

Form 5

Submission on notified proposal for policy statement or plan, change or variation

Clause 6 of Schedule 1, Resource Management Act 1991

To: **The Chief Executive
Bay of Plenty Regional Council
PO Box 364
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Name of submitter: Tauranga Crossing Limited (“**TCL**”)
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- 1.1 This is a submission on a change proposed to the following policy statement (the **proposal**):
- Proposed Change 6 (NPS-UD) to the Bay of Plenty Regional Policy Statement.
- 1.2 TCL could not gain an advantage in trade competition through this submission.
- 1.3 The specific provisions of the proposal that TCL’s submission relates to are:
- The amendments to the Regional Policy Statement (“**RPS**”) policies that relate to ensuring efficient use of land and infrastructure servicing for urban growth and development.
 - The amendments to the explanation to policy UG6A which reinforce that large scale urban growth (greenfield and brownfield) must be subject to detailed structure planning to address, among other matters, urban design, and the provision and funding of network infrastructure.
 - New policy UG7Ax, which promotes increased-density urban developments, but which recognises that such urban environments need to be well serviced by existing or planned development infrastructure and public transport.
 - The amendments to policy UG13B, which require consideration of proximity to commercial centres, places of employment, community services, and high amenity values be considered in transport planning to support higher density development.

Background

- 1.4 TCL is the owner and operator of a regional shopping centre (“**Tauranga Crossing**”) and large format retail centre (“**Lifestyle Centre**”) located at 2 and 31 Taurikura Drive, respectively. TCL is a leading shopping centre company that has carefully designed and planned Tauranga Crossing and the Lifestyle Centre to establish a high-quality retail and services environment for the Bay of Plenty region.
- 1.5 TCL has undertaken a staged approach to the development of its retail centre. The first two development stages of Tauranga Crossing are now complete, and resource consent is held for the construction of Stage 3, which is scheduled to begin in the next 12 months. This will result in a total retail gross floor area of 64,242 m² being provided on the site, together with parking for 1,993 private vehicles.
- 1.6 Stage 1 of the Lifestyle Centre opened in 2018 and further stages are being planned. When complete, the Lifestyle Centre will include a Gilmours wholesale, 14,442 m² gross floor area of bulky goods and large format retail stores, and a 3,900 m²

supermarket, together with at-grade parking for 675 vehicles. Upon completion, Tauranga Crossing is expected to be one of the 10 largest shopping centres in New Zealand, illustrating the importance of this centre to the Bay of Plenty region.

Summary of position

- 1.7 TCL supports enabling intensification and is supportive of PC6, subject to appropriate provisions being included to ensure that additional development capacity is supported by, and well-integrated with, appropriate development infrastructure.
- 1.8 TCL's activities are key to ensuring that additional development capacity and growth within the region has convenient and sustainable access to goods and services. Its activities are largely vehicle orientated and highly sensitive to changes to the performance of the surrounding transport system. TCL seeks to ensure that a framework is established under PC6 that appropriately manages transport effects by ensuring there is development infrastructure to support intensification in the region.
- 1.9 The National Policy Statement on Urban Development 2020 ("**NPS-UD**") requires local authorities to provide "sufficient development capacity" to meet expected demand for housing and business land over the short term, medium term, and long term. Clauses 3.2(2) and 3.3(2) provide that in order to be "sufficient" to meet expected demand for housing and business land, the development capacity provided must (amongst other things) be "infrastructure-ready". Development capacity is infrastructure-ready if:
 - (a) In relation to the short term, there is adequate existing development infrastructure to support the development of the land;
 - (b) In relation to the medium term, either paragraph (a) applies, or funding for adequate infrastructure to support development of the land is identified in a long-term plan
 - (c) In relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).
- 1.10 TCL seeks that the requirement for development capacity to be "infrastructure-ready" be expressly recognised in the RPS policies.

Submission

General

- 1.11 The proposal sets out amendments to the RPS to implement the responsive and intensification planning requirements of the NPS-UD. The proposal also implements the requirement to take into account the principles of Te Tiriti o Waitangi in urban planning.
- 1.12 TCL supports the proposal and is supportive of provisions which seek to enable and support housing intensification and provide for sufficient development capacity in the Bay of Plenty Region. TCL acknowledges that the housing shortage in New Zealand is a very real issue and supports a planning framework that moves towards removing the barriers to the supply of land for residential use and provision of infrastructure to support that use. TCL supports planning provisions that are focused on well-functioning urban environments that enable all people and communities to provide for

their social, economic and cultural wellbeing and for their health and safety, now and into the future.

