



Section 32 Evaluation Report

Local Shopping Centres

(formerly Corner Shopping Centres)

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Section 32 Evaluation Report: Local Shopping Centres (formerly Corner Shopping Centres)

1. Strategic Context

Section 32(1)(a) of the Resource Management Act 1991 requires that a Section 32 evaluation report must examine the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the Act.

The purpose of the Act demands an integrated planning approach and direction:

5 Purpose

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.

(2) In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—

(a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

2. Regional Planning Documents

The District Plan must *give effect to* the operative RPS and must *have regard to* any proposed RPS.

The operative RPS contains a number of objectives and policies that are relevant to this review, namely objectives 9.4.1 to 9.4.3 and policies 9.5.1 to 9.5.5 (inclusive). The proposed plan change provisions are consistent with, and give effect to, these RPS provisions.

The Otago Regional Council ["ORC"] is currently in the process of reviewing the RPS 1998. In May 2014 the ORC published and consulted on the RPS 'Otago's future: Issues and Options Document, 2014' (www.orc.govt.nz). The proposed RPS was released for formal public notification on the 23 May 201 and also contains a number of objectives and policies that are relevant, namely objectives 3.6 to 3.8 (incl.) & 4.3, and policies 3.6.6, 3.7.1 to 3.7.4 (incl.), 3.8.1, 4.3.3 & 4.3.4.

3. Resource Management Issues

This review of the operative provisions seeks to consider the relevant issues outlined in the operative Plan as they relate to Local Shopping Centres and critically assess whether the operative provisions are appropriately addressing the issues.

This assessment is also informed by the following (see Section 10 of this report for a full list of references and associated weblinks):

- Business Zones Capacity Report prepared by McDermott Miller Strategies Limited
- Peer review of Business Zones Capacity Report by Dr Phil McDermott
- Community consultation, Council workshops and a meeting of the Council's Resource Management Focus Group
- Hawea Community Plan 2003
- Wanaka Structure Plan 2007
- Demand for Additional Commercial Zoned Land in Hawea Report prepared by Insight Economics, February 2015
- Peter Gordon Development Retail Assessment Cardrona Valley Road, Wanaka Report by McDermott Consultants March 2014

- Peter Gordon Development Access Assessment, Cardrona Valley Road, Wanaka prepared by Bartlett Consulting, March 2015
- Cardrona Valley Road, Wanaka, Infrastructure Report prepared by Paterson Pitts Group, January 2015
- Tim Kelly Transportation Planning Preliminary Traffic Assessment for 1 Hansen Road rezoning (July 2015)
- Relevant legislative changes enacted since the Plan became operative

The relevant issues are:

- Efficient use of buildings and infrastructure
- Amenity
- The dispersal of commercial activity (in particular, retail activity) away from town centres
- The opportunity to provide for neighbourhood retail zones

4. Purpose and Options

The overarching purpose of the Local Shopping Centre Zone is to enable the establishment of convenience goods stores serving residents. The Plan provides for a range of activities to occur in this zone to enable the specific needs of individual communities to be met, whilst also placing limits to exclude activities that are not appropriate for this zone.

Strategic Directions

The following goals and objectives from the Strategic Directions chapter of the draft District Plan are relevant to this assessment:

<i>Goal 3.2.2: The strategic and integrated management of urban growth</i> <i>Objective 3.2.2.1: Ensure urban development occurs in a logical manner:</i> • <i>to promote a compact and integrated urban form; [...]</i>
<i>Goal 3.2.3: A quality built environment taking into account the character of individual communities</i> <i>Objective 3.2.3.1: Achieve a built environment that ensures our urban areas are desirable places to live, work and play</i>
<i>Goal 3.2.4: The protection of our natural environment and ecosystems</i> <i>Objective 3.2.4.8: To respond positively to Climate Change</i>
<i>Goal 3.2.6: To enable a safe and healthy community that is strong, diverse and inclusive for all people.</i> <i>Objective 3.2.6.2: To ensure a mix of housing opportunities.</i>

Determining the most appropriate methods to resolve the issues that relate to Local Shopping Centres will enable the Plan to give effect to relevant parts of the Strategic Directions chapter, and ultimately meet the purpose of the Act.

