

BEFORE THE HEARINGS PANEL FOR THE OUR SPACE 2018-2048: GREATER CHRISTCHURCH SETTLEMENT
PATTERN UPDATE

STATEMENT OF EVIDENCE OF DEAN MICHAEL CHRYSTAL
ON BEHALF OF WOOLWORTHS LIMITED (SUBMISSION NO 52)

DATED: 14 FEBRUARY 2019

Introduction

- 1 My name is Dean Michael Chrystal. I am a Director with Planz Consultants Limited, a planning consultancy based in Christchurch.
- 2 I have been asked by Woolworths Limited (Woolworths) to provide evidence in support of their submission on the Our Space 2018-2048: Greater Christchurch Settlement Pattern Update. The Woolworths submission was in two parts. The first part addressed an expansion of the Urban Limits Boundary at Prestons, while the second sought a review of the identified commercial areas within Christchurch City.
- 3 In preparing my evidence I have reviewed:
 - Our Space 2018-2048: Greater Christchurch Settlement Pattern Update (the Update);
 - Report 5 – Business Development Capacity Assessment;
 - Business Development Capacity Assessment Appendix 12: Feasibility Assessments; and
 - The Officer Report.

Qualifications and Experience

- 4 I hold a Bachelor of Regional Planning degree and am an accredited Commissioner. I have been employed in the practice of Planning and Resource Management for over 30 years, both in New Zealand and the United Kingdom. I am a full member of the New Zealand Planning Institute and hold the Institutes Distinguished Service Award.
- 5 My experience includes the policy and rule development for the commercial and retail provisions contained in the former Christchurch City Plan while working for the Council. I also had a leading role in the preparation of Variation 86 to the Christchurch City Plan which introduced a centres based approach to retailing in Christchurch. I was then involved in preparing and presenting evidence at both the Christchurch City Council hearing and subsequent Environment Court appeals on the Variation 86. I was also involved in the more recent hearings on the Christchurch District Plan for a range of different commercial clients including Woolworths (then known and Progressives Enterprises Limited).
- 6 While this is a hearing under the Local Government Act, I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note (updated 1 December 2014) and I agree to comply with it. My qualifications as an expert are set out above. I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

Introduction

- 7 Woolworth's submission was in two parts, with the first related to a minor expansion of the Urban Limits Boundary at the Prestons Road/Marshlands Road intersection adjoining the Prestons subdivision. The second

related to the review of identified commercial areas as part of the work towards a comprehensive review of the Canterbury Regional Policy Statement (CRPS) scheduled for 2022.

Prestons

- 8 Woolworths owns a property on the north-east corner of the Marshlands Road/Prestons Road intersection, known as 365 and 379 Prestons Road which is in two titles. Land 1 Limited owns the adjoining strip of land at 448 Marshland Road. The full extent of this land, which totals 4.94ha, is shown in the map below.



- 9 Woolworths/Progressives involvement with the site dates back prior to the Christchurch earthquakes and Proposed Change 1 (PC1) to the CRPS. At the time Woolworths were seeking a Plan Change (PC76) to have the site rezoned for Commercial and Residential purposes. PC76 had been lodged with the City Council and further information was being provided. However, during that process and as a result of the earthquakes the then Earthquake Recovery Minister exercised his powers and intervened in the PC1 proceedings revoking it and replacing it with a new Chapter 12A to the CRPS. As a result Woolworths lost all rights to appeal its case to the Environment Court to increase the urban limits to cover the above site through no fault of its own. The practical effect of this was that Woolworths were procedurally prevented from seeking to have its land included within the urban limits.
- 10 This present process therefore represents the first opportunity since 2012 that Woolworths have had to seek to have this land included in within the Greater Christchurch Urban Limits boundary.
- 11 In my view the inclusion of the land shown above represents a natural expansion of the urban limits boundary given the strategic nature of the intersection, its prominence as an entrance to the Prestons subdivision and the

fact that it is bordered on two sides by the present urban limits boundary. The expansion itself is relatively small but would offer opportunities for both commercial (a supermarket) and residential development and would provide for an enhanced urban form in terms of this key gateway to the Prestons subdivision. It also in my view promotes a more consolidated urban form given its location and proximity to existing urban development and the road network rather than being a solely greenfield location. Further, my understanding from the former PC76 material is that the land is able to be adequately connected to the now established infrastructure services.

