

APPENDIX 2

WELLINGTON CITY COUNCIL REPORT OF THE HEARING COMMITTEE

SUBJECT:

PROPOSED DISTRICT PLAN CHANGE 52: SUBURBAN CENTRE RULE AMENDMENTS

COMMITTEE MEMBERS:

CRS Foster (Chair)
McKinnon
Pepperell

DATE OF HEARING:

15,16,23, & 24 MAY 2007

1. INTRODUCTION

This decision relates to Proposed District Plan Change 52 - Suburban Centre Rule Amendments (DPC52).

DPC52 was notified on 20th October 2006 at the same time as a private plan change request to rezone residential land at Takapu Island to Suburban Centre (DPC47). Both district plan changes were heard together as they require consideration of Suburban Centre retailing impacts. A separate decision has been issued for DPC47.

DPC52 as notified allows consideration of the retail impact of buildings over 500m² on the viability and vitality of the established retail centres of Tawa, Johnsonville, Karori, Newtown, Kilbirnie and Miramar, and to ensure that large retail developments do not lead to the creation of unsustainable urban forms.

Secondly, it allows urban design matters to be taken into account when assessing resource consents for buildings in excess of 500m² in all Suburban Centres.

The officer report and written evidence on retail impacts (prepared by Tim Heath, Director of Property Economics Ltd), were distributed to all submitters and further submitters prior to the hearing.

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2. RECOMMENDATION

It is recommended that the Council:

1. *Receives the information*
2. *Approves the recommendations of the District Plan Hearing Committee in respect of District Plan Change 52 – Suburban Centre Rule Amendments as set out in Attachment One to this report*

3. LEGISLATIVE REQUIREMENTS

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 to these plan changes 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:”

The section 7 provisions of relevance to these plan changes are:

- “the efficient use and development of natural and physical resources:
- the efficient use of the end use of energy:
- the maintenance and enhancement of amenity values:
- maintenance and enhancement of the quality of the environment:
- any finite characteristics of natural and physical resources:
- the effects of climate change:”

These matters are considered in sections 5 and 6 of this report.

4. SUBMISSIONS

4.1 Submissions and appearances before the hearing committee

Twenty seven submissions and seven further submissions were received, and they were summarised in the officers report.

At the hearing the planning officer, John McSweeney presented his report on DPC52.

The following submitters and further submitters presented evidence at the hearing:

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1. Progressive Enterprises Ltd - Mike Foster (planning consultant) and Kristen Gunnell (legal counsel)
2. Prime Property and Rongotai Investments – John Hassan (legal counsel), Eyal Aharoni (Principal of Prime Property Group of companies (which includes Rongotai Investments)), Geoffrey Butcher (economist), and Dave Armour (planning consultant).
3. Kiwi Income Property Trust and Kiwi Property Holdings Ltd – Claire Kirman (legal counsel) and Nick Roberts (planning consultant).
4. ING (NZ) – Ian Leary (planning consultant).
5. Foodstuffs (Wellington) Co-operative Society Limited and Dominion Foundation Property Fund Ltd – Wayne O’Styke (Group Manager, Property and Retail Development for Foodstuffs), Alistair Aburn (planning consultant).
6. Hutt Road Trust, Hutt Road Trust 2, Wundarra Properties Ltd, Orpheus Properties Ltd, Ettamogah Properties Ltd, Pymurra Properties Ltd, & Magnetic Properties Ltd of Suburban Centre properties along Hutt Road - Frank de Vries (owner).
7. Bunnings Ltd – Matthew Grainger (property acquisition manager for Bunnings Ltd), Matthew Norwell (planning consultant), Eliza Sutton (traffic engineer).
8. Armstrong Jones Management PTY Ltd – Glen Hosking (Development Manager) on behalf of Prime Retail Management Ltd (which holds the management contract for Dress Smart).

5. DISCUSSION

5.1 Controls on retailing

Centres based approach

The Committee supports in principle the approach to managing retail development in suburban centres as proposed by DPC52. The controls seek to maintain the retail primacy of the six main suburban centres of Tawa, Johnsonville, Karori, Newtown, Kilbirnie, and Miramar and to manage large retail development outside of these areas.

This approach is a significant departure from the operative rules applying to Suburban Centres in the District Plan, where there are only a few controls on the type of activities permitted within Suburban Centres. The operative provisions have enabled developments in these centres to respond to changing economic and social drivers. However there are risks in maintaining this more laissez-faire approach which does not take into account the impact of out of centre retailing on established neighbourhood retailing centres, impacts on urban form and sustainable transport options.

The Committee heard submissions on the merits of a centres based approach to retailing and the approach adopted in this plan change. It is noted that there was general support expressed for a centres based approach. A number of the planning consultants who presented evidence stated that similar approaches to protecting retail centres has already

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been widely adopted throughout New Zealand. This is confirmed by similar background work and analysis undertaken as part of this plan change and referred to in the section 32 analysis.

The Committee also recognises the importance of these identified suburban centres as important focal points for their local communities. They are also centres where the greatest opportunity exists for improvements to public transport and where a significant amount of community and private sector infrastructure has been invested. These matters need to be recognised and provided for in the District Plan.

Managing retail activities is a complex issue and we are mindful of the delicate balance between facilitating development and encouraging a healthy vibrant retail environment, and placing unnecessary planning controls on legitimate retail developments. We believe some amendments are warranted based on persuasive arguments put forward in submissions and presented in evidence at the hearing.

In making these changes (which we set out in detail below), the Committee is mindful that a more comprehensive review of the whole approach taken to managing activities in Suburban Centres is presently underway. This will be notified in 2008. We do not wish to pre-empt the outcome of that process, but given the issues that have been raised, we believe there are sound resource management reasons for continuing with the plan change largely in its present form but with a number of changes which we believe will more appropriately provide for development outside of the identified suburban centres.

Decision 1:

Accept submissions 27 and 28 which support the centres based approach to managing retail developments outside of the identified Suburban Centres.

