AGENDA

URBAN FORM & TRANSPORT DEVELOPMENT COMMITTEE MEETING

Tuesday, 12 March 2019
Commencing at 9:00 am

Tauranga City Council
Council Chambers, 91 Willow Street, Tauranga

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council’s website: www.tauranga.govt.nz.

NOTICE OF MEETING

I hereby give notice that a meeting of Council will be held in the Council Chambers, 91 Willow Street, Tauranga (access off the Library Arcade), Tauranga to consider the business as set out herein.

M Grenfell
Chief Executive
Urban Form & Transport Development Committee Terms of Reference

Membership

CHAIRPERSON  Cr Larry Baldock
DEPUTY CHAIRPERSON  Cr Rick Curach
MEMBERS  Mayor Greg Brownless
Cr Kelvin Clout
Cr Leanne Brown
Cr Bill Grainger
Cr Max Mason
Cr Terry Molloy
Cr Steve Morris
Cr John Robson
Cr Catherine Stewart

NON-VOTING MEMBERS  Tangata Whenua Collective

QUORUM  Half of the members physically present, where the number of members (including vacancies) is even; and a majority of the members physically present, where the number of members (including vacancies) is odd.

MEETING FREQUENCY  Six weekly

Role

- To develop a vision and pathway for the future of the City.
- To ensure that Tauranga’s urban form and transport system enables, supports and shapes sustainable, vibrant and interactive communities.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga’s urban centres to thrive and provide a sense of place.
- To enable the development of a vibrant, safe and successful city centre.
- To ensure that council and partner investments in Tauranga’s built environment are economically and environmentally resilient.
Scope

- Development of multi-modal transport masterplan and associated programmes and network operating plans.
- Development of Future Development Strategy, urban settlement pattern and associated monitoring thereof.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Leadership of plans for the city centre, including the Civic Rebuild programme.
- Development of City Plan changes and related matters for adoption by Council.
- Development of strategies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.

Table

Power to Act

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.
- To establish subcommittees, working parties and forums as required.
- To co-opt non-voting members, including Tangata Whenua or other representatives, to the Committee.

Power to Recommend

- To Council and/or any standing committee as it deems appropriate.
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1. Apologies

2. Public Forum
   2.1 Nathan York - Land Supply
   2.2 Jeff Fletcher - Land Supply

3. Acceptance of Late Items

4. Confidential Business to be Transferred into the Open

   The Council to consider whether any items on the Agenda are to be transferred to
   the Open Section of the meeting.

5. Change to the Order of Business

6. Declaration of Conflicts of Interest
7. Business

7.1 DC49 - Development Capacity Update
Development Capacity Update
(DC 49)

Urban Form and Transport Development Committee

Date of meeting: 12/03/2019

Objective ID: A9836920

Executive summary

**Recommendation**

That the Urban Form and Transport Development Committee:

a) Notes the increased pressure on Tauranga’s forward development capacity position given the repeal of the Housing Accords and Special Housing Areas Act.

**Summary of issue**

This report provides an update to current and projected development capacity in Tauranga City. This provides context for DC34 – City Planning Quarterly Update.

There is currently around 6 years of theoretical development capacity remaining in Tauranga City as at 1 January 2019. Only around 4 years of sub-dividable land is available in the current growth areas. Further compounding the issue are some infrastructure challenges for particular sites and a slow release to the market by some developers.

The developers and building companies in the sub-region have clearly communicated that in their view the reality is there is less than 18 months realisable supply. TCC staff concur with this view that the realisable supply is significantly less than the theoretical supply.

Additional development capacity has been projected to come online through three main factors:

1) New major greenfield areas at Te Tumu and Tauriko West.
2) Enabling more opportunity for intensification within the existing urban area.
3) Provision for Special Housing Areas under the Tauranga Housing Accord.

The Housing Accords and Special Housing Areas Act (HASHAA) will not be extended beyond September 2019. This report outlines the implications of Special Housing Areas no longer being an available tool to provide new development capacity in the short term.

The SmartGrowth partner councils need to remain committed to progressing the agreed SmartGrowth settlement pattern as soon as possible in order to ensure sufficient development capacity to cater for projected growth.
Broader benefit/impact

Provision of sufficient development capacity is important to:
- Allow land and development markets to operate in a reasonably efficient manner
- Enable population and dwelling growth projections to be accommodated
- Meet requirements for development capacity under the National Policy Statement for Urban Development Capacity
- Reduce risks associated with further house price inflation and further decline in housing affordability.

Strategic context

The provision of development capacity and supporting infrastructure to meet growth demand is a priority strategic issue for Tauranga City at this time. Responsibility for addressing the increasing urgency to release further development capacity rests with Tauranga City Council as well as with the wider SmartGrowth partnership.

Next steps

- Discuss this issue at SmartGrowth SLG meeting in the context of progressing the settlement pattern as soon as possible.
- Progress the City Planning work programme outlined in DC34 – City Planning Quarterly Update.

Discussion

How much development capacity do we have left?

1. There is currently around 6 years of theoretical development capacity remaining in Tauranga City as at 1 January 2019. Given house building occurs after subdivision consent and land development there is perhaps only around 4 years of subdivider land remaining in the city based on expected growth rates.

2. Some of the theoretical supply is not available for development in the next few years because of reasons such as:
   - Infrastructure not being available e.g. delays in getting stormwater discharge consents within the Nanako Stream catchment to release zoned residential land at Kennedy Road.
   - Developer decisions to withhold land for development or to develop at a slow rate – this is particularly evident within parts of Papamoa and Wairakei.

3. The developers and building companies in the sub-region have clearly communicated that in their view the reality is there is less than 18 months realisable supply. TCC staff concur with this view that the realisable supply is significantly less than the theoretical supply.

4. Supply is especially tight on the city-side of the harbour now that The Lakes development is complete from a land development perspective (with house building to continue for another few years).

How is new development capacity being provided for?

5. Additional development capacity has been projected to come online through three main factors:
   - New major greenfield areas at Te Tumu and Tauriko West.
   - Enabling more opportunity for intensification within the existing urban area.
• Provision for Special Housing Areas under the Tauranga Housing Accord.

6. The Housing Accords and Special Housing Areas Act (HASHAA), and thereby the Tauranga Housing Accord, will not be extended beyond September 2019. This removes one of the major, and potentially the quickest, means of enabling new development capacity in the short term.

7. Under the Tauranga Housing Accords (2014 and 2016) thirteen SHAs have been approved providing additional capacity for 3,373 dwellings. Of these, 901 dwellings consents have been issued and 578 dwellings completed as at 31 August 2018 (see Appendix 1)

What are the implications of the HASHAA not being extended?

8. The SmartGrowth Partnership agreed in late 2018 to take a more flexible approach to addressing development capacity shortfalls in the short-term. With the HASHAA not being extended a critical tool for allowing this flexibility is no longer available.

9. For those SHAs already established, consenting developments through the HASHAA will need to happen before September 2019 when the HASHAA is repealed. The only SHA for which this will occur now will be Emerald Shores, which has potential capacity for 77 homes.

10. Council staff had been in discussions with developers regarding two potential new SHA sites in Papamoa that relied on extension to the HASHAA in order to have sufficient time to create SHAs and then consent development. Together these SHAs may have yielded over 500 homes however they can no longer be progressed. Other development options were also being considered in other parts of Tauranga that could have increased this to over 1,000 homes.

11. Further, the HASHAA would have provided potential opportunities to bring forward development capacity faster than the conventional processes under the Resource Management Act 1991 (RMA). This could have potentially yielded a significant amount of development capacity both in the existing urban area and in new greenfield locations. For example, the HASHAA could have provided a means to release capacity in Te Tumu and Tauriko West much sooner than through the RMA Schedule 1 process.

12. As outlined in DC34 – City Planning Quarterly Update, the timing for Te Tumu and Tauriko West is likely to mean those areas are not shovel-ready for development until post 2023. By this time, development capacity in new greenfields will essentially be non-existent. Anecdotally there is already evidence that some house-builders are reducing their staffing levels due to lack of forward capacity to commit to projects (as limited development sites are available).

13. Short term plan changes to enable more development capacity in the existing urban area will potentially make it easier for new homes to be provided through intensification. At best these plan changes will become operative in 18-24 months.

14. The HASHAA provided an important tool that could have reduced the shortfall in the short term, until new capacity both the new greenfields and within the existing urban areas are fully in place. Now in the absence of the HASHAA, the only short term option for being responsive is through a conventional resource consent process, which inherently carries more risk and uncertainty.

What are Tauranga City Council and the SmartGrowth partnership doing to progress new development capacity as soon as possible?

15. The SmartGrowth partnership continues to work towards delivering new capacity across the sub-region as per the agreed settlement pattern. The key challenge at the moment at a partnership level is integrating the sub-regions transport programme and settlement pattern with the new Government Policy Statement on Land Transport and the direction
of the Government’s Urban Growth Agenda. This challenge principally relates to the delivery of the new greenfield areas in the western and northern corridors.

16. For growth in the eastern corridor, Tauranga City Council has largely completed structure planning for the Te Tumu area and is undertaking the technical work to prepare for rezoning. A key factor for Te Tumu is working alongside the Maori land trusts to unlock multiply-owned Maori land for development and essential enabling infrastructure.

17. A strategic study of the eastern corridor is also underway as agreed by the SmartGrowth SLG following consultation on the draft Future Development Strategy.

18. In respect of enabling further opportunities for intensification in the existing urban area of Tauranga City, the Tauranga City Council has full support from the partnership to deliver the work programme as outlined in the DC34 – City Planning Quarterly Update. A significant component of this work is addressing how water based natural hazards will be managed to allow for intensification to occur in appropriate locations.

19. Additional development capacity in the northern corridor is also planned for Omokoroa and Katikati, with limited capacity remaining in these towns respectively. This work is being led by the Western Bay of Plenty District Council. Uncertainty as to the timing of transport capacity improvements in the northern corridor poses a challenge to these areas as well.

20. All of the above work to enable new development capacity needs to progress as quickly as possible given the significant shortfall projected in the short term. Only once the above projects have been completed will the SmartGrowth councils be in compliance with the requirements of the NPS-UDC in terms of having sufficient development capacity to meet demand and allow development markets to operate effectively.

Significance and engagement

21. The matters outlined in this report are likely to be of moderate to high significance and public interest, being they relate to the capacity of the City to meet growth demand and highlight that there are real challenges in this regard.

22. DC34 – City Planning Quarterly Update outlines the work programme for releasing new development capacity in new greenfield areas and within the existing urban area. Each component of that work programme involves engagement and further reporting through Council at appropriate stages. Where possible, the communications and engagement for this work will be integrated so the public can see a coherent story as to how we are going to provide sufficient capacity for growth.

Appendices

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
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</tr>
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Signatories

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<tr>
<th>Authors</th>
<th>Doug Spittle – Principal Strategic Advisor</th>
</tr>
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<tr>
<td>Authorisers</td>
<td>Christine Jones – General Manager – Strategy &amp; Growth Andrew Mead – Manager: City &amp; Infrastructure Planning</td>
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7.1.1 DC49 - Appendix 1 - Tauranga Housing Accord Monitoring Report to 31 August 2018
Special Housing Area Activity

- Under the first Tauranga Housing Accord (2014 Accord) signed on 14 August 2014, eleven Special Housing Areas (SHAs) were approved across Tauranga with a total yield of 2,970 dwellings. This accord expired on 31 December 2016.

- Under the second Tauranga Housing Accord (2016 Accord), signed on 22 December 2016 two SHA’s have been approved providing capacity for 403 dwellings.

<table>
<thead>
<tr>
<th>Tauranga Housing Accord</th>
<th>SHA Area¹</th>
<th>Effective date</th>
<th>Added capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Accord (expired)</td>
<td>Golden Sands, Palm Springs, Papamoa Junction, Waihi Road, Nga Potiki</td>
<td>February 2015</td>
<td>1,943 dwellings</td>
</tr>
<tr>
<td></td>
<td>Adler Drive and Domain Road</td>
<td>2 July 2015</td>
<td>216 dwellings</td>
</tr>
<tr>
<td></td>
<td>Nga Potiki SHA amendment</td>
<td>31 October 2015</td>
<td>no yield change</td>
</tr>
<tr>
<td></td>
<td>Smiths Farm SHA in Bethlehem</td>
<td>18 February 2016</td>
<td>216 dwellings</td>
</tr>
<tr>
<td></td>
<td>Girven Road SHA in Mt Maunganui</td>
<td>24 March 2016</td>
<td>66 dwellings</td>
</tr>
<tr>
<td></td>
<td>Golden Sands and Palm Springs SHAs extension</td>
<td>20 May 2016</td>
<td>529 dwellings</td>
</tr>
<tr>
<td>2016 Accord (current)</td>
<td>Golden Sands Area 6</td>
<td>14 August 2017</td>
<td>273 dwellings</td>
</tr>
<tr>
<td></td>
<td>Chadwick Road, Greerton</td>
<td></td>
<td>130 dwellings</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>3,373 dwellings</td>
</tr>
</tbody>
</table>

¹ In October 2018 Tauranga City Council recommended to the Minister of Housing and Urban Development that a new SHA at Emerald Shores Drive, Papamoa East, be approved. If approved by the Minister this will provide for a further 77 dwellings.
Map 1 - Special Housing Areas in Tauranga

<table>
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<tr>
<th>Location</th>
<th>Estimated Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golden Sands</td>
<td>883</td>
</tr>
<tr>
<td>Nga Poto</td>
<td>400</td>
</tr>
<tr>
<td>Palm Springs</td>
<td>668</td>
</tr>
<tr>
<td>Papamoa Junction</td>
<td>100</td>
</tr>
<tr>
<td>Te Okurea Dr/ Parton Rd</td>
<td>180</td>
</tr>
<tr>
<td>Wahi Road, Judea</td>
<td>31</td>
</tr>
<tr>
<td>Zariba</td>
<td>250</td>
</tr>
<tr>
<td>Domain Road</td>
<td>66</td>
</tr>
<tr>
<td>Adler Drive</td>
<td>180</td>
</tr>
<tr>
<td>Smiths Farm, Bethlehem</td>
<td>216</td>
</tr>
<tr>
<td>Girven Road</td>
<td>66</td>
</tr>
<tr>
<td>Golden Sands Area 6</td>
<td>273</td>
</tr>
<tr>
<td>Chadwick Road, Greerton</td>
<td>130</td>
</tr>
</tbody>
</table>
Special Housing Area Development – to 31 August 2018

- Golden Sands SHA in Wairakei, Papamoa East has had the highest level of development, with Palm Springs now extending into its SHA area.

