

WAIPA DISTRICT COUNCIL

Waipa Urban Growth Strategy
Discussion Document

Commercial Land

HARRISON GRIERSON CONSULTANTS LIMITED

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Draft

EXECUTIVE SUMMARY

In November 2003 the Waipa District Council completed its Urban Growth Strategy and are now progressing through the statutory and non-statutory steps to implement this strategy. This report addresses the issue of commercial land with a particular focus on the Large Format Retail land requirements that were not covered in the original strategy. The report addresses the general issues surrounding commercial land in the District and focuses in further detail on issues and options for the Cambridge Township.

The main findings of this report are:

- There is a steadily growing population forecast for Waipa and in particular Cambridge and Te Awamutu
- Current District Plan focuses retail to town centres and generally does not provide for Greenfield developments.
- Commercial Land supply is limited in the CBD
- Currently in Cambridge and Te Awamutu \$83m is spent in Supermarkets and \$104m in General Merchandise. There is a significant leakage of spending out of the District.
- An additional 35,000m² of large format retail space is required, plus 3000m² in small format and 4000-5000m² in supermarket floor space.
- An additional 12 ha of land area is needed through to 2021, approximately allocated equally between Cambridge and Te Awamutu.
- A green fields site and some town centre fringe redevelopment in Cambridge are the recommended options for Cambridge.
- The market is likely to be the best mechanism to provide for the specific location for this land area.

1.0 INTRODUCTION

In November 2003 the Waipa District Council completed its Urban Growth Strategy, which provided a detailed assessment of urban growth options focusing on the main centres of Te Awamutu and Cambridge. This strategy centred mainly on the residential and industrial land component requirements and identified solutions for accommodating forecast growth. Subsequent to the completion of this strategy the Council have been actively working towards advancing the implementation of the growth areas through plan change and structure plan projects.

The completed strategy did not cover aspects relating to the other principal land use types, recreational, rural and commercial uses. In recent times Council staff involved in public enquiries and through planning processes have received a number of enquiries regarding availability of commercial zoned land. Primarily these enquiries have been for large format retail land. Council is acutely aware that with the growing populations and increasing floor areas of industrial land uses that there would be subsequent increases in need for retail floor space. Further, it is acknowledged that in both Te Awamutu and Cambridge that town centre/main street shopping precincts are at capacity and there are few obvious locations that exist to accommodate growth. This is particularly relevant for large format retail needs, which generally have a large footprint, and large carpark land requirements given they traditionally attract high volume vehicle traffic rather than pedestrian traffic.

To investigate options for growth within the commercial sector the following methodology was undertaken.

1.1 PROJECT METHODOLOGY

To prepare a discussion paper as a supplement to the Urban Growth Strategy that addresses commercial growth in the towns of Cambridge and Te Awamutu. The outcome of this report does not specifically address Te Awamutu in detail as at the time of writing the Council currently has an active private initiated plan change request for a large format retail development before it. This development known as Billimag has yet to be considered by the Council and any detailed assessment in this report may be seen to be prejudicing or influencing any findings of Council in respect to this plan change request.

The scope of the report involved the following:

- Review the existing commercial land base and current commercial functions of each town centre and other commercial areas. Review District Plan policies, commercial planning rules, and background reports. Review of other activities in the district and region that may influence commercial growth.

- Analyse existing vacant commercial land and sites with potential to be redeveloped to establish the existing land capacity for commercial development.
- Complete a market demand study to determine the likely type and amount of commercial growth expected over the next 20 years and associated land/location requirements from a market perspective. Market study to consider potential impacts of new commercial areas on the existing commercial cores of each town.
- Undertake targeted consultation with real estate agents to “market truth” findings of the market analysis and Council staff’s perceptions.
- Analyse the pros of cons of accommodating additional growth within the town centres (on existing vacant sites or through redevelopment) or on new Greenfield sites, resulting in preferred options. Analysis to consider potential impacts of new commercial areas on the existing commercial cores of each town.
- Seek feedback from elected members regarding options.
- Undertake specific consultation with landowners of potential site in Cambridge.
- Consider strategies and implementation tools to encourage commercial growth to occur in preferred areas.
- Identify what further detailed studies are required.