Retail impacts on other suburban retail centres

The Committee heard representations from Mr Aburn (representing Foodstuffs and Dominion Foundation Property Fund Ltd) and Mr O'Styke (representing Foodstuffs) which questioned why other suburban retail centres are not being included alongside the six identified suburban centres as being exempt from the 500m² retail restriction. Their view was that there are a number of centres, some with established supermarkets which would be disadvantaged by having retail restrictions imposed on further development.

The Committee agrees that there are a number of other commercial centres throughout the City which act as important focal points for their local community in a similar way to the six identified suburban centres. Whilst they are not as large, they do provide an important range of retail, community and social services, and in some cases are anchored by a large supermarket. The centres we have included are also evenly spread across the City, which would minimise potential adverse retail impacts on neighbouring centres. They also tend to be those where supermarkets are already located. The Committee considered that the proposed suburban centre in Churton Park would appropriately be added to the list if it progresses successfully through Plan Change 60. The committee also considered whether Marsden Village should be included in the list by virtue of size and mix of functions, but considered that the nature of business there is of smaller sized/food businesses, and that one identified centre per suburb was appropriate. The retail functions of these centres should be allowed to develop further to

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support the growing needs of their community and should not be unnecessarily constrained by controls on retailing.

Other Suburban Centre zoned areas which are industrial or semi industrial in nature or contain only a handful of shops such as Strathmore and Berhampore etc have not been included for the reasons stated above. These smaller centres are considered very unlikely to be able to accommodate the kind of larger retail businesses that DPC52 addresses.

Decision 2:

Accept in part submissions by Foodstuffs, Dominion Foundation Property Fund Ltd, ING (NZ) to exempt a further six suburban centres (to add to the existing six suburban centres of Tawa, Johnsonville, Karori, Newtown, Kilbirnie, and Miramar) from the 500m² retail control by inserting the suburban centres into Rule 7.1.1 as follows:

- Newlands
- Khandallah
- Hataitai
- Brooklyn
- Island Bay
- Crofton Downs

Definition of retailing

The issue of concern to most submitters relates to the type of 'retail' activities that are captured by the retail rule and therefore restricted to 500m² outside the identified suburban centres.

Various submitters have either requested changing the definition of 'Retail Activity (for the purpose of Suburban Centres)' so that no floor area controls would be placed on the following activities in Suburban Centres relating to:

- services [eg professional and trade services] to the public
- warehouses, timber yards and garden supplies
- building improvement centres
- trade suppliers (automotive and marine, building, catering equipment, farming and agricultural, garden and patio suppliers)
- supermarkets/food warehouses and liquor outlets

The planning officer recommended the following:

"...it is considered that only those businesses involving the direct sale of retail goods to the general public should be subject to the provisions contained in this plan change. This means that the definition for retail activity should be amended to exclude services, and timber yards, warehouses, and trade suppliers not involving the retail sale of goods to the general public. As a consequence, new garden suppliers and building improvement suppliers such as Placemakers and Bunnings, who retail directly to the general public, would need a resource consent if the building exceeded 500m²."

In assessing the merits of this approach and the various suggestions put forward by Bunnings Ltd, Kiwi Income Property Trust, ING, and Prime Properties, the Committee has been mindful of the following issues:

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- the difficulty in defining what is a retail activity given that many activities now include a mix of retailing, warehousing, and industrial (and sometimes residential) activities;
- the trend by some supermarkets and The Warehouse etc towards wide product ranges and services;
- the avoidance where possible of imposing arbitrary definitions and size limit controls on 'retail' activities, which in turn leads to administrative, compliance and monitoring problems and potential uncertainties for landowners and developers; and
- the size and servicing requirements of certain large building improvement and supply outlets, garden centres, etc make them more suited to larger industrial or semi-industrial sites.

The Committee has spent time deliberating over this issue and appreciates that there is no single way or simplified approach to addressing this issue. It is our view that the current 'retail' definition in DPC52 is too restrictive. The intent of this aspect of DPC 52 was to allow Council to assess the effects of locating businesses outside those identified suburban centres which might ordinarily be expected to locate inside those centres. The centres based approach is about avoiding undermining of those centres. The corollary of this is that some retail/trade activities are not usually found within suburban centres.

The committee agreed with submitters who said that these types of activities should not have to undergo an economic impact assessment. The key question therefore for the committee was developing an appropriate list of excluded retail/trade activities for this purpose. These are activities which might have some retail activity but also need large areas for servicing, for warehousing and storage or for trade supplies. They are often bulky goods, or destination goods rather than daily or convenience goods such as found in a supermarket. The Committee listed activities which it considered on the basis of submissions to be unlikely to compromise the vitality and viability of the identified suburban centre retail areas if located outside those centres.

The Committee considered that the officer's report didn't go far enough in providing for these types of activities. Whilst we have been mindful of the problems with definitions and having long lists of exclusions from the definition of '*Retail Activity (For The Purpose Of Suburban Centres)*', we consider that a reasonable balance can be achieved by excluding yard based suppliers such as Bunnings, Mitre Ten and Placemakers etc from the definition of retail activity.

Decision 3:

Reject submissions 3, 5, 14, 15, 16, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, and 26 as they relate to removing, amending or deleting the permitted activity and discretionary activity (restricted) provisions for retail activities in excess of 500m² gross floor area (and other activities identified by submitters such as supermarkets/food warehouses and liquor outlets) outside of identified Suburban Centres.

