

### Appendix – S32 Analysis – Retail Rule

#### Section 32 Analysis – Retail Rule

A full section 32 analysis was submitted with the request for plan change. In this case, a minor change is proposed to the rules relating to the site. The change from the original consent addresses Council's concerns with respect to Big Box Retail (BBR) activity. The proposal has been amended so that the Suburban Centre Appendix 8, would require a resource consent for an proposed retail activity that exceeds 1000m<sup>2</sup> in area, within any site.

Section 32 requires an assessment of the appropriateness of proposed objectives, policies and rules. Our original s32 analysis identified the fact that the residential and suburban centre provisions that are in place or could be in place, are existing provisions of the District Plan. There are effectively no new provisions being promoted by the plan change request.

The rule changes for Appendix 8, essentially modify the wider rules and introduce site specific rules that mitigate the potential local effects.

The s32 analysis therefore primarily considered the appropriateness of applying the Suburban Centre Rules to this site, in lieu of the existing Outer Residential Provisions.

Our earlier conclusions with respect to this plan change request were that the application of the Suburban Centre Rules to this specific site was appropriate and was a sustainable and efficient use of the city's land resource.

In this case, the rule being introduced is a modification to the original request. A specific Appendix 8 rule would introduce specific requirements for this site. The modified plan change requests also now places a requirement to obtain a resource consent to undertake retail activity where that activity exceeds a total floor area of 1000m<sup>2</sup>.

In considering the requirements of s32, it is necessary to consider the appropriateness of the rule in achieving the objectives and policies of the District Plan. We have recognised that the District Plan itself is silent on retail activity and in particular, BBR activity. Any mention of BBR falls outside the District Plan itself into other documents produced by the Council. The extent to which any of these documents have been subject to public submission and consultation is unknown.

There are several options that can be considered with respect to the limitation of retail activity. The options are as follows:

- Allow no retail activity
- Restrict retail activity to a certain limit
- Make retail activity a permitted activity

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In considering each of these options, it is our opinion that allowing for limited retail activity as a permitted activity, is the most appropriate.

The reason for this is that the wider community (during the NGMF consultation process) have accepted that the site is suitable for mixed use development. Mixed use development would certainly include some retail activity. Therefore in terms of encouraging a wide range of use on the site, requiring a consent for any level of retail, would at least in part, discourage retail use of the site. It would therefore be an inappropriate method to achieve the NGMF and wider District Plan outcomes.

Council have a concern that the site should not be used for “big box retail” (BBR). There are fears that it would become a “destination” shopping area. The Council’s existing retail strategy promotes the facilitation of BBR on the CBD fringe. It makes “glancing” references to Suburban Sites but is certainly not fully “coherent” in the outcomes sought.

This site is geographically separated from the fringe CDB areas. Tawa and the more northern of the northern suburbs fall more under the influence of the Porirua BBR sites than the Wellington CBD.

The stated reasons for restricting BBR on this site is the potential to fragment existing retailing activity in the city and the potential effects of increasing vehicle movements. Yet BBR does not appear to have established in the existing retail areas in Tawa and other suburban locations. The owners of the site have experienced a high enquiry rate from potential operators, thereby indicating a high demand for this type of site within the Wellington area. This would clearly indicate that town centre locations are unsuitable for this type of activity.

The site is ideally suited as a BBR location. This however excludes for example a supermarket. The large traffic generation that results from a supermarket operation would not be able to be accommodated within the site and the proposed access arrangement.

The site is visible from and adjacent to the motorway. It is located on the edge of Tawa with good vehicle and public transport connections to the nearby areas. There are proposed new connections (under development) to the development areas of Lincolnshire Farm and other Northern Suburbs areas such as Grenada, Paparangi and Newlands. Currently, the nearest BBR sites are located in Porirua. Allowing BBR to establish on this site, would reduce the travelling distances for residents in the northern Wellington suburbs heading to the Porirua shopping sites.

It is noted however, that the site would potentially only allow for one large format operator. The floor space required for large format retailers (based on actual enquiries for the site) would be approximately 10,000m<sup>2</sup>. The parking requirements were to be approximately 200 spaces. It is noted that the rules of suburban centre zones would require consent already as a discretionary restricted activity. This use is thereby already potentially controlled (at least in terms of traffic generation) by the suburban centre rules.

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This floor space demand and associated parking required would generally prohibit any additional operator establishing on this site as there is only a total useable area of 2.9 hectares. Therefore, the ability to compete with the established shopping centres and “destination” shopping areas would be limited to that of the establishment of one large format retailer. Any such effect is likely to be a very minor impact on viabilities of existing retail activity in the local and wider surrounding area.

Certainly, the strongest argument in this case for limiting retail and requiring a resource consent for any BBR activity on the site, is that it will give Council time to properly look at the issue and determine the future policy in a clearer way.

The current suburban centre rules would make retail activity in itself, on a suburban centre site, a permitted activity. The proposed rule changes for this site would see a limit on retail of 1000m<sup>2</sup> for any single site. The 1000m<sup>2</sup> would apply to each of the subdivided allotments in future.

It is however very relevant to note that the layout proposed for the site as shown on Spencer Holmes Plan **S05-0484-21/A** would not necessarily suit a retail “destination” site. The parking in the site generally, is limited and this in itself would restrict the way retail outlets could operate. The sites are smaller than generally required for most, if not all BBR operators.

Overall, therefore, the proposed changes to the rule are an appropriate method to address the potential adverse effects and achieve the wider objectives and policies of the District Plan.