any new objectives are the most appropriate way to achieve the purposes of the Act. Plan Change 66 and Variation 5 propose to introduce the following new objectives:

Proposed District Plan Change 66 – Suburban Centre

6.2.1B To ensure that retail activities and integrated retail developments do not compromise the sustainability of the Golden Mile (and where applicable other Suburban Centre retail areas), compromise the sustainability of the transport network, or result in the unsustainable location of these activities.

Variation 5 – Central Area

12.2.2A To ensure that retail activities and integrated retail developments do not compromise the sustainability of the Golden Mile or compromise the sustainability of the transport network.

Exceptionally large retail activities located within suburban centres could have the effect of drawing significant transport trips to them. If they are of sufficient scale they could draw people from a catchment much wider than their local area to include much of Wellington City and beyond. The potential effects on the transport network need to be assessed to ensure sustainable management and the efficient use of resources.

Exceptionally large retail activities in certain centres could also result in the under-utilisation of existing public infrastructure and require funding of new infrastructure to support them – this would not be an efficient use of resources. Similarly such activities could undermine the long-term economic health of the Golden Mile (and other existing retail centres), resulting in a loss of employment and economic activity, and a loss of overall vibrancy which is critical to attractiveness of the central city to future economic investment and footloose business entrepreneurs. Such effects would impact on the ability of people and communities to provide for their social and economic wellbeing

The proposed objectives provide for the maintenance and strengthening of an efficient and effective urban form. Within Wellington City there is a well established network and hierarchy of centres that provide for effective and efficient delivery of services and facilities to people and communities. The Golden Mile has been well established as the primary retail centre of the City and indeed in many respects the wider region. Other centres in the city provide services and functions to their suburban catchments and local areas dependant on their scale, role and function. This network of centres is supported by an established transport system that includes effective public transport, and by the public provision of infrastructure, community infrastructure and services and the quality of public spaces.

The Golden Mile is supported by an extensive transport system (including both bus and rail networks), and has a large population within walking distance. The co-location of high-order retail activities with extensive office-based employment and visitor facilities and civic and governmental services, provides for an efficient use of resources by enabling transport trips to serve with multiple functions. The extensive retail facilities complement and support the office-based employment and visitor accommodation and the residential population of the central city by providing facilities to service the needs of people and provide for the social and economic wellbeing.

Overall it is considered that the proposed objectives are necessary to address a number of significant resource management issues. The proposed objectives will enable Council to more appropriately meet the purposes of the Resource Management Act in terms of enabling people and communities to provide for their social, economic and cultural wellbeing (section 5(2)), the efficient use and development of physical resources (section 7(b)) , the efficient end use of energy (section 7(ba)), the maintenance and enhancement of amenity values (section 7(c)), and the maintenance and enhancement of the quality of the environment (section 7(f)).

Proposed policies, rules and other methods.

The costs and benefits of two options are examined in the table below. These are:

1. The status quo:
2. New objectives, policies, rules and other methods that require consideration of the impact on existing centres from extremely large retail developments within Suburban Centres or the

Central Area.

Table 1: Matrix of Options for the Proposed District Plan Change 66 and proposed District Plan Variation 5

	<p>Option 1: Status quo – No restrictions on the scale of retail development within any of the Suburban Centres or the Central Area.</p>	<p>Option 2: Expanded discretion – Consider the impact on existing centres from exceptionally large retail developments within Suburban Centres or the Central Area. This is recommended as the most appropriate option</p>
<p>Environmental costs</p>	<ul style="list-style-type: none"> • Exceptionally large retail developments may result in a significant increase in vehicle trips and total vehicle travel, drawing customers in from a much wider catchment. This would result in significantly increased vehicle emissions – affecting public health and contributing to climate change. • Exceptionally large retail developments may have the effect of over-loading the transport network leading to congestion. This would have the effect of increasing travel times with associated increases in vehicle emissions. 	<ul style="list-style-type: none"> • n/a
<p>Environmental benefits</p>	<ul style="list-style-type: none"> • For people located within or close walking distance of a major retail development – there would be enhanced accessibility to services and facilities. 	<ul style="list-style-type: none"> • Maintain a network of viable and vibrant centres throughout the city to provide people and communities with access to retail and other services/facilities either within walking distance or within their local area to minimise transport trips and vehicle emissions. • The proposed provisions would allow Council to thoroughly consider the potential impact of new exceptionally large retail activities. New developments will be expected to demonstrate that they do not compromise the efficient operation of the transport network.
<p>Social costs</p>	<ul style="list-style-type: none"> • An over-concentration of retail development in one centre may affect the viability and vitality of other existing centres. This may reduce their ability to retain services and facilities. If residents are no longer able to access services and facilities in their local centre they will be forced to travel further to a larger centre. This would impact on people and communities’ wellbeing. • Potential for new development to reduce the efficiency of 	<ul style="list-style-type: none"> • While the proposed provisions do not prohibit the development of new retail activities, they may result in constraints being placed on the size and location of new retail developments. This could reduce the range of retail activities that might otherwise have been developed, reducing opportunities to shoppers.