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Accept in part submissions 1, 2, 4, 7, 8, 9, 10, 11, 12, and 13 insofar as they relate to requests to amend the definition of retail activity to exclude a wider range of activities by making the following amendments to the ‘Retail Activity’ definition:

RETAIL ACTIVITY (FOR THE PURPOSE OF SUBURBAN CENTRES): means any activity or activities within a building involving the sale of goods, merchandise, equipment ~~or services~~ to the public, but excludes:

- *service stations and motor vehicle service premises*
- *takeaway food bars, restaurants, cafes or other eating places*
- *office product suppliers*
- *second-hand goods*
- *yard-based suppliers such as building suppliers, farming, horticultural and agricultural suppliers, garden and landscape suppliers.*

Traffic impacts of large out of centre developments

Whilst the above decision excludes large yard based retail/industrial activities (and other uses) from being triggered by the retail rule, the Committee considers that large developments (such as Bunnings, Mitre Ten, Placemakers and so on) can generate significant levels of traffic. This can adversely impact on the efficiency and effectiveness of the local transport network where such developments have not been anticipated.

Accordingly, activities in excess of 500m² outside of the 13 identified suburban centres will be a discretionary activity (restricted). Council will restrict its discretion to assessing traffic, parking and transport impacts.

Decision 4:

Under the Standards and Terms of Rule 7.3.1, after the 5th bullet point (added in Decision 5 of this report) insert a new provision as set out below:

Gross floor areas of office product suppliers, second hand goods dealers and yard based suppliers

An application for resource consent for an office product supplier, second hand goods dealer and yard based supplier that occupies a gross floor area exceeding 500m², must supply a report that addresses:

- the matters referred to in bullet point four above (under ‘Gross floor area of retail activities’).
- a detailed assessment may not be required if the applicant can show the proposed development is unlikely to have any significant impact on the matters referred to above with respect to accessibility, traffic and parking demand, sustainable transport choices, and trip generation.

Council does not wish to control retail impacts of these forms of development but has restricted its discretion to consideration of traffic, parking demand and transport impacts.

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Retail floor area limitation

There were a number of submitters opposed to a 500m² limit being used as the threshold at which the retail controls are applied to retail development. Prime Properties (in particular) challenged the approach adopted by the Plan Change.

This figure was derived from an analysis of building footprints in various Suburban Centres in Wellington City. This showed there was a large jump in the scale of buildings when they exceed 500m².

An analysis was also undertaken of approaches adopted in other district plans around the country. This showed that a number of district plans around the country commonly use retail thresholds of 500m² more or less. These include the following:

1. The Business 8 Zone in the Auckland City District Plan uses 500m² as a threshold. Shops above this size need a resource consent. This is to protect the speciality shops provided for in suburban retail centres such as the Business 2 Zone.
2. The Suburban Commercial Zone in the Hamilton City District Plan uses a 400m² threshold. Retail developments in excess of this limit require a resource consent.
3. The Palmerston North District Plan uses a 500m² threshold for retailing in the Industrial 1 Zone.
4. The Christchurch District Plan uses percentage floor area and maximum retail floor area limits of 20% and 350m².

The 500m² limitation is also supported in evidence presented by Council's retail expert Mr Tim Heath:

“The 500m² threshold is a relatively standard and generally accepted benchmark for large format stores in the major cities. A store of this size is larger than the vast majority of stores in town centres, and is a threshold that is unlikely to see mass relocation of town centre retailers to large format centres. In this regard, it is considered a mechanism that provides a degree of protection (or a safety net) for town centres.”

It is also noted that this approach has been adopted by the Council Proposed District Plan Change 45, which relates to the Lincolnshire Structure Plan.

We are therefore satisfied that this is an acceptable level from which large out of centre retail developments may be assessed in terms of their retailing impacts on neighbouring identified suburban centres, on urban form and with respect to traffic and transport impacts.

A number of the submitters raised what we consider to be very legitimate concerns about having to prepare extensive retail impact reports as part of a resource consent application. There may be instances where retail activities in excess of 500m² will have only a very limited or no retail impact on identified suburban centres. Applicants should be able to present their case for a relaxation of the requirement to provide a full

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retail impact assessment and the rules allow Council officers to apply a less stringent assessment process.

A new standard and term has therefore been inserted into Rule 7.3.1 to enable this to happen. This will reduce the costs and uncertainties associated with the resource consent process and allow the assessment to focus on significant out of centre retail developments.

Decision 5:

Reject submissions 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, and 26 as they relate to removing, amending or deleting the permitted and discretionary activity (restricted) provisions for retail activities in excess of 500m² gross floor area (and other activities identified by submitters such as supermarkets/food warehouses and liquor outlets) outside of identified Suburban Centres.

Accept those parts of the submissions which seek a less-stringent retail impact assessment and add a 5th bullet point to the Standard and Terms under Rule 7.3.1 as follows:

- *“A detailed assessment may not be required if the applicant can show the proposed development is unlikely to have any significant impact on the matters referred to above.”*

5.2 Controls on urban design

Urban design provisions

The second part of District Plan Change 52 relates to urban design controls on new buildings in excess of 500m² in Suburban Centres and additions to buildings which would result in a building exceeding 500m². In these cases, a resource consent would be required pursuant to Rule 7.3.2 as a discretionary activity (restricted). A design statement would need to be prepared and would have to address a bulleted list of nine urban design matters.

General concerns

There were a number of submitters opposed to urban design controls, particularly the owners of semi industrial and industrial sites along Hutt Road and Ngauranga Gorge. The Committee was interested to hear comments by Mr de Vries and his experience of trying to comply with these new urban design controls. Bunnings also did not support the urban design controls and considered that they should only apply to retail activities and not to building improvement centres.

The Committee also notes submissions by Foodstuffs, Progressive Enterprises and Dominion Foundation Property Fund Ltd which generally support the application of these controls, provided a pragmatic approach is adopted to the way the provisions are administered by Council officers.

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Value of urban design controls

The Committee agrees with the need for urban design controls for the following reasons:

1. Poorly designed and sited buildings, carparking, and servicing areas can negatively impact on the proper functioning of sites.
2. Good urban design can enhance the quality and character of sites and localities, and can contribute to the overall vitality and functioning of the City.
3. Poor urban design outcomes are more obvious where it involves large scale buildings, which are visually dominant and contain high intensity uses.