- Development has started in Nga Potiki and Girven Road SHAs and is on-going in Te Okuroa/Parton Road and Zariba SHAs.

- Waihi Road SHA is at capacity.

<table>
<thead>
<tr>
<th>Special Housing Area (SHA)</th>
<th>Resource Consent Approval – lots/dwellings</th>
<th>Residential Parcels created</th>
<th>Dwelling consents Issued</th>
<th>Dwellings Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golden Sands</td>
<td>817</td>
<td>657</td>
<td>578</td>
<td>413</td>
</tr>
<tr>
<td>Palm Springs</td>
<td>267</td>
<td>122</td>
<td>50</td>
<td>16</td>
</tr>
<tr>
<td>Zariba</td>
<td>233</td>
<td>166</td>
<td>120</td>
<td>77</td>
</tr>
<tr>
<td>Te Okuroa/Parton Road</td>
<td>166</td>
<td>136</td>
<td>70</td>
<td>41</td>
</tr>
<tr>
<td>Waihi Road</td>
<td>31</td>
<td></td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Domain Road</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adler Drive</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nga Potiki</td>
<td>436</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Girven Road</td>
<td>71</td>
<td></td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Total SHAs</td>
<td>2,243</td>
<td>1,203</td>
<td>901</td>
<td>578</td>
</tr>
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</table>
**Progress against targets**

<table>
<thead>
<tr>
<th>Target</th>
<th>to deliver residential sections and new dwelling consents as follows:</th>
</tr>
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<tr>
<td></td>
<td><strong>Target</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Residential Sections(^1)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>New Dwelling Consents</strong></td>
</tr>
<tr>
<td>2017</td>
<td>1,500 – 1,600</td>
</tr>
<tr>
<td>2018</td>
<td>1,550 – 1,650</td>
</tr>
<tr>
<td>2019</td>
<td>1,600 – 1,700</td>
</tr>
</tbody>
</table>

In the 12 months to 31 August 2018:

- 1,638 new residential lots were created in Tauranga City, indicating that the target of 1,550 - 1,650 is on track to be met for 2018
- 1,340 dwelling consents were issued, 410 dwellings below the 1,750 target for 2018, indicating that this target may not be met for 2018

1. Note: The new residential section data does not include unit title developments such as retirement village units.
Progress against targets

**Target 2:** to deliver smaller dwellings at a more affordable price point

**Dwelling Size:**

On average SHAs in the period 1 September 2017 to 31 August 2018 delivered smaller dwellings than those consented across the remainder of Tauranga City.

<table>
<thead>
<tr>
<th></th>
<th>Tauranga City (Non-SHA)</th>
<th>SHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Floor area¹</td>
<td>185m²</td>
<td>146m²</td>
</tr>
<tr>
<td>(for all dwelling types in residential zones)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- House building sizes in the Waihi Road SHA range from approximately 60m² to 130m²
- Smaller dwelling sizes are expected in future stages of Golden Sands, Domain Road and Girven Road SHAs where multi unit developments are consented or proposed.

¹ If multi unit dwellings in the High Density zone are included the average floor area for Tauranga City (Non-SHA) decreases to 183m² and if multi-unit residential developments in Commercial Business Centres are also included it decreases to 176m². If multi-unit development in the Girven Road SHA is excluded the average floor area for SHA areas increases to 158m².
Progress against targets

**Target 2:** to deliver smaller dwellings at a more affordable price point

Sales Price:

- Sales prices achieved from 1 September 2017 to 31 August 2018 have been less for both vacant sections and houses in SHAs than across the remainder of the City.

- Variation within SHAs is evident with the average sales price for houses in Papamoa East SHAs (Golden Sands, Palm Springs, Te Okuroa/ Parton and Zariba SHAs) averaging $646,518, while Waihi Road SHA which includes multi units was $470,500.

<table>
<thead>
<tr>
<th></th>
<th>Average Sales Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1 September 2017 to 31 August 2018)</td>
</tr>
<tr>
<td>Tauranga (Non-SHA)</td>
<td>$298,580</td>
</tr>
<tr>
<td>SHA</td>
<td>$260,570</td>
</tr>
<tr>
<td>Vacant Residential Sections(^1) (less than 850m(^2))</td>
<td>$701,253</td>
</tr>
<tr>
<td>Dwellings(^2) (classified as “residential dwelling sales (2010-2019) Average-Good”, and section size less than 850m(^2))</td>
<td>$645,287</td>
</tr>
</tbody>
</table>

1. As section sales in SHAs ranged from 170m\(^2\) to 760m\(^2\) in size a 850m\(^2\) threshold was applied to section sales across Tauranga City to provide a more accurate comparison. If section sales above 850m\(^2\) are included the average sales price for non-SHA areas increases to $334,507.

2. Only house sales categorised as “residential dwelling sales (2010-2019) Average – Good”, which is what all dwellings constructed in the SHAs have been classified as over this period, was calculated. The calculation was also limited to house sales on sections less than 850m\(^2\). If all categories and section sizes are included the average sales price was $668,049. If lifestyle properties are excluded this falls to $658,248.
## Progress against targets

**Target 2:** to deliver smaller dwellings at a more affordable price point

<table>
<thead>
<tr>
<th>Residential Section Sizes</th>
<th>Average Sales Price per Metre² (for sites less than 850m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Golden Sands SHA</td>
<td>$592</td>
</tr>
<tr>
<td>Palm Springs SHA</td>
<td>$585</td>
</tr>
<tr>
<td>Te Okuroa/Parton Road SHA</td>
<td>$530</td>
</tr>
<tr>
<td>Zariba SHA</td>
<td>$497</td>
</tr>
<tr>
<td><strong>All SHAs</strong></td>
<td>$567</td>
</tr>
<tr>
<td><strong>Non-SHAs</strong></td>
<td>$529</td>
</tr>
</tbody>
</table>

### Average Construction Cost per Metre²

<table>
<thead>
<tr>
<th>Section Sizes</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Girven Road SHA</td>
<td>-</td>
<td>$2,888</td>
</tr>
<tr>
<td>Golden Sands SHA</td>
<td>$1,807</td>
<td>$1,973</td>
</tr>
<tr>
<td>Palm Springs SHA</td>
<td>$2,023</td>
<td>$2,161</td>
</tr>
<tr>
<td>Te Okuroa/Parton Road SHA</td>
<td>$1,962</td>
<td>$1,986</td>
</tr>
<tr>
<td>Zariba SHA</td>
<td>$1,814</td>
<td>$2,128</td>
</tr>
<tr>
<td><strong>All SHAs</strong></td>
<td>$1,847</td>
<td>$2,094</td>
</tr>
<tr>
<td><strong>Non-SHAs</strong></td>
<td>$1,934</td>
<td>$2,283</td>
</tr>
</tbody>
</table>

- Residential section sizes in the SHA areas are below 850m².
- The average sales price per metre² in the non-SHA areas for all section sizes is $654.

- Average construction cost in the SHA areas excluding Girven Road is $2,038.
Progress against targets

**Target 3:** To increase supply of land for residential development to ensure a healthy degree of competitive pressures amongst developers in the Tauranga housing market

- In October 2018 Council recommended to the Minister of Housing and Urban Development that a new SHA at Emerald Shores Drive, Papamoa East, be approved. If approved by the Minister the new SHA will provide additional capacity for 77 dwellings.

- Planning is underway to zone additional residential development capacity in the form of three new greenfield growth areas for development in the short/medium term.
  - Te Tumu (7,000-8,000 dwellings +/-) – structure planning has commenced
  - Tauriko West (3,000 dwellings +/-) – structure planning has commenced
  - Keenan Road (2,000 dwellings +/-)

- Consideration to enabling development to commence through the use of a SHA in these areas would be given if the HASHAA repeal date was extended

- Further areas have been identified in Western Corridor areas for the medium to longer term (10,500 dwellings +/-)

- Proposed Tauranga Urban Strategy - a strategy to respond to Tauranga’s growth challenge by putting greater focus on planning for intensification and redevelopment in existing urban areas.

- Tauranga City Council’s 2018-2028 Long Term Plan provides approximately $470m of growth-related capital investment over the next ten years

- The Council has an operative 30 year infrastructure strategy with a significant focus on growth related infrastructure investment.
7.2 DC34 - City Planning – Quarterly Update March 2019
# City Planning Quarterly Update – March 2019 (DC34)

Urban Form and Transport Development Committee  
12 March 2019

Objective ID: A9740362

## Executive summary

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>That the Urban Form and Transport Development Committee:</th>
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<tr>
<td></td>
<td>(a) Receives report DC34 titled City Planning Quarterly Update – March 2019.</td>
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<td>(b) Approves the Te Papa Spatial Planning Framework proceeding including community engagement as outlined in Appendix A.</td>
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<td>(c) Notes that a substantive report on the scope and direction of Plan Change 26- A Targeted Review of the Existing Plan Provisions including the Issues, Objectives and Policies for the Residential and Commercial Zones and Plan Change 28- Review of the City Living Zone (CLZ) will be brought to the next Committee meeting.</td>
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<td>(d) Approves the separation of Plan Change 26 into two distinct Plan Changes for the Suburban Residential and Commercial Zones.</td>
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<td>(e) Notes the progress made on the proposed Plan Change 27- Flooding from Intense Rainfall Events and Plan Change 30- Earthworks and Associated Matters and endorses the development of detailed provisions for Council approval and future public notification.</td>
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| Summary of issue | This report is a quarterly update on City Planning work programme which include relevant strategies, proposed and potential plan changes, technical studies and other planning initiatives. |
Implementing a number of key planning initiatives, plan changes and technical planning studies ahead of a full review of the City Plan allows for the earlier delivery of intensification aspirations and addressing land supply issues in a more-timely manner. In addition, it will enable better management of flooding caused by high rainfall events as further development occurs, which is an important consideration in enabling more intensification.

The proposed work programme delivers on the proposed Future Development Strategy and Tauranga Urban Strategy. Those strategies will be finalised later in 2019. In the meantime it is vital that the work programme progresses to advance the release of additional development capacity to meet demand from growth.

Progress will continue on the proposed and upcoming planning initiatives, plan changes and technical planning studies outlined in this report. Staff will continue to provide quarterly updates to the Committee.

**Discussion**

**Background on and the Tauranga Urban Strategy and the SmartGrowth Future Development Strategy**

1. The proposed Tauranga Urban Strategy (TUS) sets out Council’s strategic direction to urban growth through a future spatial urban form focused on enabling more housing choice close to jobs, services and public transport. It signals Council’s intent to advance a more balanced approach to growth, which emphasises more growth in existing urban areas which is complemented by growth in comprehensively planned greenfield areas.

2. The SmartGrowth Future Development Strategy (FDS) outlines how the partnership will provide for sufficient development capacity to meet demand for the next 30 years. The FDS is aligned to the TUS as the FDS includes the key principles and direction of the TUS.

3. On 3 September 2018, the City Transformation Committee resolved that public consultation on the TUS and FDS proceed. Public consultation was undertaken from 5 October until 5 November 2018.

4. The City Transformation Committee has previously endorsed an initial work programme to implement the proposed Tauranga Urban Strategy. This work programme identifies a number of targeted plan changes across the city to support compact city outcomes, as well as the spatial planning of the Te Papa Peninsula.

5. Finalisation of the TUS has been delayed to ensure that the final strategy is integrated with the SmartGrowth Future Development Strategy and other sub-regional transport planning.

**Consultation on Future Development Strategy and Tauranga Urban Strategy**

6. The FDS and TUS public consultation responses were:
   - 185 submissions via SurveyMonkey
7. Overall, the TUS received positive support from stakeholders and the community. In particular, there was strong support for moving towards a more compact city. Approximately 87% of responses from SurveyMonkey supported focusing growth in and around centres. Only three submitters (2%) from SurveyMonkey opposed centres based growth. Of the 50 other submissions, 80% of submitters indicated broad support for intensification and none opposed.

8. Submitters were invited to identify their concerns about moving towards a more compact urban form. Key concerns included the quality and height of higher density housing, the relationship between higher density housing and the surrounding area, congestion, the quality and quantity of trees, green spaces and other public places, and concerns about overcrowding and slums. Suggestions for addressing these concerns include improving the quality of higher density housing, improving the transport system with a particular focus on public transport and cycleways, protecting and improving public spaces, including parks and trees, protecting neighbouring amenity and quality engagement with the community.

