
REPORT 1
(1215/52/IM)

DRAFT CENTRES POLICY

1. Purpose of Report

This draft Centres Policy is intended to provide clear policy guidance on how centres should be managed and developed in the future. It considers in an integrated way the important and varied roles of the City's centres and how Council can best support and strengthen them across its various portfolios.

The Centres Policy will be supported and implemented through such mechanisms as the Suburban Centre Review of the District Plan, town centre plans and through Council's infrastructure investment programme and specific projects and initiatives.

The report seeks agreement to publicly consult on the draft Policy.

2. Executive Summary

Much of the future growth of the City, both for residential and employment activities, will be focussed in and around our key centres. Centres by their very nature are the places where a significant number of activities come together and they have multiple-roles that cross economic, environmental, social and cultural portfolios. If they are well performing places they can deliver significant benefits across a number of Council's key priorities and programmes, including on issues such as climate change.

There are a number of current issues relating to the way our centres have been developed and managed, including:

- A likely future shortfall in industrial land;
- A potential threat to existing centres from further dispersed retail activities;
- Poor quality urban design;
- Some centres that are struggling to remain economically viable;
- A lack of mixed uses in many centres (particularly residential, entertainment and recreational uses);
- Vehicle and parking issues;
- A lack of integrated planning.

A Centres Policy is proposed for public consultation, which sets out an integrated approach to dealing with these issues. This includes identifying a centre hierarchy as well as a set of planning areas which provide the context for integrated centre development. This would be supported and implemented through the review of the Suburban Centre chapter of the District Plan, centre plans and through Council's infrastructure investment programme.

3. Recommendations

It is recommended that the Committee:

- 1. Receive the information.*
- 2. Agree to release the draft Centres Policy (attached as Appendix One) for public consultation.*
- 3. Delegate to the Portfolio Leader for Urban Development and Transport the authority to approve minor editorial changes to the draft Centres Policy prior to publication.*
- 4. Note that the results of consultation and a final Centres Policy will be reported back to the Committee before the end of 2008 for further consideration.*
- 5. Note that the Council's Retail Strategy will be withdrawn once a final Centres Policy is approved.*

4. Background

The Urban Development Strategy sets out a clear vision for urban growth over the next 30-50 years. It provides for much of this growth (including both housing and employment) to be concentrated along a 'Growth Spine', focussed on town centres and the central city, linked by high quality public transport. The implementation programme for the Strategy is focussed on planning for growth in the key centres, through a series of place-based planning frameworks (ie Johnsonville Town Centre Plan). The review of infill housing is also proposing to focus residential growth around larger centres. It is important therefore that there is a coherent and integrated approach to the development and management of the City's centres through the proposed Centres Policy.

The Wellington Regional Strategy also contains a number of action areas relating to centres, including:

- Developing a centres vision for each sub-regional centre (ie Johnsonville and Kilbirnie) and integrating this into an overall vision for the region's centres
- Developing principles for managing big box retail activities to minimise their potential to erode consolidation and centre development strategies.

Wellington City Council is leading on these action areas and the draft Centres Policy will be a significant contribution to this.

4.1 Wellington's Centres

Centres are places that form focal points in our urban areas. They have multiple functions and activities, but their core is typically retail. Wellington has a well established network of centres across the City, each of which has different roles and functions built up over time, reflecting their location, population catchment, size and historical development pattern.

In Wellington the central city has always played a dominant role as the primary centre of both Wellington City and indeed the region as a whole. It continues to be the primary shopping centre (especially for comparison and speciality goods), as well as the major employment centre for the region, a focus for residential apartments, a centre for civic functions and an entertainment and events hub.

The inner and outer suburbs are also well served by a network of centres, with a relatively even distribution of the six larger centres through the urban area supported by almost 20 local and neighbourhood centres. Smaller centres are primarily concerned with providing convenience shopping and local community services; however the larger centres combine a wide range of activities and functions. The only identified gaps are in the more recently developed northern suburbs, where some suburbs are growing without appropriate access to local convenience shopping or a community focal point. The planned centres for Churton Park and Lincolnshire Farm should help complete the network.