As required by s32(1)(b) RMA, the following section considers various broad options considered to address the issues, and makes recommendations as to the most appropriate course of action in each case.

Broad Options considered (see Table 1, below)

Option 1 is to retain the current provisions (objectives, policies and rules) as they stand. This will allow for the familiarity of users to remain but would not address the resource management issues and would not enable the Council to meet the RMA requirement to review the Plan every ten years.

Option 2 (Recommended) provisions to be examined in light of the issues highlighted. Would result in all provisions being critically assessed, with many of the current provisions likely to be retained and improved, and provisions to be structured and articulated in a clearer manner than the status quo. Would enable additional sites to be considered for inclusion in the zone.

Option 3 requires the provisions to be completely overhauled. Given the limited range of issues highlighted, this option is not considered necessary.

Table 1 – Broad options considered

	Option 1: Status quo/ No change	Option 2: (Recommended) Comprehensive review – likely result in many existing provisions being retained and improved	Option 3: Comprehensive Review – overhaul existing provisions
Costs	• Would fail to fulfil Council's statutory obligation to review the Plan every ten years. • Would not enable a thorough assessment of the operative Plan provisions.	• Has costs associated with going through the District Plan Review process (but this is required by legislation).	• Has costs associated with going through the District Plan Review process (but this is required by legislation). • The operative provisions are generally creating appropriate outcomes. The time and financial cost associated with drafting completely new provisions would be significant and is considered unnecessary.
Benefits	• No costs resulting from the District Plan Review Process.	• The operative provisions are generally creating appropriate environmental outcomes. This approach enables operative provisions to be retained, as appropriate. • Enables provisions to be articulated in a format that is more legible, and provides greater clarity, than the status quo. • Enables the operative policy framework to be critically assessed and strengthened where necessary. • Enables existing developments that have established in inappropriate zones (such as Residential) to be included in the Local Shopping Centre Zone. • Enables additional sites that are currently undeveloped to be considered for inclusion in the zone.	• Would fulfil Council's statutory obligation to review the Plan every ten years.
Ranking	3	1	2

5. Scale and Significance Evaluation

The level of detailed analysis undertaken for the evaluation of the proposed objectives and provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions for the Local Shopping Centre Zone. In making this assessment, regard has been had to the following, namely whether the objectives and provisions:

- Result in a significant variance from the existing baseline.
- Have effects on matters of national importance.
- Adversely affect those with specific interests, i.e., Tangata Whenua.
- Involve effects that have been considered implicitly or explicitly by higher order documents.
- Impose increased costs or restrictions on individuals, communities or businesses.

6. Evaluation of proposed Objectives S32 (1) (a)

<i>Proposed Objective</i>	<i>Appropriateness</i>
Objective 15.2.1: Enable a range of activities to occur in the Local Shopping Centre Zone to meet the day to day needs of the community without undermining the role of town centres	Provides for a diverse range of activities to occur to serve the needs of the community the shopping centre serves. Acknowledges that these centres supplement the commercial activities offered by town centres, and ensures that they remain at a scale that does not undermine the function of town centres. Consistent with Objectives 3.2.1.1 to 3.2.1.3 (incl.), 3.2.2.1, 3.2.3.1, 3.2.5.3, 3.2.6.2, 3.2.6.3 , of the Strategic Directions chapter.
Objective 15.2.2: Buildings respond to the existing character, quality and amenity values of their neighbourhood setting	Enables development controls to ensure that building design and appearance is appropriate to each individual location. Although buildings in this zone are likely to have a greater presence in the streetscape than a residential dwelling would, this objective sets an expectation that their design must also be sympathetic to the receiving environment. Consistent with Objectives 3.2.3.1 and 3.2.3.2 of the Strategic Directions chapter.
Objective 15.2.3: Appropriate limits are placed on activities to minimise adverse environmental effects received both within and beyond the zone	The Zone enables a broad range of activities which ultimately seeks to support the viability of the Zone. Providing for mixed use development increases the diversity of housing options enabled in the District, and makes a positive contribution to the District's economy. However, the mix of uses provided for includes activities which have sensitive noise environments. Nearby Residential-zoned properties also expect appropriate levels of amenity. This objective acknowledges that appropriate limits must be placed on the environmental effects generated by activities occurring in the Zone to enable a mix of uses to occur without any one use