9. Feedback from submitters also supported more development within the Te Papa peninsula. Almost three quarters of SurveyMonkey respondents agreed that the Te Papa Peninsula is an appropriate place for locating more homes near jobs, services, schools and public transport. A small number (11) of people (7% of SurveyMonkey responses) were opposed to further development of the Te Papa peninsula. The main reason for opposition was existing levels of congestion. Other concerns related to losing green space and focusing intensification only in the Te Papa peninsula. Reasons given included concern about the distortion of house prices, as well as unnecessary constraint of land capacity. Many submitters that supported further development of the Te Papa peninsula, provided support on the basis that public transport, cycling facilities, pedestrian safety and access in general was improved. Of the 50 other submissions, 20% specifically supported the proposal to initiate implementation of the Urban Strategy in Te Papa, whereas 38% requested that compact city outcomes be applied in other parts of the city in addition to the Te Papa peninsula.

10. Importantly, a key message that was received through a large number of submissions was a request for Council to undertake urgent action to deliver on the principles of the FDS and the TUS.

11. Following the consultation on the FDS and the TUS, it was identified that a clear integrated plan was required for the transport network across the Western bay sub-region. This work is underway.

12. While this work is completed there has been a delay in finalising the FDS and TUS, however the overall strategic direction for managing growth has not changed. There remains an urgent need to deliver on the work programme to release additional development capacity.

Overview of Planning Work Programme

13. The City and Infrastructure Planning Team is progressing a number of workstreams for the delivery of development capacity within the existing city and new urban growth areas. On 3 December 2018, the City Transformation Committee resolved to progress various plan changes prior to the full review of the City Plan. The purpose of these plan changes
and projects is to assist in the management of growth and allow for strategic gains to be made in the delivery of the proposed TUS and FDS. It also allows for technical plan changes such as stormwater and earthworks to ensure this is managed appropriately as more intensification is enabled.

14. It is proposed that work on the Te Papa project starts immediately. Given the high degree of support and also the high level of alignment with existing SmartGrowth direction and the importance of implementing the strategy on growth in existing urban areas, the risks of misalignment due to starting the Te Papa project ahead of formal adoption of TUS is very low.

15. This report now outlines the proposed spatial planning approach associated with the Te Papa peninsula and then addresses the proposed plan changes currently underway.

**Spatial Planning – Te Papa Peninsula**

16. As outlined at the 3 December 2018 City Transformation Committee, officers are progressing with project planning to prepare a comprehensive spatial plan for the Te Papa peninsula.

17. Consultation on the TUS raised the queries as to why other areas were not being pursued ahead of the Te Papa peninsula. Council staff acknowledge the potential to undertake spatial planning for intensification of other areas around the city, in particular along the coastal strip. While future spatial planning of these areas is recommended and is likely to follow this project, significant resource management issues need to be considered in more detail. Particularly, in regards to natural hazard risk management from climate change and infrastructure capacity/serviceability.

18. In order to progress a project with haste, which was a key point raised through the submission process, the Te Papa peninsula provides a significant opportunity to implement the strategic direction of the TUS for a centres-based urban form that integrates land use and transport outcomes. To deliver this coordinated approach, a spatial plan will be required to outline key short, medium and long term outcomes.

19. A high level assessment of planning constraints, infrastructure and transport capacity, reserves and community infrastructure, hazard risks, market delivery and a range of other relevant considerations, has been undertaken. Through this review, the Te Papa peninsula has been deemed to be the most appropriate corridor to implement the centres based approach for the following reasons:

- Significant employment hubs are located along this corridor around the CBD, 11th Avenue, Tauranga Hospital/Gate Pa and Greerton
- Frequent bus services run along this corridor, particularly from 15th Ave to the CBD, and these became more frequent with implementation of the new Public Transport network from late 2018
- Planning is underway for the delivery of infrastructure to support bus priority along Cameron Road as well as safe cycling infrastructure in line with the City’s Cycle Plan.
- A number of primary, intermediate and secondary schools as well as tertiary education facilities are located along the corridor
- Significant areas of concentrated social housing stock exist in common ownership, with redevelopment interest expressed.
- No significant infrastructure constraints are evident in the short to medium term.
- The area is largely resilient from natural hazard risk, especially risk associated with flooding, sea level rise, groundwater, storm surge and tsunami.

20. An overview of the initial project, next steps and timeframes is included in Appendix A.
21. The project will seek to align with broader strategic work that is underway to align land use and transport planning for greater Tauranga which seeks to deliver a co-ordinated approach for housing development and transport infrastructure planning.

22. In order to progress with a spatial plan, officers will investigate similar work streams that are being undertaken for the greenfield growth areas. Importantly, Officers will undertake a big picture approach for the long term redevelopment of the Te Papa Peninsula, in line with the wider communities support for compact cities outcomes while responding to local community’s aspirations. Officers will seek to identify what constraints there may be on the land or associated with infrastructure, identify what areas are suitable for more housing choice, what development could look like and where infrastructure needs to go. The spatial plan will seek to provide a comprehensive plan to ensure that as our city grows and changes, we can respond with appropriate investment and regulatory framework. The work streams which will be investigated include:

- Land use - The type and location of land uses that will be permitted, including development type, density and staging;
- Transport - Multimodal transport links and connectivity such as roading, public transport, cycle and pedestrian access;
- Three waters - The location, type, scale and staging of any upgraded infrastructure required including stormwater, water and sewerage;
- Tangata whenua - How cultural values and tangata whenua aspirations will be taken into consideration;
- Green spaces – Determine as we grow, how our reserves and open space networks should be managed and/or improved;
- Protecting people - Identifying how natural hazards could impact the area and how to protect the community from them;
- Community facilities – Determining as we grow, how will our facilities meet levels of service.

23. The project will have clearly aligned technical and engagement workstreams that progress towards a Spatial Plan and associated implementation plan. Further changes to the City Plan will be a key component of the implementation plan.

Proposed Plan Changes

24. In order to alleviate and address our residential development capacity constraints, reduce pressure on urban expansion and associated infrastructure, and deliver on a more compact city as outlined in the FDS and TUS, plan changes are being advanced to enable more infill and intensification opportunity. In the context of increasing development and redevelopment, technical plan changes are also being advanced in relation to flooding from intense rainfall events (Plan Change 27) and earthworks and associated matters (Plan Change 30).

25. It is essential that these plan changes align with other projects currently being progressed, such as the Te Papa Spatial Framework Plan and the Cameron Road Multimodal project to ensure effective plan change outcomes.
Intensification Plan Changes – Plan Change 26, 28 and 29


26. Plan Change 26 applies to land zoned Suburban Residential and Commercial within the Tauranga City Plan.

27. The plan change has been initiated to support targeted intensification through resource consent processes or permitted activity provisions. The plan change has now progressed to the options investigation stage. When identifying the issues, for this plan change it is proposed that Plan Change 26 be advanced as two separate plan changes. This is acknowledging that there are two very distinct zones (Suburban Residential and Commercial), that require a different set of responses in relation to residential infill and intensification.

28. The focus of Plan Change 26 to date has been on the refinement of the problem (issues), determining the desired outcomes and the consideration of potential options for both the Suburban Residential and Commercial zones. In relation to the Suburban Residential Zone initial considerations are as follows:

- Amending existing objectives and policies to provide for appropriate infill and intensification outcomes.
- Increasing residential densities where supported by appropriate levels of existing or proposed infrastructure and in locations where natural hazard risks can be appropriately avoided or managed.
- Enabling greater housing choice through a greater variety of housing typologies and site sizes.
- Providing further policy guidance and controls for higher density residential development.
- Providing for comprehensively planned residential development in appropriate locations, e.g. in close proximity to public transport, green space and centres.
- Enabling quality intensification and infill through a focus on design outcomes.

29. In relation to the Commercial Zone initial considerations are as follows:

- Amendments to city plan provisions to align with relevant growth strategies and related initiatives such as the FDS and TUS.
- Greater direction on design and amenity outcomes.
- Amendments to the City Plan provisions to require appropriate development densities, typologies and design outcomes.

30. Due to the fact Plan Change 26 addresses two significant zones and has city wide impact, the City Plan team has identified this plan change as having risks that need to be managed, particularly in relation to its integration with other planning initiatives like the Te Papa spatial planning and the approach to engaging the wider public. The team is working through options in relation to these risk considerations.

31. In order to give effect to the Bay of Plenty Regional Policy Statement (RPS), BoPRC staff have indicated that a risk management approach is required for this plan change in relation to natural hazards to ensure more intensive development does not increase the level of natural hazard risk. Further discussions are required with the BoPRC to work through these implications. There is a risk that this work will delay the plan change or limit its potential scope in providing for infill and intensification outcomes.
Plan Change 28: A Review of the City Living Zone

32. Plan Change 28 – A Review of the City Living Zone, aims to better align planning rules to support development opportunities for intensive, multi-level housing and mixed-use development in the City Living Zone around the City Centre. In relation to the City Living Zone initial considerations are as follows:

- Provide greater consistency and terminology in relation to outcomes.
- Remove unnecessary barriers to development.
- Provide direction on design and amenity outcomes.
- Enable appropriate development densities, height and typologies.
- Consider statutory and non-statutory incentives to facilitate appropriate design outcomes and greater housing choice.

Plan Change 29: Smith’s Farm Rezoning

33. This Plan Change is not being actively progressed. Resource consent for development of this site for suburban residential housing has been granted pursuant to the Special Housing Area legislation. This may enable development to progress ahead of the area being rezoned. These matters will be considered separately by Council.

Technical Plan Changes – Plan Change 27 and 30

Plan Change 27: Flooding from Intense Rainfall Events

34. Plan Change 27 is being progressed in response to a need to allow for development and redevelopment in Tauranga without increasing the risk of flooding from intense rainfall events, through an appropriate rule framework that will have mitigation measures in flood prone areas and overland flow paths and which will manage impervious areas in the upper catchments which can exacerbate flooding in lower catchments.

35. The focus of the plan change is first to understand the relevant risk that exists across the modelled catchments to meet the natural hazard requirements of the Bay of Plenty Regional Policy Statement.

36. The risk assessment is currently being undertaken for existing landuses in Tauranga, to determine each modelled catchments risk to flooding, incorporating climate change and sea level rise for the next 100 years, as per the RPS requirements. Much of this process is nearing completion and the risk assessment has identified all catchments modelled so far to be high risk. Tauranga City Council is required, under the RPS, to reduce the risk of flooding from high risk to medium risk in the short term and medium risk to low risk over time.

37. It has been identified that Tauranga City Council currently does not have sufficient avoidance or mitigation tools across existing legislation and within existing regulatory
documents to manage this risk, requiring a plan change to manage the effects of flood risk.

38. Currently a large number of existing buildings and lifelines are at risk from flooding due to poor subdivision and development practices in the past which did not consider the effects of intense rainfall events, and the resulting risk. Tauranga, as a growth centre, is predicted to receive significant growth over the next 100 years, resulting in the need to deliver both greenfield and intensification programs.

39. Unabated, it is likely that adhoc redevelopment of existing urban form will occur outside of a designed strategic approach to flood risk management, resulting in increased risk to life and property through increases in impervious surfaces, earthworks and a lack of management of floodplains and overland flowpaths.

40. The project is now moving towards the development of appropriate objectives, policies and rules for managing subdivision, use and development in flood prone areas and the identification and management of overland flow paths. These methods will consider the issues of:

- Climate Change (associated with intense rainfall events);
- Risk reduction to buildings, life and lifelines (new/altered);
- Earthworks;
- Identification and protection of overland flowpaths;
- Impervious surfaces.

Plan Change 30 – Earthworks and Associated Matters

41. Plan Change 30 – Earthworks and Associated Matters has been advanced to address three key issues relating to the current earthworks controls in the City Plan. The three key issues are identified as:

- **Sediment Control:** The volumes of earthworks that can occur as a permitted activity within the City Plan are too large, and ambiguity within the existing permitted standards is creating challenges for the management of sediment on building sites and having an impact on amenity values.

- **Earthworks Post Subdivision:** While appropriate building platforms are typically nominated during the subdivision consent process, earthworks carried out following the completion of the subdivision are not necessarily controlled, which is causing suboptimal site stability outcomes to occur.

- **Driveway Steepness:** That some driveways are too steep to be safely used, which is creating inefficiencies (as vehicles are unable to access the site as intended) and causing health and safety concerns to arise. Building platforms that cannot be connected to a legal road with a suitable driveway can also create parking congestion.
42. Potential Options to address these issues have been identified as follows:

- **Sediment Control** – Options include the potential rewording of the City Plan standards around on-site sediment control methods; changing the volume of earthworks subject to control and more targeted controls for certain areas e.g. steep sites.

- **Earthworks Post Subdivision** - Options include potential changes to the City Plan standards about when building platforms must be established on sites, the depth, slope and time taken to complete earthworks and other standards to address further earthworking of sites after subdivision has been completed.

- **Driveway Steepness** – Options include the potential development of new City Plan standards relating to driveway steepness and consideration of matters relating to driveways as part of subdivision and development.

**Budget/ Cost Implications**

43. The total cost for the above plan changes is estimated to be $800,000 up to the appeals stage. Just over half ($466,000) has been committed and to date $68,000 has been spent. A summary of the costs for each plan change is outlined below.

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<th>Plan Change</th>
<th>Committed Budget (to date)</th>
<th>Expenditure (to date)</th>
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<td>Flooding</td>
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<td>$10,000</td>
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<tr>
<td>Residential, commercial &amp; city living</td>
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<td>$46,000</td>
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<tr>
<td>Earthworks</td>
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<td>$12,000</td>
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<tr>
<td>Total</td>
<td>$466,000</td>
<td>$68,000</td>
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**Conclusion and Next Steps**

44. The Intensification Plan Changes (Plan Change 26, 28 and 29) are still in the early phase of development. We are in the process of testing the potential City Plan responses in relation to infill and intensification. This initial testing will involve a preliminary round of targeted external engagement with key stakeholders, which will include key landowners, developers and Tangata Whenua. Further engagement will also occur with BOPRC in respect on aligning the plan changes with the natural hazard risk management requirements of the Regional Policy Statement.