The varied roles of the larger centres include:

- **Shopping** - household spending on retail is second only to spending on housing – this means that retail is a critical factor in the economic viability of centres. Retail (particularly supermarkets and large department stores) makes viable the co-location of specialist retailing and a range of services that are visited less often.
- **A nexus for community contact and exchange** - social activity occurs as a consequence of people moving about in the same space, and centres are the most important places for such meetings, particularly as they are more than often the location for community and entertainment facilities. Centres also have a role in defining our identity and our local community.
- **Transport nodes** - all of the City's high frequency public transport routes pass through or close to centres. People living in and around centres are able to walk to access these services. Centres also provide significant environmental benefits by enabling people to combine one vehicle trip with multiple purposes (ie to shop, access services, visit community facilities, meet other people and go to work).
- **Employment nodes** - the central city and larger town centres have significant concentrations of employment. Many of the businesses in these centres can be termed as 'Advanced Business Services'- one of the growth sectors of the economy.
- **A focus for intensive residential development** - centres and their surrounds are also proposed to be the focus for more intensive housing growth over the next 50 years, with the review of infill housing anticipating that 60% (22,000 people) of future growth will occur in and around centres.

In recent years a number of other retail destinations have been developed, often based on large-format retail activities (ie. Rongotai retail park). These have a single-activity focus and do not have the same functions and roles as centres. There are also a number of areas across the City which are primarily used for industrial activities – again these have a single-activity focus and are not considered to be centres.

5. Discussion

5.1 Current Approach

Council currently has a Retail Strategy, which was adopted in 2003. This only considers retail from an economic development perspective, including attracting new visitor spending, and maintaining a quality retail experience to be attractive to smart workers and businesses. This single-activity focus may no longer be appropriate.

The operational District Plan provides for most centres to be zoned as 'Suburban Centre'. This permits a wide range of activities to occur as permitted activities (subject to compliance with basic environmental standards such noise, glare, traffic and parking etc) to encourage the continued development of these centres to serve their surrounding communities. The single Suburban Centre zone applies to all centres (except the Central Area), as well as predominantly industrial areas. Plan Change 52 introduced new controls on retail activities over 500m² and defined the primary town centres. Large out-of-centre retail proposals are subject to assessment to determine whether they would undermine the viability and vitality of these centres and subject to urban design assessment.

5.2 Issues

Monitoring and research undertaken as part of the Suburban Centres review¹ has revealed a number of issues in our centres, including:

- A potential future shortfall in industrial land;
- A potential threat to existing centres from continuing to disperse retail activities;
- Poor quality urban design in many of our centres;
- Some centres that are struggling to remain viable and vibrant;
- A lack of mixed uses in many centres (particularly residential, entertainment and recreational);
- Vehicle and parking issues;
- A lack of integrated planning.

The Suburban Centre zone, through its common application to a wide range of places (including centres and industrial areas) has facilitated a significant shift in the mix of activities and uses present. One of the most notable trends has been the move of residential and retail activities into areas previously dominated by commercial and industrial uses. This has led to a tightening of supply for industrial land and significant increases in land values and rental

¹ Suburban Centres Monitoring Report (April 2008); Options for Large-Format Retail in Wellington City (May 2007); Wellington Industrial Land Assessment (Sept 2007)

rates. Research has indicated that the City faces a shortfall in industrial land over the next 10-20 years. Whilst some industry has been able to relocate elsewhere in the region, there is the real potential for industry to move out of the region altogether. In whatever direction the Wellington City economy evolves in the future there will continue to be a need for a base level of industrial services to support other activities – for instance logistical and service industries

Recent retail developments, such as the bulk retail parks at Rongotai and Cobham Drive do appear to be having an impact on nearby centres such as Kilbirnie. Many of the activities in these retail parks fall under a ‘general merchandise’ category and therefore may directly compete for trade with those in existing centres. Whilst Wellington City has not yet experienced a substantial growth in ‘large-format’ retail, unlike many other parts of the region and New Zealand – there is considerable pressure, and opportunities will no doubt continue to emerge as ‘windfall’ sites come onto the market or as the economics of development changes.