	<p>the transport network, resulting in increased travel times and reduced convenience for people, particularly residents in the surrounding communities.</p>	
Social benefits	<ul style="list-style-type: none"> • For people located within or close walking distance of a centre containing significantly enhanced retail development – there would be access to a wider range of services and facilities. 	<ul style="list-style-type: none"> • Maintain a network of viable and vibrant centres throughout the city to provide people and communities with accessible services and facilities. • Ensure that people and communities are not subject to increased congestion and travel delays in the transport network, resulting from the travel demand generated by an exceptionally large retail development.
Economic costs	<ul style="list-style-type: none"> • An over- concentration of retail development in one centre would draw customers from a very wide catchment. This would reduce the long-term viability of other centres. • Existing investment in public infrastructure in centres may be under-utilised and additional costs for new infrastructure in the enhanced centre will be required. This would not be an efficient use of resources. • There may be a loss of employment in other centres • A reduction in retail floorspace or the quality of retail activity and overall vibrancy in the Golden Mile may adversely affect the overall economic performance of the central city through making it a less desirable location for employment activities, through a permanent loss of tourism spending and a reduction in visitor nights; and through a reduction in economic benefits from event promotions • Potential for new development to reduce the efficiency of the transport network, resulting in lost productivity due to increased travel times 	<ul style="list-style-type: none"> • Some exceptionally large retail developments may not proceed, or may be required to reduce in scale, with potential for less employment growth and retail spend in those particular locations. • Increased consenting costs for retail activities that may not have required resource consent under the provisions of the operative District Plan
Economic benefits	<ul style="list-style-type: none"> • Significant retail development will provide for enhanced employment and economic growth in the centre in which it locates 	<ul style="list-style-type: none"> • Better utilisation of existing infrastructure in centres • Less need for major spending on infrastructure • Retains the primacy of the Golden Mile as a regional centre

		<ul style="list-style-type: none"> • Retain the efficiency and effectiveness of the transport network
Efficiency and Effectiveness of achieving Objectives	<ul style="list-style-type: none"> • This could compromise Objective 6.2.1 “To promote the efficient use and development of natural and physical resources within Suburban Centre areas” by under-utilising existing infrastructure and requiring major upgrades to infrastructure • This could compromise Objective 6.2.8 “To enable efficient, convenient and safe access for people and goods within the Suburban centres” by generating significantly increased transport trips within centres and to and from centres. • This could compromise Objective 6.2.9 “To promote the development of a safe and healthy city” by allowing significant increases in transport trips within and to and from centres, which would result in an increase in vehicle emissions. 	<ul style="list-style-type: none"> • This would assist in achieving Objective 6.2.1 “To promote the efficient use and development of natural and physical resources within Suburban Centre areas” by ensuring full utilisation of existing infrastructure and avoiding major upgrades to infrastructure • This could assist Objective 6.2.8 “To enable efficient, convenient and safe access for people and goods within the Suburban centres” by ensuring the location of significant travel generating activities are appropriately located.
Risk of acting or not acting if there is uncertain or insufficient information	<ul style="list-style-type: none"> • Status quo option does not allow for the collection and analysis of information relating to the impact of extremely large retail activities within centres on the Golden Mile. This is a significant, and largely irreversible, risk to the community’s social and economic wellbeing and to the efficient use of natural and physical resources 	<ul style="list-style-type: none"> • The specific impacts of extremely large retail proposals will only be known with further analysis on a case-by-case basis. This option provides for this to be collected and analysed as part of any consent process

Conclusion

New objectives, policies and rules are necessary to allow Council to assess, and manage if necessary, the potential impact of new retail activities in Wellington City.

The proposed objectives are the most appropriate means of achieving the purpose of the Resource Management Act in terms of enabling people and communities to provide for their social, economic and cultural wellbeing (section 5(2)), the efficient use and development of physical resources (section 7(b)) , the efficient end use of energy (section 7(ba)), the maintenance and enhancement of amenity values (section 7(c)), and the maintenance and enhancement of the quality of the environment (section 7(f)).

The proposed policies, rules and other methods will be effective and efficient, as they target only exceptionally large retail development which are those that are most likely to generate adverse effects. They provide for consideration of the economic impact of such developments on the Golden Mile (and other centres as applicable), the impact of the sustainability of the transport network, and the appropriateness of retail location in Wellington.