45. A substantive report will be brought to the next Committee meeting outlining in more detail the proposed direction for each of the intensification plan changes.

46. In terms of the review of the City Living Zone, consideration will be given to engaging representatives of relevant community groups through targeted meetings.

47. With respect to Plan Change 30- Earthworks and Associated Matters, the issues and options outlined in the above section will form the basis of an initial round of targeted external engagement with developers/site managers, consultants involved in subdivision and site development, and Tangata Whenua. These key stakeholders will be asked to not only provide feedback on the issues and options proposed, but comment on any other earthwork issues not currently identified in this plan change and any other options to address the issues raised including non-plan methods.
48. The intention is that all plan changes outlined above will be notified by September 2019 by this elected Council ahead of the next Local Body Elections. While this remains achievable, it is a significant challenge given the work required under Schedule 1 of the Resource Management Act 1991 (RMA). If these plan changes are not notified prior to the Local Body Elections notification will be deferred until early 2020 at the earliest.

**Urban Growth Areas**

49. Structure planning is currently underway for the Te Tumu and Tauriko West urban growth areas. The project teams are working to finalise all the technical reports required to prepare and finalise the structure plans. Preparation of the RMA planning framework is also underway for the plan change.

50. Both urban growth areas are facing delays to progressing and finalising the structure plan process and progressing the plan change. Notification of the plan change for Tauriko West is subject to NZTA timeframes for designating the long-term future SH29 corridor through Tauriko. Notification of the plan change for Te Tumu is subject to the sequencing and delivery of access to the urban growth area which involves processes outside of Council’s direct control.

51. Due to the Special Housing Areas legislation being repealed as outlined below, the only pathway available for the delivery of housing is through a RMA plan change. We now estimate that development of these urban growth areas will not be underway until at least 2023.

52. Engagement with Tangata Whenua, landowners and key stakeholders is ongoing as project teams progress the structure plan process.

53. A more detailed overview of the status of the Te Tumu and Tauriko West urban growth areas is included in Appendix B.

**Update on Special Housing Areas (SHAs)**

54. On 18 February 2019, the Minister of Housing and Urban Development confirmed that the Housing Accord and Special Housing Area legislation would not be extended beyond 16 September 2019.

55. The Minister of Housing and Urban Development advised that any SHA recommendations are required to be lodged by 30 April 2019. This has significant implications for two SHA applications being considered by Council. These applications are no longer able to proceed as they are unable to meet the timeframes.

56. Council staff are working through the other planning pathways available for these projects to proceed. They would take a number of years and would require changes to be made to the urban limits within the BOPRC Regional Policy Statement.

**Significance and engagement**

57. Under the Significance and Engagement Policy 2014, this decision is of medium significance as it relates to an update on the City Planning programme of work for Council.

58. Initial public engagement will be undertaken in the first quarter of 2019 to seek the values of the community for the Te Papa peninsula.
59. Community engagement has and will be undertaken in accordance with Schedule 1 of the RMA for Plan Changes and well as a range of targeted engagement with key stakeholders.

Next steps

60. Council staff will progress the City Planning Work Programme as outlined in this report and Appendix B. Council staff will continue to provide quarterly updates on progress of the City Planning Work Programme to the Committee.

61. A specific report on direction for the intensification plan changes will be brought to the next Committee meeting.

Appendices

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<th>Title</th>
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<td>B.</td>
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Signatories

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<tbody>
<tr>
<td></td>
<td>Gareth Pottinger, Project Leader: Urban Planning</td>
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<tr>
<td></td>
<td>Janine Speedy, Project Leader: Urban Planning</td>
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<td>Damon Mathfield, Acting Team Leader: City Plan</td>
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<tr>
<td></td>
<td>Doug Spittle, Principal Strategic Advisor</td>
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<tr>
<td></td>
<td>Andrew Mead, Manager: City and Infrastructure Planning</td>
</tr>
<tr>
<td></td>
<td>Christine Jones, General Manager: Strategy and Growth</td>
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Enterprise approach and collaboration

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<tr>
<td>Manasi Vaidya</td>
<td>Policy Planner</td>
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<tr>
<td>Marsha Badon</td>
<td>Policy Planner</td>
<td>Intensification plan change content</td>
</tr>
<tr>
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<tr>
<td>Karen Marjoribanks</td>
<td>Policy Planner</td>
<td>Contributed to earthworks plan change content</td>
</tr>
<tr>
<td>Ana Hancock</td>
<td>Urban Strategy Planner</td>
<td>Strategic context and TUS content</td>
</tr>
<tr>
<td>Campbell Larking</td>
<td>Senior Project Manager: Urban Growth</td>
<td>Stormwater plan change content</td>
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<tr>
<td>Adele Hadfield</td>
<td>Programme Director: Urban Communities</td>
<td>Te Papa spatial planning content</td>
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</tbody>
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7.2.1 DC34 - Appendix A - Te Papa Project Draft Methodology
DC34 - Appendix A - Te Papa Project - Draft Methodology

Stage 1: Analysis and Values Engagement (3 months)
Stage 1 is intended to focus on evidence base development and early engagement.

Key tasks
Engagement:
• Identification of key stakeholders
• Engagement / communications - past / present / future

Output
• Understanding of community values
• Series of topic based summaries for design workshops

Stage 2: Integrated Design Sprint Workshop and targeted engagement (1 month)
Workshops with a range of decision makers and multi-disciplinary experts aimed at solving the problem through development of a number of spatial plan options. Targeted engagement with key stakeholders.

Key tasks
• Analysis overview and site visit / Investment objectives
• Problem solving / design
• Refinement and implementation tools

Output
• Investment objectives and key moves
• Series of draft spatial plans, including land use, movement, open space and character layers
• Draft implementation strategy

Stage 3: Testing and Engagement (3 months)
Stage 3 will test the outputs from the design workshop through community engagement, targeted expert input and programme costing, followed by refinement of the spatial plan options.

Key tasks
• Community and stakeholder engagement
• Engagement on future - growth, change and options

Output
• Feedback from community, stakeholders and technical experts on options
• Refinement of spatial plan options
• Updates to topic reports based on further evidence

Stage 4: Integrated Review Workshop (3 months)
Stage 4 takes the refined plans back to the stage 2 workshop attendees for further refinement.

Key tasks
• Overview of further work undertaken and recommended responses; discussion groups and feedback
• Agree refinements and further work required; agree key implementation methods

Output
• A draft spatial plan
• Draft implementation strategy

Stage 5: Draft Spatial Plan and Engagement (3 months)
Stage 5 includes preparation of a final draft plan ready for Council approval to engage on with the community.

Key tasks
• Engagement

Output
• Final draft spatial plan including implementation strategy

Stage 6: Final Plan (3 months)
Stage 6 includes preparation of a final plan, including feedback from the community.

Output
• Final spatial plan including implementation strategy
7.2.2 DC34 - Appendix B - Quarterly Update - Other Planning Projects
### Appendix B: Quarterly Update Other Planning Projects (DC34)

<table>
<thead>
<tr>
<th>Project</th>
<th>Category</th>
<th>Progress Update</th>
<th>Next Steps</th>
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<tbody>
<tr>
<td>Tauriko West Urban Growth Area</td>
<td>Structure Plan / Plan Change</td>
<td>The Tauriko West Urban Growth Area is a collaborative project driven by four key partners being Western Bay of Plenty District Council (WBOPDC), Bay of Plenty Regional Council (BOPRC), New Zealand Transport Agency (NZTA) and Tauranga City Council. Tauriko West was previously outside the urban limits in the Bay of Plenty Regional Policy Statement (RPS). To enable development of Tauriko West, the BOPRC undertook a plan change (Plan Change 4) to amend the urban limits line to include the entire urban growth area. The Minister for the Environment has approved the plan change, which became operative on 30 October 2018. Tauriko West is also located partially within WBOPDC. WBOPDC has approved a proposal to the Local Government Commission to alter the boundary between Tauranga City and Western Bay. WBOPDC sought feedback from landowners, the community, hapu with an interest in Tauriko West and Tauniko Moana iwi authorities during July and August 2018, with the majority supporting the proposal. Tauranga City Council and the Bay of Plenty Regional Council have also supported the proposal. The Local Government Commission, which is independent of the councils involved, runs the process and makes the decision on the boundary alteration. The Commission has agreed to consider the proposal, it will likely be publicly notified shortly. A final decision could be expected in 2020. NZTA are currently developing the shortlist of detailed options for the Tauriko Network Plan. The Tauriko Network Plan is a programme of work that identifies improvement options for SH29, SH29A and SH136, and also places importance on public transport solutions, walking and cycling, and local road connections. The Tauriko Network Plan has had delays in its progress due to the requirement to reassess the project against the new Government Policy Statement on Land Transport (GPS). The reassessment was required in order to ensure that the proposed outcomes would align with the governments priorities for transport outcomes over the next 10 years. The role of Tauranga City Council is to prepare the structure plan and undertake the plan change process. Various technical assessments are completed/underway. Technical assessments are currently being undertaken which include flood modelling and detailed hazard assessments. Research continues into stormwater management and future landform, infrastructure provision and transport planning. A Plan Change cannot be notified for all of Tauriko West until the WBOPDC land is transferred to TCC. Work has commenced on the preparation of the RMA planning provisions and appropriate zoning of land for the Tauriko West plan change. The plan change is subject to the outcomes of Maori Land Court process. It is more likely that urban development within this growth area will not be enabled until 2023 at best. The plan change is subject to the outcomes of Maori Land Court process. It is more likely that urban development within this growth area will not be enabled until 2023 at best. The plan change is subject to the outcomes of Maori Land Court process.</td>
<td>Engagement with Tangata Whenua and landowners continues in accordance with the project plans. Continue working with NZTA on transport plans. Continue technical workstreams and plan change drafting.</td>
</tr>
</tbody>
</table>
| Te Tumu Urban Growth Area      | Structure Plan / Plan Change | Council have completed various technical assessments to inform the structure plan. The inputs for the technical reports have been based on three population scenarios to ensure that appropriate infrastructure can be delivered. These three population scenarios range from a base of 15,000 people up to 25,000 people. The following technical assessments are now complete:  
  - Contaminated Land Investigations  
  - Natural Hazard Planning (Tsunami, coastal erosion, sea level rise, active faults, open coast storm surge)  
  - Economic Assessment  
  - Landscape and Visual Assessment  
  - Archaeological Assessment (Stage 1 and 2)  
  Workstreams still underway include stormwater strategy; wastewater strategy; provision of open space; transport modelling, including walking, cycling and public transport; and a master plan. All of these workstreams will inform the structure plan and plan change. Work has commenced on the preparation of the RMA planning provisions and appropriate zoning of land for the Te Tumu Plan Change. Discussions are also underway with landowners in the preparation of funding agreements for the delivery of infrastructure and services within this urban growth area, along with the potential staging of these assets. This includes consideration of potential new funding models being developed by Government agencies. Engagement with Tangata Whenua and landowners continues in accordance with the project plans. | Continue working with NZTA on transport plans. Continue technical workstreams and plan change drafting. |

Objective ID: A9740380
<table>
<thead>
<tr>
<th>Project</th>
<th>Category</th>
<th>Progress Update</th>
<th>Next Steps</th>
</tr>
</thead>
</table>
| Ohauiti / Welcome Bay Planning Study | Planning Study | Infrastructure assessments underway for the following:  
- Water (no significant issues identified, awaiting final report)  
- Wastewater (modelling completed, some constraints identified, options being considered)  
- Stormwater (assessment underway)  
- Transport (modelling underway)  
- Commercial (complete)  
- Social infrastructure (complete)  
Engagement with landowners and relevant iwi/hapu continues. See A9816279 for more substantive project update. | A report will be prepared once all the technical assessments are complete to identify next steps. There is potential for future plan changes, depending on the study findings which will be reported to the Committee. |
| Rural Land Study | Planning Study | A desktop study is underway to determine the urbanisation potential of the remaining rural land areas within the city boundaries namely Bethlehem South, Oropi Road, East Welcome Bay/Papamoa Hills, Papamoa and Matapihi. Draft findings for the Bethlehem South, Oropi Road and Matapihi catchments are complete. There is no significant urbanisation potential identified in Bethlehem or Oropi. Draft findings identify potential for urbanisation in Matapihi, however the Matapihi catchment is multiply-owned Maori Land and urbanisation may not be consistent with the community’s aspirations. Future engagement will be required with the landowners to understand aspirations and opportunities in this area. | An update will be provided in the 2nd Quarter of 2019.  
| Future Urban Growth Areas: Keenan Road and Tauriko Business Estate extension | Future Structure Plan / Plan Change | No planning work is currently underway. Full structure planning and rezoning processes are required to enable development of these areas. | The need to consider commencing planning of these future urban growth areas has been identified by staff. Further engagement with SmartGrowth Partner staff and then governance representatives is planned for this year, to agree on a way forward. |
| 4 Emerald Shores Drive | Special Housing Area | Council resolved to recommend the special housing area to the Minister on 16th October 2018, subject to the completion of a side agreement to cover affordability, general layout, transport matters and the sale of the reserve land to Council. The side agreement is now being finalised. | Once finalised, the SHA will be recommended to the Minister for Housing and Urban Development before the 30 April deadline. |
| 2 Potential SHAs | Special Housing Area | Council staff were working through two SHA applications in Papamoa to ensure the information requirements were met. The Minister for Housing and Urban Development has confirmed that the Housing Accords and Special Housing Areas Act (HASHAA) legislation will not be extended beyond 16 September 2019. Given this timeframe and the cut off for SHA recommendations to the Minister of 30 April 2019 it is not possible for these SHA proposals to proceed. | No next steps. |
7.3 DC 43 - Update on Welcome Bay and Ohauri Planning Study
Update on Welcome Bay and Ohauiti Planning Study

(DC 43)

Urban Form and Transport Development Committee
Date of Meeting: 12/03/2019

Objective ID: A9816279

CONFIDENTIAL ATTACHMENT B

Reason for Confidentiality
To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial), prevent the disclosure or use of official information for improper gain or improper advantage and protect the privacy of natural persons, including that of deceased natural persons.