2.0 COUNCIL PLANS AND STRATEGIES

The purpose of this section is to provide a summary of the known issues, objectives and policies that could influence the development of Commercial Urban Growth in Cambridge and Te Awamutu.

2.1 LTCCP (2004-2014)

At the time of writing the Council has produced a draft LTCCP 2006-16, this is currently going through the submission period and this will give some direction in terms of preferred community outcomes. The current 2004 – 2014 LTCCP had a mission statement:

To promote the well-being of the people of the Waipa District through timely provision of services and sustainable management of natural resources”

Additional goals stated:

5. To form strong partnerships with other authorities, community interests and the private sector to provide the District with the appropriate development opportunities

6. To provide services and/or actively support Community Boards, community and welfare organisations in meeting the physical, recreational, employment, cultural and social needs of the residents of the District

2.2 DISTRICT PLAN

The District Plan (Plan) manages land use and subsequent effects on the environment through zoning. Each zone provides for a number of activities that are designed to ensure certain effects and environmental outcomes are achieved. The significant objectives, policies and rules of the Plan are provided in Appendix 4 to this report.

The Waipa District Plan has four zones that are of some relevance to this project, those being Town Centre, General, Deferred Residential and Industrial. When assessing influence of the District it better that this is done in a holistic manner. The specific zones are detailed below.

2.2.1 Town Centre Zone

The Town Centre Zone covers the central core areas of the two townships of Cambridge and Te Awamutu. The zone description identifies this as the main commercial nodes for the townships with particular focus on visitor intensive activities including retailing.

2.2.2 General Zone

The General Zone is established as the zone that provides opportunity for the bulk of what could be considered Commercial activities (other than retail activities) such as office and service uses. This zone fringes the town centre and is seen as providing a buffer/transition between the Town Centre Zone and the Residential and Industrial Zones. Retailing is only provided for in limited circumstances.

2.2.3 Deferred Residential Zone

There are two areas of deferred residential zoning in the Waipa District both of which are in Cambridge these areas are identified as appropriate for residential use however development is deferred until such time as adequate servicing is in place.

2.2.4 Industrial zone

The Industrial zone is found in a number of locations throughout the District. The purpose of the zone is reasonably self-explanatory in that it provides for business activities, which will have certain performance standards. Limited retailing is provided for.

2.3 OBJECTIVES AND POLICIES

The objectives and policies of the Plan and the individual zones give clear direction about where in particular retail activities should occur. There is no specific objectives and policies section for the Town Centre or General Zones therefore it is assumed that the “Commercial Activities” objectives and policies apply. The following are of particular relevance:

Policy C03

To require the containment of visitor intensive activities (particularly retailing) in defined ‘core’ areas (the Town Centres Zone) of Te Awamutu and Cambridge.

Policy C04

To allow a wide range of activities which benefit from central locations in the area around the retail ‘core’ (General Zone) in Te Awamutu and Cambridge, and in the Kihikihi town centre.

Policy C012

To permit large-scale retail developments within the General Zone areas of Cambridge and Te Awamutu where it can be shown that the effects of such proposals will not diversely affect the environment of the town centre concerned.

Policy C018

To control and generally restrict commercial activities in the part of the District not zoned Town Centre or General.

Commentary – Clearly the Plan’s policy direction is for commercial activities to be located within either the Town Centre or General Zones. Retailing is focused to the Town Centre except where this can be accommodated in the general zone without impacting the function of the Town Centre. Likewise other commercial activities are not generally considered appropriate in other zones such as the Industrial or Residential. As with Industrial zones New Zealand wide the types of activities in the zones often resembles activities in “commercial” zones in that the distinction between Industrial and Commercial activities is a grey area.