<i>Proposed Objective</i>	<i>Appropriateness</i>
	being inappropriately compromised by the effects of another. This, in particular, sets a framework for noise issues to be addressed through specifying noise limits that regulate, and seek to discourage, the establishment of noisy activities and requiring acoustic treatments where appropriate. This objective also enables activities that are inappropriate for the Zone to be encouraged to establish elsewhere in the district. Consistent with Objective 3.2.3.1 of the Strategic Directions chapter.

7. Evaluation of the proposed provisions S32 (1) (b)

The below table considers whether the proposed provisions are the most appropriate way to achieve the relevant objectives. In doing so, it considers the costs and benefits of the proposed provisions. (See also Table 1- Broad options considered, in Section 4 above.)

Table 2 – Evaluation of proposed provisions

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>
Policies: 15.2.1.1 to 15.2.1.3 (incl.) Rules: 15.4.1 15.5.5 Other Methods: Zoning extent	- Enabling a diverse range of activities means that controls must be implemented to ensure that the amenity values of nearby residential areas are not compromised. - Limits placed on the location of residential and visitor accommodation activities (restricted to above ground floor level) may limit the development potential within this zone, however these limits seek to maintain the integrity of activities occurring at street level.	- Enabling a wide range of activities to occur in the Local Shopping Centre Zone encourages a diverse range of businesses and activities to establish to meet the needs of patrons. - Seeks to aid the economic viability of local shopping centres by enabling a broad range of uses. - Placing controls around the location of residential and visitor accommodation activities enables the integrity of activities occurring at street level to be maintained. - The limited physical extent of areas within the Local Shopping Centre Zone ensures that they do not compete with, or undermine the role of, the respective Town Centre Zones. - The sites proposed for inclusion in the zone that have existing commercial development currently have inappropriate zonings. Including them in the Local Shopping Centre Zone enables appropriate controls to be implemented and provides greater certainty for the future use of these sites, which have established uses commensurate with the activities provided for by the Local Shopping Centre Zone. - In the case of the 'Albert Town Tavern' site, the site currently has an underlying Township Zone, with a Commercial Precinct Overlay. Rezoning the site to Local Shopping Centre enables greater consistency in how these existing local commercial sites are treated by the District Plan, and a stronger and more targeted policy framework than that provided by the operative

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>
		Township provisions. • Including a Local Shopping Centre Zone at the Hawea site, which is currently zoned Township, formalises the existing café/dairy/restaurant activities occurring at 'Sailz'. The proposed zone extent includes land adjoining 'Sailz', most of which is currently undeveloped. The zone extent gives effect to the Hawea Community Plan 2003 insofar as the Key Community Outcome to have... "... a low-key commercial area that provides services to the locals, with buildings that are in keeping with the surrounding environment." The location of the zone seeks to ensure that commercial/retail activities in Hawea are centrally-located, rather than dispersed in an ad hoc manner. Locating the commercial zone within close proximity to local amenities such as the community centre and library reduces the need for additional car trips and reinforces this locality as a focus for community amenities. • The proposed Local Shopping Centre Zone at Cardrona Valley Road in Wanaka gives effect to an indicative commercial zone proposed through the Wanaka Structure Plan 2007. The District Plan Review proposes residential-zoned land in addition to that which is currently within walking distance of the zone, as well as the already-consented retirement village and existing medical centre complex that adjoin the site, • The proposed Local Shopping Centre Zone at 1 Hansen Road in Frankton allows mixed use development to establish on this site. The current Low Density Residential zoning for the site has been considered by successive landowners to be unsuitable. This is in part due to the non-residential character of the surrounding area and residential safety and amenity issues arising from its proximity to the State Highway. It is possible that this site may have the potential to contribute