Transfer to Open
Attachment B is to remain in the Confidential section to enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial), prevent the disclosure or use of official information for improper gain or improper advantage and protect the privacy of natural persons, including that of deceased natural persons.

Executive summary

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>That the Urban Form and Transport Development Committee:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) Receives report DC43 titled Update on Welcome Bay and Ohauiti Planning Study.</td>
</tr>
<tr>
<td></td>
<td>b) Receives the Welcome Bay and Ohauiti Commercial Assessment and review included as Appendices A, and C.</td>
</tr>
<tr>
<td></td>
<td>c) Adopts Option One: To progress the Welcome Bay and Ohauiti Planning Study and supermarket investigations independently of each other.</td>
</tr>
</tbody>
</table>

Summary of issue
The Welcome Bay and Ohauiti areas are currently facing a range of issues including traffic congestion; lack of education options; lack of retail and commercial provision; pressure from developers to enable additional development; and infrastructure capacity constraints.

Broader benefit/impact
The Welcome Bay and Ohauiti Planning Study (the study) focuses on addressing the current issues faced by the Welcome Bay and Ohauiti communities and investigating the potential for accommodating further growth in these areas.
This study will provide a better evidence base in respect of the development/urbanisation potential of the remaining rural area.
within the TCC District within this area. This will feed directly into projects such as the Western Bay sub-region’s response to the National Policy Statement for Urban Development Capacity, the Tauranga Urban Strategy, the SmartGrowth Settlement Pattern Review, the Long Term Plan and 30 Year Infrastructure Strategy. The project also better informs discussions with the WBOP District Council on the potential future need and timing of urban expansion into the fringes of their District.

**Strategic context**

The study is consistent with the objectives and policies of the SmartGrowth Strategy (2013), providing for good long term urban outcomes. Maximising development opportunities within the TCC District will, in the long-term, achieve a more compact urban form compared to urban expansion into the WBOP District.

**Next steps**

Once all the technical assessments are finalised, a report will be provided to Council to consider the appropriate next steps for the wider Planning Study.

The Welcome Bay supermarket project can progress separately from this point as the project is not reliant on increased residential growth being provided for in Welcome Bay for it to be viable, and increased growth would not offer new locational opportunities for a supermarket in that catchment.

The next step is to progress a comprehensive assessment of the two Council-owned sites that were the preferred outcomes of previous community consultation (Waitaha Reserve and Owens Park), and existing privately-owned commercial zoned land in and adjacent to the existing commercial centre. Staff will manage and undertake this work, and an options assessment and recommended actions will be reported back to Council in June 2019.

**Discussion**

1. The purpose of the Welcome Bay and Ohauiti Planning Study is to better understand the infrastructure needs, options and costs to accommodate growth within these areas. Stage 1 of the study is complete which identified areas that may be suitable for further urban development.

2. Stage 2 is to undertake infrastructure assessments including three waters, transport and social infrastructure such as schools and community facilities. Stage 1 provided three population scenarios across Welcome Bay and Ohauiti as set out below.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2018</th>
<th>2043</th>
<th>2063</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Current Allocation</td>
<td>6322</td>
<td>7455</td>
<td>7669</td>
</tr>
<tr>
<td>2 – Freehold land with the potential for development</td>
<td>6322</td>
<td>9245</td>
<td>9459</td>
</tr>
<tr>
<td>3 – Freehold and Maori owned land with the potential for development</td>
<td>6322</td>
<td>10877</td>
<td>11062</td>
</tr>
</tbody>
</table>
3. These population scenarios have been used in all of the infrastructure capacity assessments.

**Social infrastructure and education**

4. The social infrastructure assessment is complete and does not identify any fatal flaws to accommodating additional population. The assessment does identify the need to investigate future needs for active reserves and consideration of whether the existing community centre is fit for purpose. Council owns land within the Ohauiti catchment for the purpose of active reserves and are investigating site options in the western corridor to meet the active reserve requirements.

5. Engagement with the Ministry of Education is ongoing to understand the education needs within the Welcome Bay and Ohauiti catchments into the future. Engagement is also ongoing with landowners, iwi and hapu.

**Three waters and transport**

6. The water supply and wastewater modelling is now complete and has not identified any fatal flaws, however there will be upgrades to the network required. A high level stormwater assessment is underway. These assessments are currently being finalised. Transport modelling is still underway. Transport issues are likely to be the most challenging and expensive to resolve.

**Commercial centres / supermarket**

7. A commercial assessment was also undertaken as part of Stage 2, to understand the commercial and retail needs for both catchments. The Commercial Assessment is included as Appendix A and B. The Commercial Assessment identified an undersupply of commercial land and considered there is a large enough population to support a typical supermarket. It was concluded that under the Scenario 1 status quo growth projections, the Welcome Bay and Ohauiti catchments are able to support a combination of Neighbourhood and Convenience scale centres. The additional populations identified under Scenario 2 and 3 did not require any additional centres. In the higher population scenarios centres could be larger but did not justify the neighbourhood commercial centre to be increased to the scale of a regional centre.

8. An independent review of the Commercial Assessment has been undertaken. The review generally agreed with the findings of the commercial assessment. The review concluded and agreed that under Scenario 1 (status quo growth projections) there is a good fit for a centrally located supermarket, with the recommendation for Council to plan for a neighbourhood centre. If a centrally located supermarket cannot be found, a smaller scale supermarket in a less desirable location is considered appropriate. It was also considered possible that a second centre could be developed over time, which aligns with the commercial assessment. Two neighbourhood centres are still required under Scenario 2 and 3. This could be an expansion of an existing centre. The review is included as Appendix C.

9. A separate supermarket assessment was also undertaken in 2016. This assessment also recommended that Welcome Bay has a catchment that can support a small to medium sized supermarket. The independent review also agreed with these findings as set out in Appendix C.
10. Council owned land has been considered for a supermarket as a separate piece of work because of the limited availability of suitably located and sized private land. Three Council owned sites in Welcome Bay were found to have potential opportunity for a supermarket development. Consultation with the community was undertaken with feedback sought on whether the community had a preferred site from the three options available.

11. In response to the survey, 66.5% were in support of the potential development of a site, with 56.3% indicating preference for Waitaha Reserve, 25.3% indicating preference for Owens Park and 18.4% indicating preference for Waipuna Park. These findings were reported to the Community and Culture Committee on 11 July 2017.

12. At this meeting, it was recommended to endorse Option 1 to progress with consideration of Waitaha Reserve and Owens Park, and to remove Waipuna Park from further consideration. It was resolved at this meeting to review and align Waitaha Reserve and Owens Park options in conjunction with the Welcome Bay and Ohauiti Planning Study and land owned by other interested parties.

13. Meanwhile, discussions have occurred with the owners (or their representatives) of some privately-owned commercial-zoned land in Welcome Bay regarding potential development of their land for a supermarket. These options remain viable and should be included in future site assessments.

14. The Commercial Assessment and review are now finalised as part of this study and confirm the need for additional commercial land to be investigated within Welcome Bay. The Welcome Bay supermarket project can progress separately from this point as the project is not reliant on increased residential growth being provided for in Welcome Bay for it to be viable, and increased growth would not offer new locational opportunities for a supermarket in that catchment.

15. If Council decides to separate these two projects and progress work on the supermarket development, Council staff will undertake analysis into Waitaha Reserve and Owens Park, and recommence discussions with the owners of other viable commercial-zoned sites.

16. Regarding Council-owned land, the next steps will be to:

   a) Review the site analysis completed previously, and complete a more comprehensive site options analysis, including identification of potential risks and any fatal flaws; and

   b) Understand and recommend how Council can appropriately obtain the required concept information from supermarket providers and report back to Council (taking into account legal and procurement considerations). If the approach is approved, and concept information is obtained, the community will be engaged regarding how a potential development could occur and what the impact would be on existing facilities and amenity uses, along with how that impact can be managed to ensure no loss of existing service provision and usage.

17. The work described above is unbudgeted. Staff and some consultant time will be required to complete this analysis for an initial report back to the Committee, and for likely future work. Staff will endeavour to manage this within existing budgets.

18. Once all the technical assessments are finalised, a report will be provided to Council to consider the appropriate next steps.
Options

Option 1: Progress the Welcome Bay and Ohauiti Planning Study and Supermarket projects independently of each other

19. This option allows the potential supermarket development and the Welcome Bay and Ohauiti Planning Study to progress on their own timeframes.

20. To progress the supermarket development investigations independent to the Welcome Bay and Ohauiti Planning Study does not commit Council to dispose of any Council owned land for the potential development. Further analysis is still required and presented to the Committee to understand the impact of a development prior to a decision to dispose or lease Council owned land.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
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<tbody>
<tr>
<td>• Progression of potential development of a supermarket in Welcome Bay which, at this stage, has majority community support for further consideration.</td>
<td>• No disadvantages were identified.</td>
</tr>
<tr>
<td>• Will allow for plans and visual interpretation for discussion with the community to understand how a development could be accommodated and what the impact could be.</td>
<td></td>
</tr>
<tr>
<td>• Work will continue to finalise the technical assessments for the Welcome Bay and Planning Study to understand whether further residential development can be accommodated.</td>
<td></td>
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</tbody>
</table>

Budget – Capex: Not applicable

Budget – Opex: No new budget sought

Key risks: Perception that these two projects should be considered together.

Recommended? Yes

Option 2: Review and align the supermarket investigations with the Welcome Bay and Ohauiti Planning Study

21.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No advantages were identified.</td>
<td>• Further delays the supermarket investigations progressing.</td>
</tr>
</tbody>
</table>

Budget – Capex: Not applicable

Budget – Opex: No new budget sought

Key risks: Supermarket providers are not willing to

Recommended? No
Significance and engagement

22. Under the Significance and Engagement Policy 2014, this proposal is considered medium significance as it affects the subgroup of Welcome Bay and Ohauiti and is likely to have moderate public interest.

23. Engagement with the Ministry of Education is ongoing to understand the education needs within the Welcome Bay and Ohauiti catchments into the future. Engagement is also ongoing with landowners, iwi and hapu. Regular hui are being held with Maori landowners.

24. Separate engagement will be undertaken on the potential for a supermarket development with landowners, key stakeholders, and iwi and hapu.

Appendices

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Objective ID:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Welcome Bay and Ohauiti Commercial Assessment – Part A</td>
<td>A9816132</td>
</tr>
<tr>
<td>B</td>
<td>Welcome Bay and Ohauiti Commercial Assessment – Part B (Confidential)</td>
<td>A9816212</td>
</tr>
<tr>
<td>C</td>
<td>Review of Welcome Bay and Ohauiti Commercial Assessment</td>
<td>A9840842</td>
</tr>
</tbody>
</table>

Signatories

**Authors**
Janine Speedy, Project Leader: Urban Planning

**Committee lead review**
Doug Spittle, Principal Strategic Advisor

**Authorisers**
Andrew Mead, Manager: City and Infrastructure Planning
Christine Jones, General Manager: Growth and Infrastructure

Enterprise approach and collaboration

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/department</th>
<th>Response</th>
</tr>
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<tbody>
<tr>
<td>Brigid McDonald</td>
<td>Manager: City Development</td>
<td>Endorsed</td>
</tr>
<tr>
<td>Gary Scholfield</td>
<td>Senior Strategic Advisor</td>
<td>Endorsed</td>
</tr>
<tr>
<td>Kate Dawkings</td>
<td>Planning Engineer (Waters)</td>
<td>Endorsed</td>
</tr>
</tbody>
</table>
7.3.1 DC43 – Attachment A - Welcome Bay and Ohauri Commercial Assessment – Part A
Welcome Bay and Ohauiti Commercial Assessment

Tauranga City Council
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Executive Summary

With continued population and urban growth, Tauranga City Council (Council) is considering the current and future commercial centres. Council has commissioned several reports which have highlighted that the suburbs of Welcome Bay and Ohauti are under serviced by commercial centres. There are no full-line supermarkets in the area, and there is only one existing neighbourhood-type centre located in Welcome Bay, with smaller convenience centres located on Welcome Bay Road, Ohauti Road, and near the Harini intersection. The various reports previously commissioned by Council identify large portions of the population leaving the catchment on a daily basis for retail and commercial needs, employment, and education.

The purpose of this report is to:
1. Consider the commercial needs of the catchments;
2. Examining what would be the appropriate size and location of a commercial centre(s) within the Welcome Bay and Ohauti catchments; and

In determining the appropriate scale and location of centres, this report considers the urban development aspirations of the Council which include compact city thinking, urban design of centres, and connectivity. The location of existing and planned community and educational facilities are considered, as is other planned investment in infrastructure. Commercial requirements of viable and successful centres and commercial activities are also considered.

In determining the largest centre that the catchments could support, we believe Welcome Bay and Ohauti will only be able to support a combination of Neighbourhood Centres and Convenience Centres. The catchment is not of a current or forecast size that would support a greater sized commercial centre, without attracting significant spend from other catchments.