The policy obviously written sometime ago did not take into account the forecast growth in population in Cambridge or Te Awamutu or alternatively believed there was sufficient surplus capacity to accommodate the growth in the town centre.

2.4 OTHER DOCUMENTS

2.4.1 Waikato Expressway News

The proposed Cambridge bypass is not identified for construction until the 2015/2016 period as set out in the 2006/2007 10 Year State Highway Forecast. The consequences of this in relation to Cambridge are two fold. Firstly, traffic congestion is likely within the Cambridge town centre through this period and any development of the "Summit Grains Block" is potentially to be restricted in terms of traffic impact. Secondly, development in Cambridge North is also potentially limited in the number of vehicle movements in this location that the roading network can accommodate prior to the by-pass construction.

2.4.2 Town Centres 1991 Discussion Paper

While somewhat dated the "Town Centres 1991 Discussion Paper" was part of the early steps in the planning process leading to the creation of the District Plan for Waipa and provides insight into the philosophy behind the Plan objectives and policies. Relevant extracts include

Town centres are obviously the most intensively used parts of a settlement so a safe, convenient and attractive environment is particularly important.

Although Cambridge and Te Awamutu are two similar sized towns within the Waipa District, the paper states that they are quite different in make up.

In relation to appropriate types of activities for the town centres is the question of location of low density, "wholesale" and/or "drive in" types of retaining. These include furniture, carpet and vehicle salerooms, large liquor outlets, garden centres, hardware/stock and station suppliers and the like. Ideally these are located around the periphery of the intensive "core" of retail and personal services activities in a town centre, rather than right in the core or relegated to "industrial" zones. Supermarkets are a special case and should be located in or adjacent to the retail "core".

Cambridge Town Centre

The District Scheme review adopted a policy of consolidation of the centre retail core, however it did re-zone a large area on the east side of Empire Street from Industrial to Commercial. Although a major new development has strengthened that area of town, it still remains peripheral to the retail focus of the town centre.

Because of the difficulty of assembling large sites however it is probably appropriate to provide for large-scale comprehensive development such

as a shopping mall. However, it is questioned whether this would have an impact on the main retail focus area.

Te Awamutu

There is scope to review the industrial zones around the periphery of the town centre and concentrate the visitor intensive activities in the most central blocks of town.

2.4.3 Urban Growth Strategy 1991

The Urban Growth Strategy's focus was on issues for future development of settlements in the Waipa District. While somewhat dated this document provides some background behind the philosophy of the District Plan.

In a sub regional context, both Te Awamutu and Cambridge could be attractive for future investment and employment opportunities. Te Awamutu has the advantages of fully serviced and available land and workforce. Cambridge an attractive location and environment but with land and servicing location restrictions. Cambridge needs additional land for both residential and industrial activity.

Development strategies could involve expansion of Cambridge northwards to boundary determined by a new bypass. In regards to Te Awamutu, rationalisation of its industrial and residential zones to reduce area and create more attractive, lower density areas. This could be coupled with expansion towards Kihikihi by linking sewer to create more employment activities in both centres. Cambridge is seen as having more opportunities as it is located on a main transport route and on the Waikato River, thus attractive for industrial investment.

The main issues or constraints of development on the district is:

- *the extent to which elitist soils (class I and II) restrict growth of urban areas and the requirement for their protection under the RMA.*
- *the lack of reticulated drainage for both stormwater and sewerage to accommodate normal industrial/commercial service uses.*
- *Capacity within existing areas. Te Awamutu has spare capacity.*
- *Cambridge industrial area is virtually developed and adjoining land is highly productive rural land. Cambridge is restricted by its historic town belt which restricts expansion of the town.*
- *Character of the landscape and topography*

2.4.4 Commentary

The Town Centre discussion Paper and Urban Growth Strategy reinforces the importance of the “retail core” however there is some acknowledgement of the growth the District is experiencing and the opportunities available.