Urban design assessments

Both Foodstuffs and Progressive Enterprises made oral submissions suggesting an amendment that would allow council officers to consider applications where it was not possible to meet all of the urban design matters referred to in Rule 7.3.2, provided the applicant had shown that it was not practicable to do so.

Whilst it is expected that council officers would take a pragmatic approach to assessing “lower profile industrial sites” as stated in the officer’s report, we support the submitters suggestions that a new standard and term should be inserted into Rule 7.3.2 similar to the amendment to 7.3.1. This would allow council officers to take a less restrictive assessment approach to all development where the nature of the development or site limitations make it impossible or impractical to give effect to all of these standards and terms.

It is very important to note that developers and council officers should not see this as a weakening of the urban design approach to managing urban design in suburban centres.

Additions to existing buildings

ING Property Trust No. 1 Ltd, owners of land occupied by Placemakers and Wade House on Hutt Road have suggested that up to 100m² additions be permitted to existing buildings as of right. Permitted activity condition 7.1.2.7.1 presently allows alterations and additions provided they are not visible from a public place. Large scale additions can be undertaken without the need for a resource consent provided they are not publicly visible.

Additions to the fronts of buildings can however have significant impacts. Retaining this provision as presently drafted is consistent with the intention of improving the quality and character of suburban centres.

Other

A lower threshold limit of 350m² for all developments was suggested by The Architectural Centre Inc (28). This is considered too restrictive for the reasons set out above.

Decision 6:

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Reject submissions 2, 3, 5, 7, 8, 14, and 28, but **support** oral submissions by submitter 15 (Foodstuffs (Wellington) Cooperative Society Ltd and submitter 27 (Progressive Enterprises Limited) as they relate to removing, amending or deleting the permitted and discretionary activity (restricted) provisions related to design controls applying to all new building or additions to existing buildings that would in a building being in excess of 500m² in Suburban Centres.

Add a 10th bullet point under the Standards and Terms in Rule 7.3.2 as follows:

“the extent to which the building is not able to achieve the above matters, and the reasons why it is not practicable to do this.

Subjective urban design assessments

Seven submitters consider that the urban design standards and terms are too subjective. However the Committee heard and agrees that the proposed provisions relate to widely accepted principles around what constitutes good urban design practice. Applying definitive standards to the range of development that occurs in Suburban Centres is not possible. Any attempts to do this would be counterproductive and is unlikely to achieve positive urban design outcomes. The Committee is satisfied that the decision above (relating to the insertion of a new standard and term) will also help to address some of the submitters concerns.

Decision 7:

Reject submissions 7, 8, 9, 10, 11, 12 and 13 and retain the existing urban design standards and terms under Rule 7.3.2.

Duplication of urban design controls applying in Newtown Suburban Centre

Capital & Coast District Health Board consider that existing design and appearance controls applying in Newtown Suburban Centre Character Area [and Thorndon Suburban Centre Character Area] are unnecessary and will add unnecessary compliance costs to providing health services.

The existing controlled activity rule (7.2.1) applies to most of the Newtown suburban centre properties south of the John St/Adelaide Rd/Riddiford Street intersection. This allows consideration of design and appearance matters for all development, regardless of their size and nature. The controlled activity consent status does not however allow developments to be refused.

The Committee considers that large development in excess of 500m² in these areas could have significant adverse urban design impacts, and it is appropriate that the Council be able to negotiate with developers, or where this is not possible, to refuse any inappropriate development.

Decision 8:

Reject submission 16 by the Capital & Coast District Health Board seeking an exemption from application of urban design controls to the Newtown Suburban Centre Character Area.

5.3 Objectives and policies

Kiwi Income Property Trust have requested that a new objective be inserted into the district plan as follows:

“To ensure that activities establishing within Suburban Centre areas do not compromise the function of existing centres in the region through loss of vitality, amenity, or viability as a consequence of the redistribution of retail activities”

The officer has recommended that a new objective and policies be inserted to give part support to this submission as the Plan Change rules have no policy support. This is provided the wording does not refer to the existing centres in the region and applies only to retail activities.

The Committee acknowledges that whilst it is important to take into account the wider impacts of development, which these rules are trying to achieve, the District Plan can only reasonably control development within its boundaries. There is no policy direction on this matter provided for by the Regional Policy Statement. However, it is currently under review, and might be considered through the review process. The Committee also considered that because Kiwi Income Property was concerned about new activities establishing in existing suburban centres, and Plan Change 52 is specifically about enhancing the vitality of those suburban centres it would run counter to the intent of the Plan Change to make developments in those specified centres subservient to existing developments in other centres. It is noted this view was supported by Dominion Foundation Property Fund Ltd and Foodstuffs at the hearing.

A new modified objective and policy will be included in the district plan with associated explanatory text consistent with the approach already taken in the district plan as set out below.

Decision 9:

Accept in part submissions by 4 (Kiwi Income Property Trust), and oral submissions by 15 (Foodstuffs Wellington Cooperative Society Ltd) and 17 (Dominion Foundation Property Fund Ltd) and further submissions 1 (Kiwi Income Property Holdings, Foodstuff (Wellington)) to include a new objective and associated policies into the District Plan as follows:

OBJECTIVE

6.2.1A To ensure that large out-of-centre retail activities do not compromise the efficient and effective operation of the larger identified Suburban Centres, and lead to unsustainable urban forms.

POLICIES

To achieve this objective, Council will:

6.2.1.1A Ensure that large out-of-centre retail developments do not adversely impact on the efficiency and effectiveness of Tawa, Johnsonville, Newlands, Crofton Downs, Karori, Khandallah, Brooklyn, Hataitai, Newtown, Kilbirnie, Miramar and Island Bay Suburban Centres.

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- 6.2.1.2A** Ensure that large out-of-centre retail developments do not compromise Wellington’s compact urban form, lead to an inefficient use of resources and compromise the use and future development of sustainable transport options.
- 6.2.1.3A** To enable office product suppliers, second hand goods and yard based suppliers to locate in all Suburban Centres as of right, subject to compliance with the relevant permitted activity standards.
- 6.2.1.4A** Development within Takapu Island Suburban Centre shall be undertaken in accordance with a comprehensive development plan which will ensure a sustainable mix of business, residential, community and open space activities and facilities, including park-and-ride are provided.