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>
		toward transport solutions in this area in the future, for example by offering an alternative exit out of Terrace Junction / BP to the west of the site. Decisions on transport solutions are not yet far enough advanced to be certain as to whether this is the case, however this is a further indication that a Low Density Residential environment for this site is unlikely to be suitable. It is considered important that limits on the overall amount of retail and office development are proposed to manage potential traffic effects and ensure that the main focus of such activities in this area remains in the Frankton Flats zones. Commercial land supply is considered in the appended reports detailed in section 3.0, above. These reports find that the inclusion of the proposed additional land to be zoned Local Shopping Centre is appropriate in the wider context of demand for commercial-zoned land in the Wanaka and Queenstown areas.
Policies: 15.2.2.1 to 15.2.2.6 Rules: 15.4.2 15.4.3 15.5.1 15.5.2 15.5.6 15.6.1 to 15.6.3 (incl.)	- The controlled activity status for all buildings will incur costs associated with the resource consent process. - Costs associated with providing design elements that meet the matters for control. - Increasing height limits from 8m to 10m will increase the street presence of local shops built up to maximum height, however controls over the bulk and location of buildings at the interface with residential-zoned properties and public open space will limit their impact.	- Placing controls on the external appearance of buildings encourages them to respond to the character and amenity values of the individual communities they are located within. - Increasing the height limit from 8m to 10m will enable greater development opportunities and increased capacity within the discrete zone extents. - Providing a 7m height limit for the Local Shopping Centre zone at Arrowtown, Hawea, Albert Town and Wanaka, acknowledges that these localities have a low scale of development. The proposed 7m limit, along with controls on building design, enables subsequent development to have an appropriate street presence, whilst remaining low scale. - Removing the requirement for residential activities to provide a separate outdoor living area enables diversity in the District's

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>
		existing housing stock, decreases development costs, and does not preclude outdoor areas from being provided if desired. The proposed matters of discretion for buildings include consideration of how open space is provided for residential units. This enables more creative responses to how outdoor spaces are provided, rather than the prescribed approach in the operative Plan.
Policies: 15.2.3.1 & 15.2.3.5 Rules: 1015.4.5 to 15.4.11(incl.) 15.5.4 15.5.3 15.5.7 15.5.8	• Costs associated with complying with the specified limits, such as acoustic treatments for noisier activities required to demonstrate compliance with noise standards. • Costs associated with the resource consent process for activities requiring consent to exceed limits. • Precludes some activities from establishing in the Local Shopping Centre Zone, which slightly decreases the range activities that can establish. These activities can, however be considered on their particular merits through the resource consent process. • Providing acoustic treatments for critical listening environments will increase development costs.	• Due to the wide range of activities enabled by the Zone, the proposed controls seek to limit the impact of activities on each other, and on properties in adjoining zones. • The operative noise standards acknowledge the proximity of residential properties to local shopping centres, and seek to limit the impact of noise beyond the Local Shopping Centre Zone. In addition, noise generated by local shopping centre activities will still be required to comply with residential limits when received in a Residential or Township-zoned property. • Acoustic insulation requirements seek to mitigate the noise effects occurring within the Zone, as received in noise-sensitive environments such as residential units or visitor accommodation. • The proposed provisions exclude inappropriate activities from establishing in local shopping centres. These activities generally result in effects that are not appropriate and are provided for in other zones. • Prohibiting completely inappropriate activities (i.e. factory farming, mining, forestry and airports) ensures such activities will not occur in the zone. It ensures that consent for such activities will not be applied for, which provides a high degree of certainty and efficiency. As no application can be made it is unnecessary to include objectives and policies addressing these activities, which further contributes to the efficiency of the proposed provisions. • Development at 1 Hansen Road needs to be managed in a