The most suitable location for a Neighbourhood Centre in the Welcome Bay and Ohauti catchments are;
- At the front or middle of the catchments (towards the natural exit points from the catchment);
- Located on, or in close proximity to a busy arterial road; and
- On generally flat land over 8,000m².

Ultimately, it is concluded that given the physical characteristics of the catchments, and their potential growth, both Welcome Bay and Ohauti could support their own neighbourhood scale centre.
Introduction

In the face of continued population and urban growth, Tauranga City Council (Council) is considering the current and future commercial centres.

To assist council in planning for this growth, several reports have been specifically commissioned to focus on commercial centres and have been completed by SGS Economics and Planning and StrategEase. These reports include:

- Urban Structure Report
- Assessment of Centres
- Urban Centres Strategy

The ‘Urban Structure Report’ outlines the profile and characteristics of the current network of commercial centres in Tauranga, as well as the scale of demand likely to occur in the next 20 years. The ‘Assessment of Centres’ report which followed, examines how the city’s commercial centres are currently performing, which was subsequently followed by the ‘Tauranga Centres Strategy’. This Strategy includes a series of tactical interventions to deliver a network and hierarchy of commercial centres that Tauranga City Council is aspiring to achieve.

As part of their findings, SGS concludes that the Welcome Bay and Ohauiti residential catchments are under-supported by commercial centres. In discussing the issue, the report outlines that there is currently the need for residents of the catchments to travel outside of the catchment across various parts of the city with relatively long trip distances to access appropriate retail offerings and commercial needs. To address this issue, SGS recommend the council investigate options for zoning suitable sites to accommodate new neighbourhood scale centres in Welcome Bay and Ohauiti.

Figure 1 Existing Tauranga Centres – Source SGS
Consistent with the findings of these technical reports, there is a long history of the Welcome Bay and Ohauti community asking for more commercial activity, in particular a supermarket in the area. In addition, supermarket providers have also examined the catchments for locations which further indicates that the areas are under-supported by commercial offerings. In short, the community are seeking this outcome, and the market is considering investing in this outcome.

Council is supportive of enabling a new commercial centre in the area to serve the existing residents and also any future growth within the areas. Council has examined the possibility of enabling the development of a supermarket to serve the catchments and several reports have been presented to Council committees on the topic. From a community perspective, at least one supermarket to better serve the catchments is considered beneficial as it will reduce retail leakage from occurring, and will likely lead to other benefits such as reducing traffic congestion, boosting economic development within the catchments, and generating local employment opportunities.

**The Purpose and Structure of this Report**

The purpose of this report is to assist in the strategic planning to better supporting the Welcome Bay and Ohauti catchments with commercial offerings. It does so by examining what would be the appropriate size and location of a commercial/retail centre(s) within the area.

The report does this by;
1. Examining the current and future urban form and growth context of Welcome Bay and Ohauti.
2. Examining what makes a ‘good’ and well-functioning commercial centre for this community.
3. Examining options for the type of commercial centre.
4. Establishing the optimal area for commercial centres.
5. Assessing specific preferred locations for establishing centres.
6. Recommending the best options and how Council can assist in achieving the best outcomes.
Welcome Bay and Ohauiti Context

The Current Context

The Welcome Bay and Ohauiti suburbs are located on the south and south eastern part of Tauranga City. The suburbs were originally planned and developed in the 1990's and are nearing substantial completion in terms of the current development areas. Each catchment is located approximately 7km from central Tauranga.

![Map of Welcome Bay and Ohauiti Catchments](image)

Figure 3 The Welcome Bay and Ohauiti Catchments

There are approximately 15,000 people currently living in the suburbs, with another 2,000 – 3,000 residents expected to live in the area when the remaining residentially zoned areas are developed.

From an education infrastructure viewpoint, there are several childcare centres in the area, with three primary schools in the Welcome Bay catchment and none currently in Ohauiti. There are no intermediate or secondary schools in the area which results in many residents having to leave the catchment on a daily basis to access this higher level of education. In 2017, there were approximately 1,980 students from Year 7 to 13 living in the wider Welcome Bay and Ohauiti area who had to leave the catchments to attend school. Adding to this daily exodus is the distinct lack of employment providers in the area, which compounds the need for people to leave the catchments on a regular basis which is adding to traffic congestion on the local network.

The catchments are served by State Highway 29A which runs west through Poike to Oropi Road and then to Cameron Road. This State Highway also runs north east through Mangatapu to Mount Maunganui and Papamoa. The areas are also accessed by Turret Road which runs over the bridge to 15 Avenue onto Cameron Road. There are on-going traffic congestion issues in peak periods, as people who live in the catchment are all leaving and returning around school and traditional working hours.
From a physical perspective, the land is undulating with valleys and steep topography in parts. This has led to disconnected urban planning and the catchments have grown overtime with ‘ribbon’ development. As a result, the expanding residential activity has largely developed along collector roads with limited expansion off those key arterials like you would typically see in other flatter residential catchments around Tauranga. This ultimately means that each of the catchments are disconnected internally, and the sprawling urban growth means there are not high concentrations of people living close to each other. This ultimately discourages walkability and reinforces the role of cars as the primary form of transport in both Welcome Bay and Ohauti.

In terms of neighbouring areas, Welcome Bay and Ohauti are surrounded by the Harini, Maungataupu, and Poike suburbs to the west. The city’s largest tertiary provider Toi Ohomai, is located in the surrounding catchment of Poike which draws people from all across Tauranga and the region into the proximity of Welcome Bay and Ohauti. The Oropi/Malame Street Industrial zone is also located in close proximity to Ohauti which is another key contributor of attracting people into the area on a daily basis.

In summary:
- The catchments are disconnected and are dominated by vehicular transport.
- The catchments have grown with a ribbon-type development
- The topography, existing residential density, and location means the catchment is not very walkable.
- Given few point of entries, and a strong need to leave the catchment, there is traffic congestion during peak times in the area.
- There is a lack of education options within the catchments.
- There is a lack of employment opportunities within the catchments.

Current Commercial Activities Context

It has been outlined in previous studies and reports discussed above that the Ohauti and Welcome Bay catchments are under supported by commercial activity. Having examined the catchments, we broadly agree with these conclusions.

The key indicator of this determination is by comparing the population residing within the catchments with the scale of commercial offerings. As mentioned, there is approximately 15,000 people currently living in the suburbs which is above the general threshold in which a full-scale supermarket needs to be commercially viable. Currently there is no supermarket within the catchments, and instead the catchments are supported by a 4 Square in each catchment, as well as smaller dairy-type convenience businesses. The map below illustrates the existing commercial activities within the area.

Another indicator of undersupply, is the level of commercial vacancies in the catchments. In this case there is no vacancies in Ohauti or Welcome Bay which would suggest that the existing businesses within the catchment are trading to a reasonable degree. Finally, we understand the areas are under supported as Veros is regularly working with landowners and businesses examining options of developing land for commercial purposes in the catchment.
Figure 4: Existing Commercial Centres in Welcome Bay and Ohauti

<table>
<thead>
<tr>
<th>Ref</th>
<th>Location</th>
<th>Activities</th>
</tr>
</thead>
</table>
| 1   | Ohauti Road                                   | ▪ Four Square  
▪ Off Licence Liquor Store  
▪ Hairdresser  
▪ Takeaways |
| 2   | Welcome Bay Road / State Highway 29A intersection | ▪ Physiotherapy  
▪ Acupuncture  
▪ Hair and Beauty Salon  
▪ Dentist  
▪ Medical Surgery  
▪ Healing/Health and Wellness Centre  
▪ Free Mason Centre  
▪ Palmers Garden Centre located opposite |
| 3   | Corner Awanui Place                           | ▪ Health Services Medical Centre  
▪ First National Retail Estate |
| 4   | Welcome Bay Road                              | ▪ Dairy |
| 5   | Welcome Bay Neighbourhood Centre             | ▪ Petrol Station  
▪ Welcome Bay Community Hall  
▪ Plunket  
▪ Four Square  
▪ Tavern  
▪ Off Licence Liquor Store  
▪ Sushi  
▪ Lighthouse Church – Welcome Bay  
▪ Op Shop  
▪ Indian Restaurant and Takeaway  
▪ Pharmacy |
As illustrated in the table above, with the exception of the Welcome Bay neighbourhood centre, the catchments are served by small scale convenience offerings.

In terms of Supermarket-type retailing options, there are dairy/4 square sized offerings on Welcome Road, Ohauiti Road, and in the Welcome Bay Commercial Centre. The Ohauiti 4 Square is supplemented by three other local retail and service businesses. Upon visiting this convenience centre, it was busy with customers and users. These convenience retail-based centres are all located in the middle of the catchments in which they are the serving and are walkable from surrounding areas which also have high reliance on carparking.

The Welcome Bay commercial centre is the largest and most diverse centre in the Ohauiti and Welcome Bay catchments. It provides a range of retail offerings and local services and also includes community facilities on the adjacent reserve. It has no vacancies and is well utilised located within the middle of the catchment with no comparable option of the centre’s scale within a short distance.

There is a commercial centre which largely comprises of health-related services on the Welcome Bay Road / State Highway 29A intersection. This area also includes a Garden Centre located opposite the intersection which is accessed off Ohauiti Road. A medical centre has established on the corner of Awana Place and Welcome Bay Road. An adjacent residential home has also been converted into an office for real estate agents.

The existing centres in the catchment appear close to fully leased. We believe there are no changes in the local catchment that would alter the conclusions of the previous economic need assessments that have identified a need in this catchment for more commercial activities and centre activities to support the needs of the current or future population of the catchment. In addition, not only are the existing commercial offering scarce considering the size and isolation of the catchments, but many are also old in appearance and designed with little reinvestment. A further factor highlighting the areas situation, is that when visiting the centres (particularly Welcome Bay neighbourhood centre and Ohauiti Road convenience centre) they are busy and with no vacancies. We therefore concur with the previous research in that Welcome Bay and Ohauiti are currently under-supported by commercial centres, particularly supermarket-type offerings.

Future Context – Ohauiti and Welcome Bay

Like the rest of Tauranga, Welcome Bay and Ohauiti is expected to grow. The Council has outlined that they are receiving pressure from developers and landowners in the area to enable for additional residential development that is not currently zoned for those purposes. There has also been requests to consider the use of the Special Housing Areas legislation to enable further residential development.

The Council has responded to these pressures and started to plan for growth in the area by undertaking the Welcome Bay and Ohauiti Planning Study and identifying areas within the catchments that may be appropriate for residential subdivision.

The figure below illustrates those land areas within the catchment which could potentially be developed. Council has restricted their examinations to within their jurisdictional boundary, except for a potential Special Housing Area site on Waikite Road. At this point in time, the map is also purely desktop based and has not had the input from any land owners or infrastructure teams at the Council.
The study is only focused on known ground conditions and features of the land which has resulted in the following categorisations:

- The areas coloured green is considered likely suitable for urban development.
- The yellow areas are likely to be suitable for urban development but further investigation is required.
- The orange areas are considered unsuitable for urban development.
- The council has examined potential areas to implement new transport infrastructure which is indicated with the yellow dotted line.

![Figure 5 Potential future residential growth areas.](image)

There are known infrastructure capacity constraints relating to the areas, particularly relating to transport and wastewater. Council is currently examining options and costs for servicing this additional development, including the three waters and transportation.

Council is also undertaking an assessment if the social infrastructure needs for the Welcome Bay and Ohauti area. This includes council community infrastructure such as community halls and libraries as well as engaging with the Ministry of Education on schools to serve the areas.

This current report is the beginning of the commercial component of the growth study of the Ohauti and Welcome Bay area.

### Well-Functioning Commercial / Neighbourhood Centres

The Council has an objective of improving the urban form and way that Tauranga develops. This section of the report examines what makes a ‘good’ commercial centre, and does so from the lens of the community and Council as well as the private sector.
Community and Council Perspective

Tauranga has grown quickly, and like much of New Zealand, this growth has largely been designed around the use of motor vehicles. As a result, many existing commercial centres have been built around the vehicle which has often generated undesirable centres from a urban planning outcomes perspective. Generally, this vehicle led design has resulted in existing centres which have low amenity pedestrian environments, large expansive carparking areas, disjointed layouts between buildings, and long distances between activities and streets.

The Council is looking to address this and promote better outcomes of new commercial centres and the revitalisation of existing ones. The draft Tauranga Urban Strategy is a document that provides structure and direction to this ambition by describing the ‘Aspirational Urban Form for Tauranga’. The strategy outlines several key shifts that are required to deliver the desired urban planning outcomes for city.

Veros has surmised these Urban Form aspirations for commercial centres into the following three categories.
1. Compact City Thinking / Surrounding uses of Centres
2. Urban Design of Centres
3. Connectivity to the Centres

Compact City Thinking / Surrounding Uses of Centres
- New centres or regenerated centres should aim to be genuine diversified mixed-use precincts.
- Highly efficient and functional urban form with an environment that delivers higher quality living for everyone
- Better choice and resilience through density, diversity, and mixed-use
- Open space, integrated natural systems and environmental resilience
- Commercial centres by or near major employment/visitor centres (polytech, schools, hospitals, business parks)
- Located near higher density residential
- Located near or adjacent to community infrastructure such as schools, libraries, child centres, etc.