3.0 MARKET PLACE ANALYSIS – LARGE FORMAT RETAIL

At the commencement of this study it was acknowledged that expert assessment of retail trends and future retail prognosis was required. Further there was a specific perception of an identified shortage of large format retail opportunity. Mark Tansley from Market Place New Zealand was commissioned to undertake this report. A copy of this comprehensive assessment is contained in Appendix 1 of this report.

The Market Place assessment was based on revised population forecasts and more importantly household growth forecasts:

Population

| | 2001 | WUGS - 2021 | Updated Pop - 2021 |
|------------|-------|-------------|--------------------|
| Cambridge | 13890 | 16090 | 18600 |
| Te Awamutu | 13450 | 15450 | 16300 |

Households:

| | 2001 | 2021 |
|------------|------|------|
| Cambridge | 5172 | 7830 |
| Te Awamutu | 5019 | 6520 |

Based on these projects the following conclusions were reached:

- There is a current Supermarket spend in Cambridge and Te Awamutu of \$83m and General Merchandise of \$104m. There is an efficiency loss outside of the area in terms of retail spend.
 - 74% of supermarket spend is captured
 - 76% of department/variety store spend is captured
 - 58% of household goods spend is captured
 - 46% of apparel and personal accessory spend is captured
 - 53% of other merchandise spend is captured

- The spending expectations are for gains of 20-25% by September 2011, 35-50% by September 2016 and 50-80% by 2021.
- It is expected a Pak'n'Save format store will be brought to Te Awamutu and New World is expected to be expanded or relocate in Cambridge.
- An additional 35000m² gross floor area of large format retail space is required.
- An additional 3000m² of gross floor area of small format retail is required.
- Between 4000-5000m² of gross floor area of supermarket space is required (mainly in Te Awamutu)
- In land area once, building footprint, pedestrian and service areas, parking and landscaping are taken into account approximately 12ha of land is required through to 2021.
- Retail supply increases and self-sufficiency gains will only be achieved through accommodating retail opportunity equally in the two townships. Other than two alternatives:
 - Midway Point;
 - Rukahia.
- Catering for development of the foregoing scale requires the availability of a significant area of land together with (if precincts that are not truly contiguous with the existing town centres are ultimately proposed or created) quantitative rules concerning store size and possibly store types.
- Commonplace to have rules that target stores minimum size. In Waipa's case 400m² gross floor area would appear to be appropriate (maybe excluding food outlets). Identification of store types not preferred.
- Finding this space in town centres does not seem feasible and new town centre nodes should be developed.
- May be benefits in locating away from existing town centres:
 - Traffic effects
 - Amenity conflicts
 - Infrastructure inefficiencies
 - Reverse sensitivity
- Town centres will need to accommodate increases in smaller retail outlets, plus other activities not accommodated in large format area.

4.0 CONSULTATION

4.1 COUNCIL STAFF

Earlier on in the development of the project Council staff undertook an internal workshop process, which identified a number of constraints and opportunities. The outcomes are summarised below:

4.1.1 CAMBRIDGE

Recent Trends/Demands

- There have been a combination of Commercial and Industrial land enquiries in Cambridge – bulk retail

Existing Supply/Capacity

General Zone:

- There are a number of new dwellings within the General Zone in Cambridge.
- There is the potential to rezone, and possibility to extend the town centre zone, which over time may factor out dwellings close to the CBD.

Policy Implications

- Summit Grains Site: Council has a key strategic decision to make here as the development of this site has potential impacts on the functioning of the CBD. There is the possibility of one large operator taking up the whole site. Council needs to decide what type of development is sought and consider the investment already put into the Cambridge CBD, and whether this site would function as an extension to the CBD.
- Summit Grains Site: private and Crown with Tainui interest – issues with ownership: not insurmountable problems.

Greenfield sites:

- The area of land south of the Bypass and west of Victoria
- The area north of Cambridge is mostly used for horse rearing. Council should seek the views of these people.
- Commercial uses in Cambridge North residential – no need to spot zone for these, can provide for such uses as a discretionary activity and then let the market decide the location.