METHODS

- Rules
- WCC operational activities (Urban Development Strategy, Transport Strategy, Public Space Centres Development Programme)
- Other Mechanism (the Wellington Regional Strategy)
- WRC operational activities for the proposed Takapu Island park and ride facility
- Transit NZ operational activities as a road controlling authority

Tawa, Johnsonville, Newlands, Crofton Downs, Karori, Khandallah, Brooklyn, Hataitai, Newtown, Kilbirnie, Miramar and Island Bay Suburban Centres are important centres for retailing, employment, community and recreational activities and facilities. They are particularly important because of their size and the fact that they incorporate a complex mix of public and private activities. Public and private investment in these centres is important to the communities’ social, economic and environmental wellbeing.

Council is actively supporting these suburban centres through policy and public investment initiatives. This policy and investment support helps to facilitate further private investment in these centres. It is therefore important to manage the impact of out-of-centre large retail developments on these identified Suburban Centres and to ensure the maintenance of a compact urban form.

Out-of-centre retail development relates to retail developments in excess of 500m² in Suburban Centres other than the identified centres listed above. In undertaking this assessment, Council will require consideration of:

- *the effect on the overall vitality and viability of existing retail centres*
- *the efficient use of resources*
- *maintenance of a compact urban form*
- *impacts on existing public investment in infrastructure and public spaces*
- *public and private accessibility*
- *enabling sustainable transport choices (including public transport), and*
- *minimising trip-generation through the co-location of similar activities.*

Office product suppliers, second-hand goods and yard-based suppliers (such as building suppliers, farming, horticultural and agricultural suppliers, garden and landscape suppliers) provide a mix of general retail, warehousing and trade supplies. These activities often require large sites, buildings and service areas which are not often available physically or economically in neighbourhood centres. Given the nature and location of these activities, locating them outside the identified Suburban Centre is unlikely to compromise the vitality and viability of the identified suburban centre retail areas.

These developments can often generate significant levels of traffic, which if not appropriately managed, can have adverse impacts on the efficiency and effectiveness of

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local transport networks. Activities in excess of 500m² outside of the identified suburban centres will therefore be a discretionary activity (restricted). Council has restricted its discretion to assessing traffic, parking, and transport impacts only.

The approach taken to managing retail, urban form, traffic, parking demand and transport impacts will enable the Council to give effect to the policies contained in the Urban Development and Transport Strategies, and support the Public Space Centres Development Programme.

When the Takapu Island Suburban Centre plan change was approved in 2007, no plan had been prepared by the owners for the future use of the land. Approximately three hectares of the six-hectare site is available for a range of uses. Given the development potential of the land and the risk of fragmented, ad hoc development occurring specific site rules have been imposed. These rules require that a comprehensive development plan be produced and approved by Council before any development may occur. These rules are set out in Appendix 8, and require that all development be assessed as a discretionary activity (restricted). This will ensure:

- a sustainable mix of business, residential, community and open space activities and facilities;*
- retail development does not compromise the vitality and viability of Tawa and Johnsonville neighbourhood centres;*
- integrated development of the land occurs to ensure a high quality of urban design, traffic and service infrastructure, and public transport connections and facilities (such as a park-and-ride facility on the land);*
- the environmental quality of the Porirua Stream adjacent to the site is maintained and enhanced;*
- the visual impact of development is mitigated through appropriate landscaping, earthworks and other mitigation measures;*
- appropriate staging and timing of development to give effect to the above matters; and*
- the environmental effects of development within the site and locality are appropriately managed and mitigated.*

Council is particularly concerned to ensure that future development of the land provides for public transport, safe and efficient access into the site and a mixed use development in general accordance with the Northern Growth Management Framework. Accordingly, applications for resource consent are likely to be notified if they do not adequately address these matters and the other bulleted matters listed above.

Note, an additional policy and explanation have been included in relation to Takapu Island Suburban Centre to give effect to decisions made with respect to DPC47 – Takapu Island Suburban Centre.

5.4 Consistency between Plan Change 47 and 52

Takapu Island Developments Limited (1) has made a submission requesting that rules 7.1.1, 7.1.2, 7.3.1 and 7.3.2 be amended to reflect the corresponding provisions in Plan Change 47. This is to ensure a consistent approach to managing activities. In our decision on the Private Plan Change request by this submitter (DPC 47) we have decided that the threshold for assessing the impact of retail activities on the identified Suburban Centres be amended from 1000m² down to 500m² in line with Plan Change 52.

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Given the size and uncertainty around what will be the future uses of the land and therefore the unquantifiable development impacts, we have decided additional controls are needed to manage the risks associated with piecemeal, unplanned development on Takapu Island. These matters are set out in the decision on that Plan Change request.

5.5 Dress Smart, Tawa

The Committee heard from Mr Glen Hosking the Development Manager for Prime Retail Management Ltd. They hold the management contract for Dress Smart, Tawa, which is owned by Armstrong Jones PTY (Ltd)).

Mr Hosking requested that Dress Smart be exempt from the 500m² floor area limit applying to out of town centre retail developments, by either being classified as an 'identified suburban centre' or that it be included in the Tawa town centre.

The Committee is of the view that Dress Smart is physically and operationally separated from Tawa town centre. It also wholly retail in nature as compared with the 'identified suburban centres' which comprise a range of retail, commercial, community and recreation services and facilities. We are not convinced this retail development is any different to other developments outside of the main identified areas, and that to confer additional retail rights on this centre may have adverse impacts on the vitality and viability of the Tawa suburban centre. For these reasons the submission is not supported.

Decision 10:

Reject submission 14 (Armstrong Jones Ltd) requesting that Dress Smart be exempt from the 500m² floor area limit applying to out of town centre retail developments, by either being classified as an 'identified suburban centre' or that it be included in the Tawa town centre.