Most out-of-centre retail activity comes with few of the co-location or added economic, environmental and social benefits presented by a mixed-use centre. Whilst they may offer a “price to market” advantage to consumers, due to their low land costs and lower operating costs, this is only one of a number of costs and benefits that have to be considered in assessing the appropriateness of such activities. On the cost side they generate increased total transport trips, higher use of private vehicles and consequent environmental impacts. If of sufficient scale and dependant on location they can also threaten the viability and vitality of existing centres and devalue public spending on infrastructure in existing centres (ie roads, public transport, public realm, community facilities, and streetscape enhancements). In some cases significant new retail developments may require additional infrastructure to support them at a cost to ratepayers – this can result in duplicated services and increased pressure on already stretched funding.

Poor urban design quality is evident in a number of our centres (for instance Johnsonville, Miramar, Newlands, and Crofton Downs). This has resulted from a lack of design controls, low quality buildings, a lack of control on signage, the inappropriate location of some recent developments, and insufficient focus on the street as a key public space. At present only the Thorndon and Newtown centres are covered by urban design guidance, although Plan Change 52 did introduce some urban design criteria for larger retail activities over 500m². In the recent consultation undertaken as part of the Suburban Centres review, over 84% of respondents agreed that the quality of future buildings should be improved.

Monitoring also indicates that a small number of the existing centres can be seen to be struggling economically. These include: Berhampore, Kingston, Newlands and Linden. These centres lack ‘anchor’ uses and sufficient diversity and are struggling to retain retail tenants.

In most centres, monitoring has found a lack of mixed uses, as they are dominated by retail and employment uses, with little or no residential living and

limited entertainment, food and beverage, and recreational sectors. This reduces their ability to fully service their catchment populations, reduces their vitality and safety at night, and doesn't maximise the environmental and social benefits from people living within walking distance of major facilities. The Central City and Newtown are currently the only larger centres with significant residential populations.

Many of our centres also have significant issues with the quality of the pedestrian environment and with a lack of suitable parking to service the retail and other uses within them. This is compounded by a lack of quality public space – either in the form of a community focal point or streets that have been developed to maximise their role as public spaces.

The recent exercise in integrated centre planning for Johnsonville town centre has also highlighted the considerable benefits of this type of approach, and the potential to apply this to other centres and areas. This has enabled the integrated planning of Council's own facilities and investment programme but has also assisted Council to take a more integrated leadership role in responding to change proposed by the private sector.

5.3 Proposed Approach

The Centres Policy (attached as Appendix 1) is intended to consider in an integrated way the varied roles of our centres, to provide guidance on how they should be managed and developed in the future, and to assist in coordinating Council's activities and programmes in and around centres.

The overall intent is to maintain and strengthen our existing and planned centres. For our larger centres this will mean retaining their role as the primary places to shop and growing their multi-functional nature by facilitating residential development, employment growth and increasing the range of facilities and services available. For smaller centres this will mean retaining and strengthening their role in providing accessible convenience shopping and local community services. For all centres it is also important to improve the quality of urban design outcomes and to maximise their potential to achieve more sustainable forms of development.

A hierarchy of centres has been introduced (see Appendix 1 of attached Draft Centres Policy) to provide guidance as to their appropriate role and function, and to assist in assessing the appropriateness of proposed developments. One of the consequences of this approach is that some restrictions would be placed on the further development of certain types of retail activities in out-of-centre locations. This will also assist in maintaining an adequate supply of industrial land in the City.

To support the centre hierarchy and to provide an appropriate spatial context for integrated centre planning and development, 11 planning areas have been identified based around each of the larger centres (see Appendix 2 of attached Draft Centres Policy). These recognise that centres, through their multiple functions, are inextricably linked to their surrounding areas. They provide a context for centre development and integrated planning and will assist Council's investment programmes in areas such as infrastructure and community

facilities. They have been based on a combination of factors including: geographical catchments for centres, topography and physical boundaries, communities of interest, social and political boundaries, and transport and infrastructure networks.