- 12 The Officer Report has stated that Our Space has been prepared under the provisions of the Local Government Act and that any rezoning of land to urban uses would need to be enabled through changes to the CRPS and relevant district plans under the RMA. They go onto say that the final Our Space document would provide some direction to inform such processes as part of RMA provisions giving regard to the strategies prepared under other Acts (Sections 66(2)(c)(i) and 74(2)(b)(i) respectively) and that landowners submitting additional land for consideration would have an opportunity to outline the merits of such land at the time these RMA changes were considered.¹
- 13 While that might be true, I'd suggest that the outcome of this process is seen by many submitters, including obviously the City Council given their submission, as setting a strong framework and direction for the processes that follow. This is in my view primary because of the inclusion of Map A from the CRPS and the proposed amendments to it, in the Our Space documentation. The endorsement of a new Map A and urban limit boundary via this process is going to be very difficult to seek changes to going forward. If it wasn't it would bring into question the whole purpose of the Our Space process. I therefore consider the Officers Report is being a little misleading in suggesting Our Space in the context of the Urban Limits will only provide some direction for future processes.
- 14 The Woolworths submission is recommended to be declined in this current process on the grounds that it is more appropriately addressed through later RMA processes, yet in those future RMA processes it will almost certainly again be recommended for decline because the land in question was not identified in the Our Space documentation. My concern about such circular logic is not ill-founded as the earlier Urban Development Strategy was likewise undertaken under the LGA, yet the land identified through that process was subsequently included in Map A of the CRPS (although I acknowledge things changed somewhat post-earthquake via the Ministerial intervention referred to above), with associated strong policy direction that urbanisation was to be avoided on land not shown for such purposes in Map A. In short, the Our Space process will likely be determinative of the future RMA process outcomes in terms of urban growth.
- 15 In this context there is case law which supports the suggestion that considerable weight should be given to relevant non-RMA plans and strategies.

¹ Page 17 of the Officers Report

16 The most relevant is *Mapara Valley Preservation Society Inc v Taupō District Council* (A083/07). In that case the Environment Court noted in relation to two Variations based on and informed by TD2050 (the Taupo District 2050 Growth Strategy) that, while the urban growth strategy was not a statutory document, it:

*"was publicly notified for consultation with the 2006 – 2016 Long Term Council Community Plan using the special consultative procedures under the Local Government Act 2002. We thus find that the Variations should be given **substantial respect and weight** [when making decisions on a resource consent]"*.² (my emphasis)

17 The point I am making above about the strong framework and direction Our Space provides is also effectively supported by the Officers recommendation and comments on Woolworths Prestons submission where it states that the submission is not supported at this time because:

- there is sufficient inner city industrial land available to transition to commercial use to meet longer term needs
- future monitoring will identify the extent of any shortfalls
- there are other methods available to meet more localised demands in the northern quadrant without needing to expand the urban boundary. These will be explored as part of the next capacity assessment and district plan reviews.

18 The first point is an interesting one in the context of a submission by Woolworths as it seems to suggest that the focus of future commercial activities, including those of Woolworths, should be the inner city industrial land. Woolworths are obviously a supermarket operator and they already have two supermarkets – a Countdown on Moorhouse Avenue and a Fresh Choice on Litchfield Street, in the Central City. There are also other supermarkets on Moorhouse Avenue operated by Foodstuffs New Zealand. The Central City is therefore well-served by supermarkets. In the context of this submission the point being made in my view is irrelevant and fails to acknowledge the realities of consumer demand in growing communities like Prestons, which is some 8km from the City Centre – they are completely different markets.

19 In relation to the third point I am not clear what other methods are available to meet more localised demands rather than expanding the urban boundary, particularly in convenient proximity to service the growing communities in the Prestons and Hills Road areas. Infill or intensification opportunities may exist for small blocks of shops, however supermarkets require a minimum of 2 hectares to provide sufficient space for the retail floor area, back-of-house loading area, and customer parking. That said, in the wider context the expansion to the urban limits, the additional land sought through Woolworth's submission is, relatively small.