- 1.13 While TCL is supportive of the proposal, it seeks some changes to the notified provisions to ensure that intensification and urban development are supported by, and integrated with, appropriate development infrastructure. In particular, TCL seeks changes to ensure that development capacity is provided in a manner that is both “plan-enabled” and “infrastructure-ready” as those terms are defined in the NPS-UD. With the amendments set out below, TCL considers that the proposal will contribute to well-functioning urban environments in the Bay of Plenty Region now and in the future.

Policy UG 6A and Policy UG 10B

- 1.14 While TCL supports the intent of the proposed changes to Policy UG 6A, it is concerned that the requirement of clause 3.2(1) of the NPS-UD for local authorities to provide sufficient development capacity¹ to meet expected demand for housing and business is not properly reflected in the policy.

- 1.15 Clause 3.2(2) of the NPS-UD requires that:

(2) In order to be sufficient to meet expected demand for housing, the development capacity must be:

- (a) plan-enabled (see clause 3.4(1)); and
- (b) infrastructure-ready (see clause 3.4(3)); and
- (c) feasible and reasonably expected to be realised (see clause 3.26); and
- (d) for tier 1 and 2 local authorities only, meet the expected demand plus the appropriate competitiveness margin (see clause 3.22).

- 1.16 Clause 3.3(2) of the NPS-UD places similar requirements on business land:

(2) In order to be sufficient to meet expected demand for business land, the development capacity provided must be:

- (a) plan-enabled (see clause 3.4(1)); and
- (b) infrastructure-ready (see clause 3.4(3)); and
- (c) suitable (as described in clause 3.29(2)) to meet the demands of different business sectors (as described in clause 3.28(3)); and
- (d) for tier 1 and 2 local authorities only, meet the expected demand plus the appropriate competitiveness margin (see clause 3.22).

- 1.17 The requirements of clauses 3.2(2) and 3.3(3) of the NPS-UD are such that all the matters contained within (a)-(d) *must* be satisfied by local authorities when providing for development capacity in its region or district.

¹ “Development capacity” is defined by the NPS-UD as meaning “...the capacity of land to be developed for housing or for business use, based on: (a) the zoning, objectives, policies, rules, and overlays that apply in the relevant proposed and operative RMA planning documents; and (b) the provision of adequate development infrastructure to support the development of land for housing or business use”.

- 1.18 For development capacity to be “plan-enabled”, clause 3.4(1) of the NPS-UD requires:
- (a) in relation to the short term, it is on land that is zoned for housing or business use (as applicable) in an operative district plan;
 - (b) in relation to the medium term, either paragraph (a) applies, or it is on land that is zoned for housing or for business use (as applicable) in a proposed district plan;
 - (c) in relation to the long term, either paragraph (b) applies, or it is on land identified by the local authority for future urban use intensification in an Future Development Strategy ("FDS") or, if the local authority is not required to have an FDS, any other relevant plan or strategy.
- 1.19 Clause 3.4(3) of the NPS-UD provides that development capacity is “infrastructure-ready” if:
- (a) in relation to the short term, there is adequate development infrastructure² to support the development of the land;
 - (b) in relation to the medium term, either paragraph (a) applies, or funding for adequate development infrastructure to support development of the land is identified in a long-term plan;
 - (c) in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority’s infrastructure strategy (as required as part of its long-term plan).
- 1.20 There are no policies in the RPS that require sufficient development capacity to be provided in a manner that is plan-enabled and infrastructure-ready. TCL also considers that Policy UG 6A does not align with this requirement. In particular, the policy requires that urban development be *managed* in a way that provides for the integration and efficient use of land and infrastructure. Use of term "manage" is less direct than what is required to ensure that development capacity is infrastructure-ready.
- 1.21 To give effect to the NPS-UD, and to ensure that there are no policy gaps in the RPS, TCL seeks that Policy UG 6A be recast to address this matter: [changes to Policy UG 6A as proposed to be amended are shown in ~~striketrough~~ and underline].