5.6 Clarification issues

Kiwi Income Property Trust Ltd (4) has sought clarification that failure to comply with rule 7.3.1.7A or rule 7.3.17B (it is assumed that the submitter means 7.3.2.5A as there is no 7.3.17B) would make any activity a non-complying activity. There is no standard and term which specifies an upper limit which must not be exceeded, and there is no specific discretionary activity (unrestricted) or non-complying rule applying to retailing limits and urban design controls. Therefore regardless of the size of the building all resource consent applications would be discretionary activities (restricted).

5.7 Justification for the Plan Change and adequacy of the S32 analysis

A number of submitters representing Foodstuffs, Dominion Foundation Property Fund Ltd, Prime Property, and ING raised concerns about the justification for undertaking this Plan Change. In particular, both Mr Aburn and Mr Leary considered the Plan Change should be withdrawn altogether until further research and policy justification for imposing retail controls had been established. However in his oral presentation to the Committee Mr Aburn did note that he strongly supported the urban design element of Plan Change 52.

This plan change has not proposed any significant policy controls on development, other than to say that Council wishes to retain the ability to assess the impact of large

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scale development through the resource consent process. This does not preclude development which does not adversely impact on the vitality and viability of the identified suburban centres. The changes recommended in this decision report also help to fine tune the provisions to take into the legitimate concerns and issues raised by a number of the submitters.

Further research and policy development work is being undertaken as part of the Suburban Centre Review. It is likely that further changes will be made once the plan change is notified in 2008. In the meantime, this plan change enables an appropriate level of assessment to be undertaken on large retail developments.

Decision 11:

Reject submissions and further submissions 2, 4, 5, 15, 16, 17, 17A, 18, 19-25, 26, which challenge the justification for the plan change and question the adequacy of the section 32 analysis and support in part submissions 27 and 28 which support in principle the plan change.

6. CONCLUSION

The Committee has carefully considered the submissions made by all submitters to this Plan Change, and has made a number of changes to the plan change as publicly notified. These changes will allow some of the larger retail format stores to be located outside of the main suburban centre areas where they are more appropriately located, given their land, servicing and urban design requirements. They will however require an assessment as to their traffic impacts on the locality and transport network.

We have also extended the number of 'identified' suburban centres where no retail controls will apply. This will ensure that larger retail developments will be spread over a wider number and range of neighbourhood shopping areas. This also recognises the important role that these centres perform as focal points for a wide range of other community and social activities.

Changes to the standards in terms applying to both retail and urban design assessments allow a less stringent assessment process to be applied where it can be shown that development is unlikely to have any significant adverse effects.

In making these changes, the Committee has been mindful that a more comprehensive review of the whole approach taken to managing activities in Suburban Centres is presently underway.

Overall it is considered that DPC52 and the amendments provided for in this decision report are consistent with Part II of the Act. They strike an appropriate balance between improving the quality of Wellington City's urban environment, facilitating commercial development and maintaining and enhancing the importance of the main suburban centres.

Andy Foster - **Chair, Hearing Committee**
District Plan Change 52 - Suburban Centre Rule Amendments

Attachment 1

Proposed District Plan Change 52

Annotated provisions of the Operative District Plan showing proposed changes

The new provisions (as notified) are shown as underlined, and deleted provisions are shown as ~~struck-out~~. Amendments made as a result of the hearing of submissions are shown as highlighted.

Insert a new definition into Section 3.10 Definitions as follows:

RETAIL ACTIVITY (FOR THE PURPOSE OF SUBURBAN CENTRES):
means any activity or activities within a building involving the sale of goods, merchandise, equipment ~~or services~~ to the public, but excludes:

- service stations and motor vehicle service premises
- takeaway food bars, restaurants, cafes or other eating places
- office product suppliers
- second-hand goods
- yard-based suppliers such as building suppliers, farming, horticultural and agricultural suppliers, garden and landscape suppliers.

6. Suburban Centres

Insert a new objective and associated policies and explanation as follows:

OBJECTIVE

6.2.1A To ensure that large out-of-centre retail activities do not compromise the efficient and effective operation of the larger identified Suburban Centres, and lead to unsustainable urban forms.

POLICIES

To achieve this objective, Council will:

6.2.1.1A Ensure that large out-of-centre retail developments do not adversely impact on the efficiency and effectiveness of Tawa, Johnsonville, Newlands, Crofton Downs, Karori, Khandallah, Brooklyn, Hataitai, Newtown, Kilbirnie, Miramar and Island Bay Suburban Centres.

6.2.1.2A Ensure that large out-of-centre retail developments do not compromise Wellington's compact urban form, lead to an inefficient use of resources and compromise the use and future development of sustainable transport options.

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6.2.1.3A To enable office product suppliers, second hand goods and yard-based suppliers to locate in all Suburban Centres as of right, subject to compliance with the relevant permitted activity standards.

6.2.1.4A Development within Takapu Island Suburban Centre shall be undertaken in accordance with a comprehensive development plan which will ensure a sustainable mix of business, residential, community and open space activities and facilities, including park-and-ride, are provided.

METHODS

- Rules
- WCC operational activities (Urban Development Strategy, Transport Strategy, Public Space Centres Development Programme)
- Other Mechanism (the Wellington Regional Strategy)
- WRC operational activities for the proposed Takapu Island park-and-ride facility
- Transit NZ operational activities as a road controlling authority

Tawa, Johnsonville, Newlands, Crofton Downs, Karori, Khandallah, Brooklyn, Hataitai, Newtown, Kilbirnie, Miramar and Island Bay Suburban Centres are important centres for retailing, employment, community and recreational activities and facilities. They are particularly important because of their size and the fact that they incorporate a complex mix of public and private activities. Public and private investment in these centres is important to the communities' social, economic and environmental wellbeing.