Urban Design of Centres
- Well planned spaces to promote natural environment values and sustainable living
- Placemaking through quality architecture and urban design
- Commercial centres with weather protection, passive surveillance, and provision of shared spaces for community events/activities
- Commercial infill development that reclaims carparking space and builds active frontage along main streets and internal accessways
- Commercial centres that expand vertically rather than horizontally

Connectivity to the Centres
- Many existing Tauranga centres have developed over the past three decades are car dominated and lack integration with their host neighbourhood
- Greater efficiency through better connectivity and being transit supportive
- Streets with character and walkable neighbourhoods
- Easy access walk, cycle, drive and on public transport network
Although these aspirational urban planning outcomes are important, often they are not development aspects that are attractive or commercially viable for developers or commercial operators. The next section examines the locational property aspects that are important from a private sector view.

The Private Sector Perspective

There are various urban planning and property factors that are crucial for commercial centres to be viable from a private sector perspective. The requirements vary in importance depending on the scale and nature of the commercial centre, however, in regard to larger neighbourhood-scale centres, the main drivers likely to be considered by tenants such as supermarkets include;

- Ease of vehicular access
- Ability to attract both passing by and diverted customers
- Located on arterials which have limited congestion and delays
- Areas with high visibility and exposure to customers
- On arterials with accommodative street widths and other road features to enable safe turning and movements in and out of site
- Level frontages and access points onto the site
- A site layout that reduces the conflict of customer vehicles and delivery vehicles
- Provision of safe access for pedestrians and cyclists
- Supermarkets generally require around 2,000m² – 3,200m² GFA space and therefore approximately 8,000m² – 10,000m² land area for required parking, turning, landscaping, storage etc.
- Land with permissive zoning for commercial activities.

Smaller convenience scaled centres (traditional corner dairy-type centres as well as smaller supermarket offerings such as 4 Square superettes) have similar drivers around easy access, but require less land and have more focus on walkability from surrounding residential areas.

Options for Better Supporting the Catchments with Commercial Centres

There are two key considerations in examining options to better support Welcome Bay and Ohauti with commercial centres. These include the appropriate scale of the centre(s), and the corresponding locations the centre(s).

Determining the Appropriate Size of Centre

This report seeks to aid Council in determining what would be the appropriate size and location of a commercial/retail centre(s) within the Welcome Bay and Ohauti Catchments. First it is necessary to determine what was the appropriate size of centres are for the catchments, which subsequently informs the best locations for those centres

In determining the appropriate scale of centres for the catchments, this report adopts the hierarchy of commercial centres presented in the SGS reports included below.
### Classification

<table>
<thead>
<tr>
<th>Centre/s</th>
<th>Functionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>City centre</td>
<td>Civic Heart: key community asset with major concentrations of civic, commercial, community, entertainment and education infrastructure including council offices, theatre, university (future), principal civic and cultural spaces and transport hub.</td>
</tr>
<tr>
<td></td>
<td>Serves a municipal and regional catchment.</td>
</tr>
<tr>
<td></td>
<td>Provides major retail concentration in municipality, providing choices for visitors and workers, in a variety of retail products.</td>
</tr>
<tr>
<td></td>
<td>Accommodates department store, major supermarket, and a diversity of specialty and hospitality premises.</td>
</tr>
<tr>
<td>Supporting corridor</td>
<td>Serve a municipal and regional catchment.</td>
</tr>
<tr>
<td>Cameron Road</td>
<td>Accommodates a mix of retail and commercial floorspace.</td>
</tr>
<tr>
<td></td>
<td>Complements CBD retail and services but may also compete as location for offices.</td>
</tr>
<tr>
<td></td>
<td>Provides large floorplate sites for major office tenants including finance (banks) and other retail formats.</td>
</tr>
<tr>
<td></td>
<td>Mini-centres or clusters of retail e.g. around larger format retail and car related retail.</td>
</tr>
<tr>
<td>Major centres</td>
<td>Serve a sub-regional catchment, nested within the wider municipality.</td>
</tr>
<tr>
<td>Bayfair/ Owens Place</td>
<td>Provide access to a range of retail and community services, including major grocery stores or Discount Department Stores, and a key location for appropriate major community infrastructure outside of the CBD, for example, libraries and recreation facilities.</td>
</tr>
<tr>
<td>Fashion Island/ Papamoa Plaza</td>
<td>Between 50,000 and 100,000 sqm of retail floor area, in varying formats.</td>
</tr>
<tr>
<td>Mt Maunganui</td>
<td>Accommodate hospitality premises.</td>
</tr>
<tr>
<td>Fraser Cove/ Gate Pa</td>
<td>Tauranga Crossing (upon completion).</td>
</tr>
<tr>
<td>Homemaker/Industrial centres</td>
<td>Serve a municipality wide and regional catchment.</td>
</tr>
<tr>
<td>Chapel Street</td>
<td>Host a diversity of uses including some retail, light industrial and commercial.</td>
</tr>
<tr>
<td>Enterprise Drive</td>
<td>Range from 5,000-18,000 sqm in retail and commercial uses.</td>
</tr>
<tr>
<td>Cameron Road Car Yards</td>
<td>Generally street based layout, including large format stores.</td>
</tr>
<tr>
<td>Secondary centres</td>
<td>Serve a district catchment, typically nested within those of the Major Centres</td>
</tr>
<tr>
<td>Bethlehem</td>
<td>Accommodate between 25,000 and 50,000 sqm of retail and commercial floorspace.</td>
</tr>
<tr>
<td>Greerton</td>
<td>Including a major grocery store or Discount Department Store as well as local retail needs.</td>
</tr>
<tr>
<td>Golden Sands, Wairakei (upon completion)</td>
<td>Provide access to education and other community infrastructure within the centre or close by.</td>
</tr>
<tr>
<td>Neighbourhood centres</td>
<td>Serve a local catchment, nested within those of Major and Secondary Centres.</td>
</tr>
<tr>
<td>Cherrywood</td>
<td>Up to 10,000 sqm of retail and commercial floorspace.</td>
</tr>
<tr>
<td>Welcome Bay</td>
<td>Perform local community convenience role, with a superette or supermarket as the anchor and providing local retail needs.</td>
</tr>
<tr>
<td>Bureta</td>
<td>May accommodate some local level community infrastructure.</td>
</tr>
<tr>
<td>Brookfield</td>
<td>Walkable from surrounding residential catchment areas.</td>
</tr>
<tr>
<td>Maungatapu</td>
<td></td>
</tr>
<tr>
<td>Manor Park Drive</td>
<td></td>
</tr>
<tr>
<td>Convenience centres</td>
<td>Perform local community convenience role.</td>
</tr>
<tr>
<td>Numerous</td>
<td>Often a stand-alone store or only several stores.</td>
</tr>
<tr>
<td></td>
<td>Walkable from surrounding residential catchment.</td>
</tr>
</tbody>
</table>

*Note: Tauranga Crossing and Golden Sands, Wairakei have been classified based on the total floorspace which has been consented or proposed by Council for each of these centres.*

In determining the largest centre that the catchments could support, it is considered that even with the full potential growth of the area in the future, the areas would not be able to support a ‘Secondary Centre’. This is largely based on the size of the catchment and what volume of commercial space that it can support. As discussed earlier, a full-scale supermarket of around 4,000m² typically requires around 13,000 people in its catchment to be commercially viable and we would expect smaller retail offerings and services to be required to meet the needs of the area. Therefore, using this broad level assessment, Welcome Bay and Ohauti will be only able to support a combination of Neighbourhood and Convenience scale centres.
This determination is made even when considering the potential growth within the catchments into the future. A Secondary Scale centre described in the hierarchy above will not be required, particularly given the lack of employment options and other activities attracting people to those catchments on a regular basis.

**Neighbourhood Centres**

A neighbourhood centre can take a variety of shapes and forms. They are typically of a scale whereby a supermarket is the anchor retail offering and is surrounded by complementary retail uses and/or community activities.

In the Tauranga Urban Centres Strategy Report – SGS define Neighbourhood Scale Centres as;

- Serve a local catchment, nested within those of Major and Secondary Centres.
- Up to 10,000m² of retail and commercial floorspace
- Perform local community convenience role, with a superette or supermarket as the anchor and providing local retail needs
- May accommodate some local level community infrastructure.
- Walkable from surrounding residential catchment areas
- While these local centres provide walking access for a local catchment (within 800 metres), they provide less retail choice compared to the major centres, generally being limited to a convenience retail role (small supermarket or superette).

Neighbourhood Centres and their activities are largely driven by customer convenience, and common types of activities within these centres include;

- Supermarket
- Superette / dairy
- Bakery
- Fruit and vegetable shops / butcher
- Off-licence liquor retailer
- Takeaways (fish and chips, Indian, Chinese, etc)
- Cafes and restaurants
- Gyms
- Health services (doctors, dentists, physiotherapy, etc.)

Tauranga already has a range of neighbourhood centres serving various catchments within the city. Each neighbourhood centre is of a different nature and scale being designed and also evolved overtime to meet the needs of its unique customer catchment. In terms of newer commercial centres in Tauranga, there are two good examples of different scales that are considered to meet the private sector drivers and also contribute positively to the Council’s urban strategy aspirations.

For the purposes of this report, it is considered that potential neighbourhood centres to serve Welcome Bay and Ohauiti would either be anchored by, or include a supermarket as the primary retail offering. The supermarket would vary in size and offering depending on its location in the catchment.

The reason for this assumption is that it has already been established that the catchments are under supported by commercial centres, and with the exception of the existing low-quality offerings, there is no convenient supermarket option for people who reside in the areas. There is also current interest from supermarket providers in identifying and securing suitable land for a commercial centre in the catchments. As Ohauiti and Welcome Bay increase in size, the catchments need for appropriate commercial offerings will intensify along with the community’s desire for a supermarket. However, this
potential population growth within the catchments is not considered to result in the need for additional centres beyond the scale currently required.

As discussed, a full-scale modern supermarket of around 3,000m$^2$ to 4,000m$^2$ GFA generally requires around 13,000 – 15,000 residents in its catchment to be sustainable. This would indicate that in the right location, Welcome Bay and Ohauti currently have a large enough customer base to support a typical supermarket. Veros has worked with supermarket operators in the past to identify suitable sites, and the operators have also approached Council seeking support in finding a location to establish a supermarket. To also assist, Council have undertaken surveys as to the public support to using Council owned land for the use of a supermarket to serve the catchments. This included examining the potential to locate a supermarket on the following reserves;

- Waipuna Park
- Waitaha Reserve
- Owens Park

Depending on the location, we would not expect that a supermarket provider would build a standard 4,000m$^2$ supermarket in the catchments. As discussed earlier in the report, Welcome Bay and Ohauti are disconnected, and currently have a high degree daily leakage for education and employment. Therefore, any new supermarket would focus on primarily serving one catchment with support from the other. Therefore, it is likely that they would deliver a more compact offering like a fresh choice, or New World of between 1,500m$^2$ – 3,000m$^2$.

Figure 6 Differing types and scales of supermarket offerings in New Zealand

**Convenience Centres:**
Convenience centres are defined in the SGS report as local retail centres that perform a local community convenience role. They essentially are the same offering as a neighbourhood centre outlined above, but have a much smaller retail GFA and require less land. These types of commercial centres are common place in New Zealand suburbs and can be stand-alone stores, or comprise of several stores and are often walkable from within the surrounding catchment. This scale of commercial
centre is suitable within both the Welcome Bay and Ohauiti Catchments, and given the disconnected nature of the catchments, may be a suitable option of better supporting residents.

**Determining Possible Locations for Commercial Centres**

Neighbourhood and convenience centres generally have the same key drivers for location. The most important being located at the front or middle of the catchment with good access. In determining possible locations for commercial centres, the report will focus on identifying sites for Neighbourhood centres which have larger land requirements and are therefore expected to have less suitable options. In addition, possible locations for neighbourhood centres are also suitable for convenience centres as they simply require less land.

Given the catchments dependency on vehicles, commercial centres serving Ohauiti and Welcome Bay need to be located either on, or in very close proximity to busy arterials. In addition, as Welcome Bay and Ohauiti largely have only one or two points of exit and entry, commercial centres would preferably be located at the front of these target catchments. This location means that the centre is most likely to attract the largest number of possible customers as they are forced to drive past the centre when leaving or returning to their homes.

In some instances, a position in the middle of the catchment can also be strategically optimal and would also greater contribute to Council’s compact city urban planning aspirations. Although in the context of the Welcome Bay and Ohauiti, Veros knows from engaging with supermarket operators that the front of the catchment is more attractive from a commercial point of view.

A Neighbourhood Centre with a supermarket typically requires between 10,000m² – 20,000m² generally flat land which is free from significant natural hazards. In undulating catchments like Welcome Bay and Ohauiti, finding suitable flat land in the necessary areas can be difficult. The following diagram illustrates areas on main arterials in the front or middle of the catchments with relatively flat land.

*Figure 7 Areas of flatter land potentially suitable for commercial centres.*
Based on this, the most suitable locations for neighbourhood centres in the Welcome Bay and Ohauiti Catchments are:

- At the front or middle of the catchments
- Located on, or in close proximity to a busy arterial
- On generally flat regular shaped land over 8,000m²

**Conclusion**

This report has considered the commercial needs of Ohauiti and Welcome Bay and examined the appropriate size and location of any new commercial centres.

It has been found that based on the size, expected growth, and unique characteristics of the catchments, Welcome Bay and Ohauiti will only be able to support a combination of Neighbourhood Centres and Convenience Centres.