Policy UG 6A: Efficient use of land and infrastructure for urban growth and development

~~Manage urban development within each identified management area in a way that provides for~~ Provide sufficient plan-enabled and infrastructure-ready development capacity to meet expected demand for housing and business land over the short term, medium term, and long term.

For the purposes of this policy, the provision of sufficient development capacity shall include consideration of the matters referred to in Policy UG 10B.

Explanation

The servicing and timing of urban development is critical to achieving integrated and sustainable growth management. ~~Large scale~~ Urban growth (greenfield and

² Development infrastructure is defined by the NPS-UD as meaning “...the following, to the extent they are controlled by a local authority or council controlled organisation (as defined in section 6 of the Local Government Act 2002): (a) network infrastructure for water supply, wastewater, or stormwater (b) land transport (as defined in section 5 of the Land Transport Management Act 2003).

brownfield) must be subject to detailed structure planning to address, among other matters, urban design, and provision and funding of network infrastructure.

- 1.22 Consequential changes are required to Policy UG 10B to ensure that investment and infrastructure considerations are more closely aligned with the requirements of the NPS-UD: [changes to Policy UG 10B as proposed to be amended are shown in ~~strikethrough~~ and underline].

Policy UG 10B: Rezoning and development of urban land – investment and infrastructure considerations

Require the rezoning or other provisions for the urban development of land to take into account:

- (a) Sustainable rates of land uptake,
- (b) ~~Existing or committed public and private sector investments in urban land development and infrastructure~~ Existing development infrastructure to support the development of the land in the short term,
- (c) ~~Sustainable provision and funding of existing and future infrastructure~~ Funding for adequate development infrastructure to support development of the land in the medium term is identified in a long-term plan,
- (d) Development infrastructure to support the development capacity in the long term is identified in the local authority's infrastructure strategy (as required as part of its long-term plan), and
- (~~e~~) Efficient use of local authority and central government financial resources, including prudent local authority debt management.

Policy UG 7Ax

- 1.23 Policy UG 7Ax provides for and enables increased-density urban development in urban environments that (amongst other things) is well served by existing or planned development infrastructure and public transport.

- 1.24 While TCL supports the intent of Policy UG 7Ax, the NPS-UD requires that for development capacity to be “infrastructure-ready”, it must be serviced by existing development infrastructure (in the short and medium term), or have funding identified for the development infrastructure in the long-term plan (in the medium term), or otherwise be identified in the local authority's infrastructure strategy (in the long term).

- 1.25 The requirements of the NPS-UD go beyond simply requiring future development infrastructure to be “planned”. To give effect to the NPS-UD, Policy UG 7Ax needs to be recast: [changes to Policy UG 7Ax as proposed to be amended are shown in ~~strikethrough~~ and underline]

Policy UG 7Ax: Enable increased-density urban development – urban environments

Provide for and enable increased-density urban development in urban environments that:

- (a) Contributes to a well-functioning urban environment,
- (b) Encourages increased density in areas of identified demand, and

- (c) Is well served by ~~existing or planned development infrastructure and public transport and existing development infrastructure (in relation to the short and medium term), or funding for development infrastructure is identified in a long-term plan (in relation to the medium term), or the development infrastructure is identified in the local authority's infrastructure strategy (in relation to the long term).~~

Explanation

Increasing density of urban development has a number of benefits, including...

Method 18: Structure plans for land use changes

- 1.26 Related to Policy UG 6A, Method 18 (o) requires structure plans to “*Show how efficient infrastructure servicing detailed in Policy UG 6A will be achieved*”. Consistent with the requirements of the NPS-UD, this requirement should relate to demonstrating how sufficient development capacity will be achieved, as follows: [changes to Method 18 (o) as proposed to be amended are shown in ~~strikethrough~~ and underline]

- (o) Show how ~~efficient infrastructure servicing~~ sufficient development capacity detailed in Policy UG 6A will be achieved.

Decision Sought

- 1.27 TCL seeks the following decision from the local authority:
 - (a) That the proposal be amended as set out within this submission.
 - (b) Such further or other consequential relief as may be necessary to fully give effect to the relief sought in this submission.
- 1.28 TCL wishes to be heard in support of this submission.
- 1.29 If others make a similar submission, consideration would be given to presenting a joint case with them at any hearing.

Dated 6 September 2022

Signature

by its planning and resource management consultants and authorised agents Bentley & Co. Ltd.



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