Council is actively supporting these suburban centres through policy and public investment initiatives. This policy and investment support helps to facilitate further private investment in these centres. It is therefore important to manage the impact of out-of-centre large retail developments on these identified Suburban Centres and to ensure the maintenance of a compact urban form.

Out-of-centre retail development relates to retail developments in excess of 500m² in Suburban Centres other than the identified centres listed above. In undertaking this assessment, Council will require consideration of:

- *the effect on the overall vitality and viability of existing retail centres*
- *the efficient use of resources*
- *maintenance of a compact urban form*
- *impacts on existing public investment in infrastructure and public spaces*
- *public and private accessibility*
- *enabling sustainable transport choices (including public transport), and*
- *minimising trip-generation through the co-location of similar activities.*

Office product suppliers, second-hand goods and yard-based suppliers (such as building suppliers, farming, horticultural and agricultural suppliers, garden and landscape suppliers) provide a mix of general retail, warehousing and trade supplies. These activities often require large sites, buildings and service areas which are not often available physically or economically in neighbourhood centres. Given the nature and location of these activities, locating them outside the identified suburban centres is unlikely to compromise the vitality and viability of the identified suburban centre retail areas.

These developments can often generate significant levels of traffic and parking demand, which if not appropriately managed, can have adverse impacts on the efficiency and effectiveness of local transport networks. Activities in excess of

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500m² outside of the identified suburban centres will therefore be a discretionary activity (restricted). Council has restricted its discretion to assessing traffic, parking and transport impacts only.

The approach taken to managing retail, urban form, traffic, parking demand and transport impacts will enable the Council to give effect to the policies contained in the Urban Development and Transport Strategies, and support the Public Space Centres Development Programme.

When the Takapu Island Suburban Centre plan change was approved in 2007 no plan had been prepared by the owners for the future use of the land. Approximately three hectares of the six-hectare site is available for a range of uses. Given the development potential of the land and the risk of fragmented, ad hoc development occurring specific site rules have been imposed. These rules require that a comprehensive development plan be produced and approved by Council before any development may occur. These rules are set out in Appendix 8, and require that all development be assessed as a discretionary activity (restricted). This will ensure:

- a sustainable mix of business, residential, community and open space activities and facilities;*
- retail development does not compromise the vitality and viability of Tawa and Johnsonville neighbourhood centres;*
- integrated development of the land occurs to ensure a high quality of urban design, traffic and service infrastructure, and public transport connections and facilities (such as a park-and-ride facility on the land);*
- the environmental quality of the Porirua Stream adjacent to the site is maintained and enhanced;*
- the visual impact of development is mitigated through appropriate landscaping, earthworks and other mitigation measures;*
- appropriate staging and timing of development to give effect the above matters; and*
- the environmental effects of development within the site and locality are appropriately managed and mitigated.*

Council is particularly concerned to ensure that future development of the land provides for public transport, safe and efficient access into the site and a mixed use development in general accordance with the Northern Growth Management Framework. Accordingly applications for resource consent are likely to be notified if they do not adequately address these matters and the other bulleted matters listed above.

7. SUBURBAN CENTRE RULES

Amend Rule 7.1 as underlined below:

7.1 Permitted Activities

7.1.1 Any activity, except for:

- those specified as Controlled Activities, Discretionary Activities (Restricted) or Discretionary Activities (Unrestricted)
- new residential activities, within the airnoise boundary depicted on Map 35 (refer to rule 7.4.4)
- those activities listed under the Third Schedule to the Health Act 1956
- helicopter landing areas
- the total or partial demolition, destruction or removal of any building constructed prior to 1930 in the Thorndon Character Area
- cleanfills greater than 100m³ [, except as provided for in rule 7.1.3A in part of the Kiwi Point Extension Area in Ngauranga Gorge.]¹
- landfills
- [quarrying, other than that provided for in Ngauranga Gorge under rules 7.1.3 and 7.1.3A.
- any activity in the area defined as the Kiwi Point Quarry Extension Area in Ngauranga Gorge, other than that provided for in rule 7.1.3A.]²

Refer to District Plan Maps 17 and 18

is a Permitted Activity provided that it complies with the following conditions:

...

7.1.1.10 Gross floor area of retail activities outside identified Suburban Centre areas

7.1.1.10.1 The maximum gross floor area that any retail activity may occupy is 500m². This condition does not apply to retail activities located within the Suburban Centre areas identified below:

Standards and terms for discretionary activities (restricted) set out the matters to be addressed in any application for resource consent for retail activities exceeding the specified gross floor area

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Tawa



Johnsonville



Karori



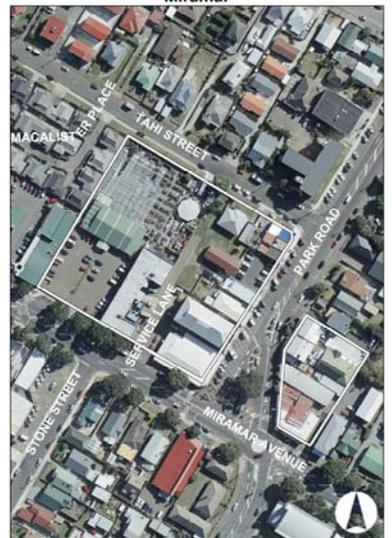
Newtown



Kilbirnie



Miramar



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The 6 maps above (Newlands, Khandallah, Hataitai, Brooklyn, Island Bay, and Crofton Downs) were added as a result of the hearing of submissions.

A limitation on the scale of retail activities has been imposed to provide for the assessment of larger activities proposed for sites outside the main retail centres. The Council is concerned to maintain a compact urban form, sustainable transport systems, the viability of existing centres and their continuation as the hub of community activity.

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7.1.2 The construction, alteration of, and addition to buildings and structures except for:

- those specified as **Controlled Activities, Discretionary Activities (Restricted) or Discretionary Activities (Unrestricted)**

are Permitted Activities provided that they comply with the following conditions:

For Pt Lot 2 DP 54434, Grenada refer to Appendix 7

...