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>
		manner which minimises any adverse effects on the historic cemetery (including the stone wall at its perimeter). A policy acknowledges the need for this to be accounted for and a rule requires development to be set back from the cemetery. Traffic effects are also essential to manage at this site. A traffic report (appended) gives an indication as to the scale of development that can occur on the site, which along with an appropriate intersection arrangement between Hansen Road and the State Highway, can ensure that development does not compromise the efficiency and safety of the State Highway and local road network. Accordingly, a policy acknowledging the importance of this issue and a rule limiting the amount of retail, office and residential development on the site are proposed, along with a rule that requires that traffic intensive activities cannot occur until the intersection between State Highway 6 and Hansen Road has been upgraded. If undertaken well, development has the potential to improve the amenity of this area. It is considered that planning for development on this site is best undertaken in an integrated manner which shows how effects on a range of matters such as amenity, traffic and historic heritage are to be managed. The requirement to submit a Spatial Layout Plan is therefore proposed so that the Council can understand the context of applications for individual buildings and be satisfied that such an integrated approach is being applied.

8. Efficiency and effectiveness of the provisions.

The above provisions are drafted to specifically address the resource management issues identified with the current provisions, and to enhance those provisions that already function well. A number of areas of the existing chapter have been removed to aid the readability of the Plan by keeping the provisions at a minimum, whilst still retaining adequate protection for the resource.

By simplifying the objectives, policies and rules (the provisions), the subject matter becomes easier to understand for users of the Plan both as applicant and processing planner. Removal of technical or confusing wording also encourages correct use. With easier understanding, the provisions create a more efficient consent process.

9. The risk of not acting.

The changes proposed here-in seek to address the known resource management issues for the operative Corner Shopping Zone. The changes also reflect the current changing nature of the RMA with its drive to simplify and streamline. Not taking the more compact approach to this section and others, will not advance the usefulness of the District Plan in pursuit of its function in the sustainable management of natural and physical resources.

Some of the risks associated with not reviewing the operative Corner Shopping Zone and proposing amended provisions are that:

- The opportunity to formalize commercial sites that function as local shops but currently have inappropriate zones will be missed;
- The opportunity to enable limited additional commercial land for local shopping centre purposes will be missed;
- Not enabling mixed use development would not make a positive contribution to addressing the issue of housing supply, with appropriate limits to address issues that occur in mixed use environments, such as noise;
- Not critically assessing the specific issues arising from the proposed new commercial zones (such as potential traffic issues arising from the rezoning of 1 Hansen Road) would not provide sufficient certainty that such issues would be appropriately addressed;
- Opportunities to intensify within the zone, where appropriate, may be missed.

The level of certainty and information available to the Council is considered sufficient for it to make a reasonable decision.

References

General

Review of District Plan Business Zones Capacity and Development of Zoning Hierarchy undertaken by McDermott Miller Strategies Limited & Allan Planning & Research Limited (November 2013) [Link](#)

Peer Review of the McDermott Miller report (January 2014) prepared by McDermott Consultants Ltd [Link](#)

Cardrona Valley Road

Wanaka Structure Plan Review (2007) [Link](#)

McDermott Consultants Retail Assessment – Cardrona Valley Road Commercial (March 2014) [Link](#)
Patterson Pitts, Bartlett Consulting – Access and Infrastructure Assessment – Cardrona Valley Road (2015) [Link](#)

Cardrona Valley Road Final Layout doc (2015) [Link](#)

Hawea

Hawea Community Plan 2003 [Link](#)

Insight Economics – Hawea Commercial Rezoning Assessment (February 2015) [Link](#)

1 Hansen Road, Frankton

Tim Kelly Transportation Planning Preliminary Traffic Assessment (July 2015) [Link](#)