The most suitable location for a Neighbourhood Centre in the Welcome Bay and Ohauiti catchments are:

- At the front or middle of the catchments (towards the natural exit points from the catchment);
- Located on, or in close proximity to a busy arterial road; and
- On generally flat land over 8,000m².
7.3.2 DC43 – Attachment C - Review of Welcome Bay and Ohauiti Commercial Assessment
Dear Janine,

**Welcome Bay and Ohauiti Commercial Assessments – Economic Review**

Tauranga City Council has commissioned this review of two documents prepared to assist the future planning of the Welcome Bay and Ohauiti areas. My role is to critically evaluate and review the findings with reference to the scale and timing of the need for additional commercial centres, with particular reference to supermarket-anchored shopping centres. This review has considered the following documents and data:

- Population projections for the Welcome Bay and Ohauiti areas prepared by Tauranga City Council.
- Welcome Bay and Ohauiti Commercial Assessment prepared by Veros Property Services.
- Key drivers for a supermarket site selection – Welcome Bay, prepared by Colliers International.

In preparing this letter, I have also referred to:

- Tauranga Southern and Western Growth Corridors Commercial Centre Analysis (Property Economics) 2013.
- NZ Statistics Information.
- RPS Database and retail expenditure model.

**Population Projections - Implications**

Tauranga City Council has prepared three population projection scenarios for the study area:

- **Scenario 1** projects that the number of houses in the study area will increase to 7,455 in 2043 from 6,322 in 2018. This is a 18% increase in dwellings that will see the population increase to 16,000 to 17,000 from the current 14,100.

- **Scenario 2** projects that the number of houses in the study area will increase to 9,245 in 2043 from 6,322 in 2018. This is a 46% increase in dwellings that will see the population increase to 20,000 to 21,000 from the current 14,100.

- **Scenario 3** projects that the number of houses in the study area will increase to 10,877 in 2043 from 6,322 in 2018. This is a 72% increase in dwellings that will see the population increase to 24,000 to 25,000 from the current 14,100.
Scenarios 2 and 3 provide for a significant population increase in the study area when compared to the base case (Scenario 1). Assessed implications include:

- The current population of over 14,000 people is sufficient (under normal circumstances) to support a full line supermarket and ancillary retail.
- At the projected population in 2043 (and assuming a continuation of current retail trends) and under Scenario 2 and 3, the study area has the capacity to support two smaller scale (2,000 Sq M to 2,500 Sq M) full line supermarkets. This outcome is also possible under Scenario 1 with the appropriate mix of market conditions (developer intent, interest from the supermarket operator, performance of competitive supermarkets and contemporary retail trends) and demographic drivers (income, demographic mix and expected population growth).

### Key drivers for a supermarket site selection – Welcome Bay, prepared by Colliers International - Review

This report has been reviewed as much of the market, and economic need is underpinned by an assessment of operator requirements and socio-demographic factors. The following table provides my observations of the methodology, data, analysis, and conclusions.

#### Table 1: Key drivers of a supermarket site selection - observations

<table>
<thead>
<tr>
<th>Report Statements</th>
<th>General Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>The description is considered appropriate.</td>
</tr>
<tr>
<td>Catchment Delineation – the Welcome Bay catchment consists of the five local Census Area Units.</td>
<td>This catchment differs from the study area boundaries (the report includes the Maungatapu area) and reflects the flexible nature of retail patronage - people will patronise a range of supermarkets with price, convenience and store preference shaping shopping patterns. The delineation and demographic review are considered appropriate.</td>
</tr>
<tr>
<td>Population Projections – The report projects the total population of the catchments will increase from 19,260 people in 2018 to 25,300 in 2043 (a total of 31%).</td>
<td>In terms of percentage growth, this projection is midway between Scenario 1 and Scenario 2 prepared by the Council. Differing catchments and population projections can lead to divergent conclusions, particularly where the projected population approaches key market and population thresholds.</td>
</tr>
<tr>
<td>The report provides the following expenditure and related estimates:</td>
<td>The estimates are considered to be reasonable.</td>
</tr>
<tr>
<td>- Average retail expenditure by trade area household - $24,977</td>
<td></td>
</tr>
<tr>
<td>- Total catchment retail expenditure 2018 - $176m</td>
<td></td>
</tr>
<tr>
<td>- Total catchment retail floorspace demand - 27,552 Sq M</td>
<td></td>
</tr>
</tbody>
</table>
The report concludes:

- A supermarket of 1,500 Sq m to 2,500 Sq M and ancillary retail could be supported by the study area catchments.
- A larger supermarket would be required if the location provides ready access to both the Welcome Bay and Ohauti catchments.

I concur with both conclusions.

**Welcome Bay and Ohauti Commercial Assessment prepared by Veros Property Services - Review**

This report provides an assessment of the Welcome Bay and Ohauti catchments and provides a recommendation on the appropriate scale and location of commercial centres. The following table provides my observations of the methodology, data, analysis, and conclusions.

**Table 2: Welcome Bay and Ohauti Commercial Assessment - observations**

<table>
<thead>
<tr>
<th>Report Statements</th>
<th>General Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction.</strong> This includes reference to the SGS recommendation to identify options for a new neighbourhood centre in Welcome Bay and Ohauti and that this outcome is supported by the market and the community.</td>
<td>The introduction is considered appropriate.</td>
</tr>
<tr>
<td><strong>The description of the Welcome Bay and Ohauti. Context (15,000 population, 2/3,000 projected growth, provision of primary schools and childcare, no high schools and limited employment).</strong></td>
<td>This description is considered appropriate. I also concur with the assessment that (due to the topography) retail patronage will be mainly car based.</td>
</tr>
<tr>
<td><strong>Current Commercial Activity Centre.</strong> The report provides a detailed description of the current centres network and commercial businesses. The report supports previous analysis that the area has an undersupply of commercial and supermarket-type activities.</td>
<td>The description is considered appropriate. The description of the commercial network is suitably detailed. I concur with the analysis and conclusions.</td>
</tr>
<tr>
<td><strong>Future Context.</strong> The report provides a map that details potential future residential growth areas. This is sourced from TCC but does not consider the timing or quantum of this projected growth.</td>
<td>A more detailed assessment of the population projection scenarios and the implications for centres planning would be useful.</td>
</tr>
<tr>
<td><strong>Well functioning commercial/neighbourhood centres.</strong> The report provides a description and analysis from the community/council and market perspective.</td>
<td>The report defines the differing (and sometimes contradictory) objectives of the planning agency, the public and the market.</td>
</tr>
</tbody>
</table>
## Report Statements

<table>
<thead>
<tr>
<th>Options for better supporting the catchments with commercial centres.</th>
<th>I concur with the analysis and conclusions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The report undertakes an analysis of what types of centre(s) are the best fit for the defined catchments. Key points include:</td>
<td></td>
</tr>
<tr>
<td>- The defined catchments would not be able to support a ‘Secondary Centre’ (as defined in the SGS report).</td>
<td></td>
</tr>
<tr>
<td>- The Welcome Bay and Ohauiti catchments will support a combination of Neighbourhood and Convenience Centres.</td>
<td></td>
</tr>
<tr>
<td>- The future Neighbourhood Centres in the catchments would include a supermarket.</td>
<td></td>
</tr>
<tr>
<td>- A supermarket would likely be 1,500 Sq M to 3,000 Sq M as the Welcome Bay, and Ohauiti catchments are disconnected.</td>
<td></td>
</tr>
</tbody>
</table>

## Determining Possible Locations for Commercial Centres

This section provides a detailed analysis of possible centre locations. The selection criteria include:

- Located at the front and middle of the catchments.
- Located on or near a busy road.
- Regular shaped and over 8,000 Sq M.

The locations are detailed in Figures 8 and 9, and the analysis points out that in order to serve both catchments the centre would need to be centrally located in the vicinity of the State Route 29A and Welcome Bay Road roundabout. The report concludes that it is possible for the catchment / study area to support a supermarket-anchored shopping centre.

In reality, any neighbourhood centre would need to be located along either State Route 29A or the Welcome Bay Road.

The assessment of the individually identified sites is beyond the scope of this review. I concur that it is possible for each catchment to support a supermarket-anchored shopping centre. With respect to the TCC population scenarios I consider the likelihood to be:

- Scenario 1 – possible
- Scenario 2 – probable
- Scenario 3 – highly likely

These assessments assume a continuation of current retail trends and patterns and the availability of a suitable site.

## Assessment of sites.

The report provides an assessment of the suitability of the possible sites.

The assessment of the individually identified sites is beyond the scope of this review.

## The option of Convenience Scale Centres.

The report considers the option of serving the catchments with a range of smaller centres. This would be necessary if a suitable site for a neighbourhood centre cannot be identified.

The report recommends that this outcome should only be considered if a neighbourhood centre cannot be delivered.

I concur with the analysis and conclusion.
Report Statements

<table>
<thead>
<tr>
<th>Recommendations.</th>
<th>General Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The report recommends that two centres be established, each located to serve</td>
<td>I am not in a position to discuss the individual merits of each site, but I concur</td>
</tr>
<tr>
<td>an individual catchment (two options are provided for each catchment).</td>
<td>with the analysis and conclusions that lead to the recommendation of the two centre</td>
</tr>
<tr>
<td>The locations that could service both catchments with a single large</td>
<td>approach.</td>
</tr>
<tr>
<td>supermarket are considered to be fatally flawed as possible options.</td>
<td>I am not in a position to discuss the suitability of the sites that may have been</td>
</tr>
<tr>
<td></td>
<td>able to service both catchments with a single centre.</td>
</tr>
<tr>
<td></td>
<td>Discussion on the demand drivers, in particular, the impacts of the three</td>
</tr>
<tr>
<td></td>
<td>population scenarios, would be useful.</td>
</tr>
</tbody>
</table>

Site Implications

The report provides an analysis of the recommended sites (including market intelligence, an assessment of market factors and possible designs) in order to inform a strategy for TCC. These are classified as “Next Steps” and “What to do to improve the outcome”.

Conclusion

I am in material agreement with the analysis and conclusions contained in the Veros Property Services report.

In addition to the summary comments provided in the previous table, I offer a series of observations. These are detailed in the following table and relate to the following key questions/issues:

- Is there demand in the study area for a full line supermarket(s)?
- What scale of centre(s) should service the study area?
- What are the Implications of possible centre locations?
- What are the implications of the population scenarios on the above?

I am happy to discuss any of the issues raised in this letter.

Yours sincerely,
for RPS Australia East Pty Ltd

William Owen
Technical Director - Economics
william.owen@rpsgroup.com.au
+61 7 5553 6930
### Table 3: RPS observations

<table>
<thead>
<tr>
<th>Item</th>
<th>Population Scenario 1</th>
<th>Population Scenario 2</th>
<th>Population Scenario 3</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there demand in the study area for a full line supermarket(s)?</td>
<td>Yes - the current and projected population under this scenario are a good fit for a single, centrally located centre anchored by a large supermarket to service the two catchments. This is the preferred option under this scenario as the combined catchments can be serviced by a large accessible supermarket. It is understood that no suitable centrally located sites can be identified and two smaller supermarkets (each servicing a distinct catchment and as per the Veros recommendations) becomes the preferred option.</td>
<td>Yes - the current and projected population under this scenario are a good fit for a single, centrally located centre anchored by a large supermarket to service the two catchments. Under this scenario the provision of two smaller supermarkets (one in each catchment) becomes probable. It is understood that no suitable centrally located sites can be identified and two smaller supermarkets (each servicing a distinct catchment and as per the Veros recommendations) becomes the preferred option.</td>
<td>Under this scenario (with the study area hosting 24,000 residents in 2043), the provision of two supermarkets (one in each catchment) becomes the preferred option.</td>
<td>Locating a supermarket adjacent to an existing centre provides the opportunity to establish a more functional and consolidated precinct.</td>
</tr>
<tr>
<td>Item</td>
<td>Population Scenario 1</td>
<td>Population Scenario 2</td>
<td>Population Scenario 3</td>
<td>Notes</td>
</tr>
<tr>
<td>------</td>
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<td>-----------------------</td>
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</tr>
<tr>
<td>What scale of centre(s) should service the study area?</td>
<td>TCC should plan for two neighbourhood centres as per the Veros recommendations. It is considered possible that the second centre will be developed over time (assuming a suitable site is available).</td>
<td>TCC should plan for two neighbourhood centres as per the Veros recommendations. It is considered probable that the second centre will be developed over time (assuming a suitable site is available).</td>
<td>TCC should plan for two neighbourhood centres as per the Veros recommendations. It is considered highly likely that the second centre will be developed over time (assuming a suitable site is available).</td>
<td>Under normal circumstances, the centre serving the larger and most accessible catchment would be developed first. In this case, the sequencing of the centres is most likely to be dictated by site availability. Locating a supermarket adjacent to an existing centre provides the opportunity to establish a more functional and consolidated precinct.</td>
</tr>
</tbody>
</table>

Implications of possible centre locations.  

The typical market and planning considerations notwithstanding – it is assessed that the most important feature for the planned centres is that they are located on (or are easily accessible from) the State Route 29/Welcome Bay Road corridor. Given the lack of local services and the distance to alternative centres, it is likely that the local residents will adapt (in large part) to an imperfect site. It is noted that this adaptation is likely to result in a reduced share of the market but not to the point that would compromise the recommendations contained in the Veros report.
8. Discussion of Late Items

9. Public Excluded Session

_Suggested Resolution_

_That it be Resolved_

_That Urban Form & Transport Development Committee:_

(a) Exclude the public from the following parts of the proceedings of this meeting as set out below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information & Meetings Act 1987 for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>General Subject of Each Matter to be Considered</th>
<th>Reason for Passing this Resolution in Relation to Each Matter</th>
<th>Ground(s) Under Section 48(1) for the Passing of this Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>● <strong>DC43 - Update on Welcome Bay and Ohauiti Planning Study - Appendix B</strong></td>
<td>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial), prevent the disclosure or use of official information for improper gain or improper advantage and protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>● <strong>DC55 - Development Capacity Update</strong></td>
<td>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial).</td>
<td>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
</tbody>
</table>