20 The Officer Report indicates that there is significant capacity existing at the Belfast/Northwood Key Activity Centre which, together with the Central City, is afforded primacy in the CRPS and District Plan. The report goes

² At [49].

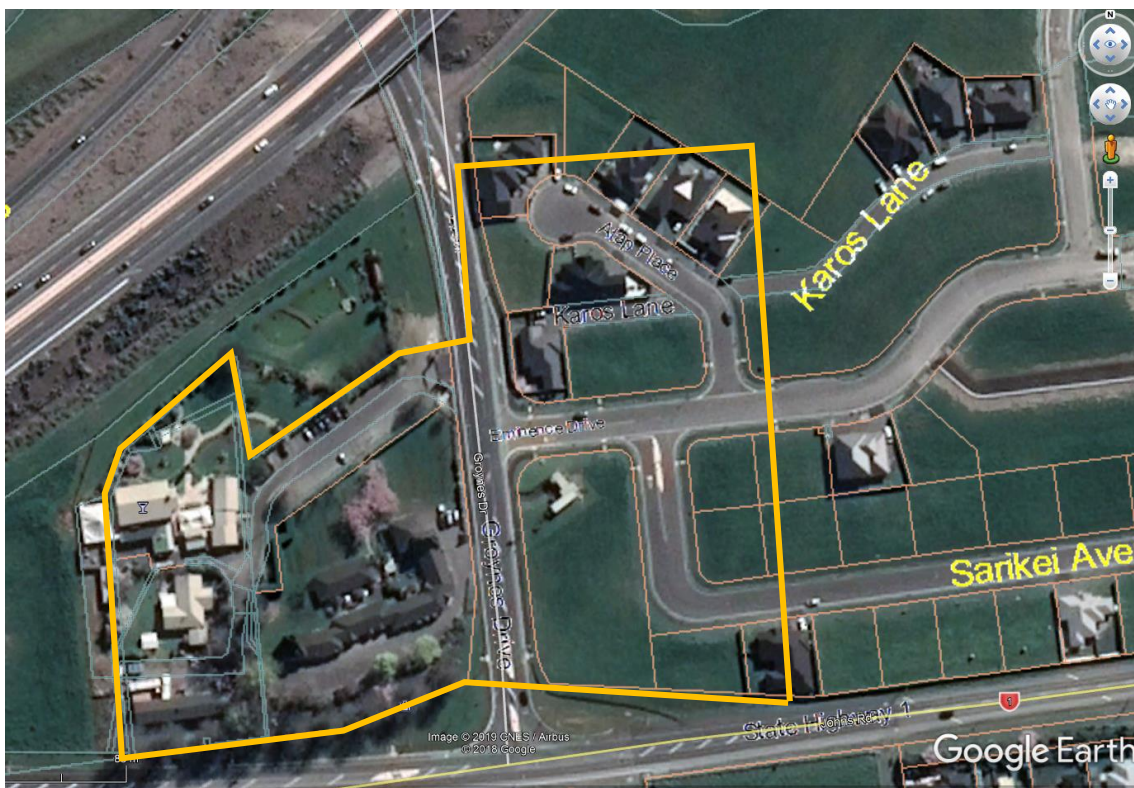
onto say that both these documents promote intensification of centres and limited outward growth and that where outward growth is justified, it must, among other things, ensure that the function of other centres is not undermined. It goes onto say that both the Belfast/Northwood and Central City are not yet performing their intended roles, and it would be contrary to policy to promote growth of Prestons neighbourhood centre where an assessment of its impact on these centres has not been undertaken.