7.1.2.7 Gross floor area (design controls)

7.1.2.7.1 The gross floor area of any building must not exceed 500m². This condition does not apply to any addition or alteration that is not visible from a public space.

A limitation has been imposed on the gross floor area of buildings to provide for the design assessment of larger developments. The Council seeks to promote buildings and building modifications with design qualities, which create a positive relationship to public spaces within Suburban Centres.

Standards and terms for discretionary activities (restricted) set out the matters for a design statement to address in an application for resource consent for any new building exceeding the specified gross floor area

7.1.2.8 Gross floor area of office product suppliers, second hand goods dealers and yard based suppliers

7.1.2.8.1 The gross floor area of office product suppliers, second hand goods dealers and yard based suppliers must not exceed 500m².

Large office product and yard based suppliers such Bunnings, Mitre Ten, and Placemakers can generate significant levels of traffic and demand for parking . This can adversely impact on the efficiency and effectiveness of the local transport network where such developments have not been anticipated.

Accordingly, activities in excess of 500m² outside of the identified suburban centres will be a discretionary activity (restricted). Council has restricted it's discretion to assessing traffic, parking demand and transport impacts.

Standards and terms for discretionary activities (restricted) set out the matters for a traffic, parking demand and transport impact assessment to accompany a resource consent application for any new building associated with an office product supplier, second hand goods dealer and yard based supplier exceeding 500m² gross floor area

7.3 Discretionary Activities (Restricted)

7.3.1 Activities that do not comply with one or more of the following conditions for permitted activities in rule 7.1.1:

7.3.1.1 noise

7.3.1.2 dust

7.3.1.3 lighting

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7.3.1.4 screening of activities and storage

7.3.1.5 vehicle parking, servicing and site access

7.3.1.6 signs

7.3.1.7 use, storage, handling or disposal of hazardous substances

7.3.1.7A gross floor area of retail activities

7.3.1.7B gross floor area of office product suppliers, second hand goods dealers and yard based suppliers

are Discretionary Activities (Restricted) in respect of the condition(s) not met.

In respect of 7.3.1.7A and 7.3.1.7B Council's discretion is restricted to the matters that must be addressed in the report required under the standards and terms under this rule.

Non-notification

The written approval of affected persons will not be necessary in respect of items 7.3.1.4, 7.3.1.5, 7.3.1.7A and 7.3.1.7B. Notice of applications need not be served on affected persons and applications need not be notified.

Standards and Terms

...

Gross floor area of retail activities:

An application for resource consent for a retail activity that occupies a gross floor area exceeding 500m², must supply a report that addresses:

- the extent to which the retail activity avoids any adverse effect on the overall vitality and viability of existing retail centres
- the extent to which the activity promotes the efficient use of resources and a compact urban form
- the extent to which the activity affects existing public investment and minimises the need for additional public investment in infrastructure and public spaces
- how the activity promotes accessibility, manages traffic and parking demand, enables sustainable transport choices (including public transport), and minimises trip generation through the co-location of similar activities
- a detailed assessment may not be required if the applicant can show the proposed development is unlikely to have any significant impact on the matters referred to above.

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Gross floor areas of office product suppliers, second hand goods dealers and yard based suppliers

An application for resource consent for an office product supplier, second hand goods dealer and yard based supplier that occupies a gross floor area exceeding 500m², must supply a report that addresses:

- the matters referred to in bullet point four above (under 'Gross floor area of retail activities').
- a detailed assessment may not be required if the applicant can show the proposed development is unlikely to have any significant impact on the matters referred to above with respect to accessibility, traffic and parking demand, sustainable transport choices, and trip generation.

7.3.2 The construction, alteration of, and addition to buildings and structures which do not meet one or more of the following conditions for Permitted Activities in rule 7.1.2:

7.3.2.1 maximum building height

7.3.2.2 height control adjoining Residential Areas

7.3.2.3 coastal yards

7.3.2.4 verandahs

7.3.2.5 display windows

7.3.2.5A gross floor area (design controls)

or, where the building or structure would be a controlled activity under rule 7.2.1 or 7.2.2 but the standards and terms are not met

are Discretionary (Restricted) Activities in respect of:

- **the condition(s) that are not met, but in respect of 7.3.2.5A design external appearance and siting; and**
- **if consent is required because of failure to meet the standards and terms in rule 7.2.1 or 7.2.2; design, external appearance and siting.**

For Pt Lot 2 DP 54434, Grenada, refer to Appendix 7

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Non-notification

The written approval of affected persons will not be necessary in respect of:

- item 7.3.2.4,
- item 7.3.2.5A; and
- design, external appearance and siting (provided consent is not also required for one or more of the matters in 7.3.2.1, 7.3.2.2, 7.3.2.3, 7.3.2.5).

...

Standards and Terms

...

An application for resource consent for any building exceeding a gross floor area of 500m², must supply a design statement that demonstrates:

- the extent to which the design and siting of the building reinforces and defines the adjoining street edge and public space
- the way the treatment of the building bulk mitigates the scale of the building relative to adjacent sites and buildings (eg through providing transitional volumes or contrasting elements)
- the way in which any wall surfaces facing a public space are articulated to avoid featureless or blank walls
- the extent to which the building is designed so that entrances, windows and publicly-relevant activities are located along ground floor street frontages
- whether servicing and vehicle parking is located and functions in a way that does not compromise the quality of the street edge, nor the status of the main entry to the building
- the extent to which the building is designed to respond appropriately to its context
- for any residential unit, the extent to which the proposal meets the Multi Unit Developments Design Guide, in Volume 2 of the District Plan
- the extent to which cultural or heritage values associated with the site are recognised
- the extent to which principles for crime prevention through environmental design are incorporated into the building development. Reference can be made to the Guidelines for Design Against Crime, in Volume 2 of the District Plan.
- the extent to which the building is not able to achieve the above matters, and the reasons why it is not practicable to do this.