To ensure that Council's planning and investment programmes in centres are coordinated and appropriate, a rolling programme of centre plans are proposed - expanding from those already underway as part of the implementation of the Growth Spine, to include those identified as 'Areas of Change' under the Infill Housing Review.

To improve the quality of urban design in centres it is also proposed to introduce further triggers for the assessment of urban design within the District Plan (urban design assessment is only currently required for retail activities over 500m²). This would be accompanied by a new 'Design Guide' for centres.

5.4 Objectives

The objectives of the draft Policy include:

- identifying the appropriate role and function of each centre and provide a spatial framework for integrated planning;
- maintaining and strengthening the central city as the primary centre and ensuring that development in other locations does not compromise this role;
- strengthening the multi-functional nature of town centres, including their role as social and community foci, public transport hubs, places where people live, and centres for entertainment, recreation and community facilities;
- managing the location of retail activities to ensure they support our compact urban form, sustainable transport, efficient use of resources, and the long-term vitality and viability of existing centres;
- targeting future residential growth in and around centres identified as being suitable for change;
- ensuring a sufficient supply of industrial land to meet future needs;
- improving the urban design quality of centres and building on their sense of place.

5.5 Links to Other Policies

The draft Centres Policy takes an overarching view of Wellington's centres. Because of the complex mix of activities and roles of centres, it has a significant crossover with a number of other Council policies and programmes. These include (not an exhaustive list):

- District Plan
 - Suburban Centre Review
 - Infill Housing Project
- Public Spaces and Centres Development Programme
- Community Facilities Review
- Growth Spine Implementation
 - Infill Housing Review
 - Johnsonville Town Centre Plan
 - Adelaide Road Framework
 - Central City Framework

- LTCCP 2009/10 New Initiatives
 - Business Improvement Districts

It is intended that the Centres Policy will be supported and implemented through some of these other policies (in particular the District Plan) and through Council's infrastructure and facility investment programme.

The Retail Strategy is proposed to be withdrawn at the same time as the final Centres Policy is adopted by Council. This Strategy was adopted in 2003 and focuses on retail from an economic development perspective. Since that time retail activities have continued to evolve and it is no longer appropriate to consider retail activity in isolation from its critical role in maintaining the vitality and viability of centres.

5.6 Next Steps

It is proposed to publicly consult on the draft Centres Policy over an eight week period from May to June. This will happen in conjunction with the Infill Housing Review to avoid duplication and to ensure that the appropriate connections can be made between these projects. Consultation for the draft Centres Policy will be focused on key stakeholder groups, including developers and investors, business owners, professional groups and community groups.

Consultation techniques will include:

- Press releases;
- Website information;
- Mailout of draft Policy to key stakeholder groups;
- Editorial in Our Wellington page of the Dominion Post;
- Meetings with individual stakeholder groups;
- Submissions (available in hard copy and online).

The results of the public consultation and a recommended final version of the Policy will be reported back to Committee by November 2008. This will be accompanied by any changes required to the District Plan as part of the Suburban Centre Review.

6. Conclusion

This report recommends that Council approve the draft Centres Policy for public consultation. This is an important policy that outlines a more structured approach to the management of Wellington's centres and the areas that they support. The results of this consultation and the final policy will inform the Suburban Centre Review of the District Plan and a number of other Council programmes.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The draft Policy implements Council's strategic direction for urban development.

2) LTCCP/Annual Plan reference and long term financial impact

There may be future implications for capital and operational expenditure, however these are not able to be specified at this stage.

3) Treaty of Waitangi considerations

There are no known considerations.

4) Decision-Making

This is not a significant decision under the LGA.

5) Consultation

a) General Consultation

Extensive consultation is proposed with key stakeholders and the wider community. Approval is sought for public consultation on the draft Policy.

b) Consultation with Maori

Maori will be consulted as part of the proposed consultation process.

6) Legal Implications

There are no legal implications at this stage.

7) Consistency with existing policy

This report is consistent with Council policy. However it is proposed to withdraw the Retail Strategy once the final Policy is adopted.