- 21 This seems to suggest that the current hierarchy is cut and dried even if one of the centres referred to has yet to see any development in its core area occur, which was raised by Woolworths in their submission. There is a question as to what level of ground truthing has been undertaken on the capabilities of existing zoned land, both commercial and residential as part of this process. In my view this is particularly important given the process by which the new Chapter 12A to the CRPS came about and the limited level of scrutiny involved. There is an opportunity now to investigate this further and while it may have been done, I was unable to find any evidence that it had been.
- 22 The Reporting Officer also suggests that it would be contrary to policy to promote growth of Prestons neighbourhood centre where an assessment of its impact on the above centres has not been undertaken. Given time Woolworths could obviously undertake such an assessment, however in my experience it is rare for a supermarket on its own to be found to have distributional effects on other centres. It is important to emphasise that the reporting officer has conversely not provided any evidence that a suburban supermarket at Prestons would have a significant impact on the City Centre or Belfast commercial areas. Having worked extensively with supermarket providers over many years, I have never encountered a project for a suburban supermarket 8km from a city centre that would have a noticeable effect on the vitality of a CBD as they are serving completely different markets. Likewise Belfast is some 4km away from the proposed site and already contains both a New World and a Countdown supermarket to service the Belfast community.
- 23 Finally, I note that the Our Space documentation has identified the need for a significant increase in commercial land to meet demand. The Prestons site makes a small contribution towards meeting this shortfall in a convenient location for servicing the nearby greenfield growth areas. It fills in a gap in the urban form given that it is bordered on two sides by recent urban development, and assists in providing a visual focal point to the Prestons/Marshlands Road intersection and providing a gateway into the Prestons growth area.

Review of identified commercial areas

- 24 The second part of the Woolworths submission sought that a review of identified commercial areas be undertaken as part of the work towards a comprehensive review of the CRPS and that consideration be given to:
- Exactly where the new projected commercial growth will occur;
 - Whether existing identified but undeveloped commercial land remains appropriately zoned; and
 - Whether the hierarchy of centres currently identified remains appropriate.

- 25 The Woolworths submission noted that the commercial core area at the Northwood/Belfast Key Activity Centre remains undeveloped after a number of years of being zoned and that recent commentary associated with the site's sale referred to "*reversion to residential and/or retirement village use*" as a possible future development outcome. Clearly if that were to occur then the site's status as a Key Activity Centre would be redundant.
- 26 Woolworths also noted that that part of the emerging greenfield commercial centre referred to as Groynes Park on the eastern side of Groynes Drive has largely been subdivided and built out for residential development as shown on the aerial photograph below – the full commercial zone is highlighted. Only around 3000m² is now available as a local centre. The rest is made up of approx. 8220m² of residential sections and approx. 5360m² of road reserve (Total 1.36ha). Woolworths considered it would be appropriate to re-allocate this loss of commercial land to the nearby North West Belfast Neighbourhood Centre.



- 27 The difficulty with the capacity analysis that has been undertaken is that it generally lacks on-site ground truthing i.e. it appears to primarily be undertaken on a desktop basis; and is not particularly connected to the evolving market which I accept is understandable. To emphasise this point I note that the Business Capacity Report states that Redmund Spur was the only centre where none of the vacant land was considered feasible. Three other emerging greenfield centres (North West Belfast (shown below), Highfield North and Highfield South) scored less than 80 (out of 104) because the surrounding residential catchment was considered not sufficiently developed to support commercial development at the current time.



- 28 Yet despite the above commentary consent was obtained for a Countdown supermarket development and other commercial activities in the North West Belfast Neighbourhood Centre in June last year. This is therefore despite the relatively low weighted score (72 out of 104) in the Business Feasibility Assessment (Appendix 12). This perhaps emphasises the dynamic nature of commercial activity and the nature of the location that helps drive it. In this case progressing the development of the North West Belfast Centre has been helped by the fact that it will be connected directly to the Northern Arterial via an extension of Belfast Road and that it is on the 'homeward journey' side of the road. These are key elements which are not available to Northwood/Belfast Key Activity Centre Core area.
- 29 In conclusion therefore things in the northern part of Christchurch from a commercial perspective have changed in a relatively short timeframe. In my view therefore an outcome of the Our Space process should be to indicate that a review of identified commercial areas is to be undertaken as part of the comprehensive review of the CRPS.

Dean Chrystal

14th February 2019