Servicing Issues

- When considering a new Commercial area to the north of town, roading may be ok without the bypass. Stormwater disposal could be expensive, water servicing likely OK. There is the potential for a new commercial area to be serviced by infrastructure already in place for Cambridge

North Residential. There is likely to be a desire for another reserve buffer between the bypass and a new Commercial area.

4.2 TE AWAMUTU

Recent Trends/Demands

- Development within the main street has never really progressed west of around Sanders Chemist at 311 Alexandra Street. Part of the problem may be the garage located in the main street. As Council opens up more industrial land, these higher-impact types of uses may shift away from the CBD.
- There is an informal “ring-road” which is comprised of streets around the CBD. There has been a noticeable growth in demand for new commercial premises on or near this ring road.
- There is a shortage of accommodation in or near the CBD and on the main transport route. There have been requests for land for this purpose and also for a large medical centre.

Existing Supply/Capacity

- Rose Gardens/Gorst Avenue area: currently, tourist buses are not stopping here on their way south. There is potential for this area to be improved with links to the CBD. There are good opportunities for commercial growth around the Events Centre, although this might be restricted by the resource consent for the Events Centre.
- St Johns Church – not much development potential if the Church wishes to hold onto land.
- There is also a real shortage of office accommodation in town.

Policy Implications

- As with Cambridge, Council needs to determine whether we want large floor-area retail development in or near the CBD, and needs to consider what impact this would have on the functioning of the CBD.
- Within the CBD, Council can look at providing areas for office uses and not allow residential. Currently the commercial zones enable dwellings to be built.

4.3 GENERAL

- The development of commercial areas outside of town centres would require a policy rewrite as current policy promotes intensification of existing commercial centres. Car parking requirements also need to be factored in. Need consideration of the type of uses that are being demanded and what land requirements are associated these assessments.

4.4 REAL ESTATE AGENTS CONSULTATION

Consultation was undertaken with two Real Estate Agents in Waipa known to have experience and knowledge in the Commercial real estate sector. Their thoughts are included in Appendix 3 of this report and are summarised as follows:

- Population of Cambridge was in strong growth mode. This was obviously putting significant pressure on the servicing requirements for this town including the main street. It was not considered there were the same pressures in terms of growth in Te Awamutu.
- In terms of Cambridge retail there was strong pressure for space in the "golden mile", i.e. the main street, but it was increasingly acknowledged that there was no further space.
- The Summit Grains site is a potential development area that could be advanced with a mall type development or a combination with apartment style living.
- Rumour exists that the benchmark site is up for replacement or renovation and may involve a Bunning's warehouse.
- No impact on the "golden mile" from development of the Summit Grains site.
- General support for architectural design standards for the town centre.
- Visitor accommodation was considered a potential growth industry but those interviewed did not consider themselves expert.
- Additional retail space should be over 100m², but they hadn't received as much enquiry for "big box" retail space.
- There was generally considered to be adequate opportunity for commercial services such as solicitor firms, accountancy practices, insurance brokers, banks, and medical centres.
- Not an identified problem with Council's rules regarding commercial land but sometimes there was a perceived overzealous implementation of the rules by staff.
- There is a perception that Te Awamutu has reached its point of saturation in terms of retail demand and potentially population growth.

5.0 OPTIONS IDENTIFIED

Following consultation with real estate agents the information received from them was combined with the results from the staff workshop and the Marketplace New Zealand research to form options for development. There are five options that are apparent:

Do nothing (market decide)

This option is self-explanatory. The market mechanism of allocation of resources could potentially supply the land requirements needed. Through individual resource consent applications or private plan changes the Council can consider the merits of developments.

Active investigation of town centre options

Active investigation of town centre options involving higher levels of consultation with individual landowners and businesses searching for land. Given the identified shortage of land this may necessitate relaxation of either the carparking and/or the maximum height controls of the District Plan. If General zone areas were identified then policy and rule changes may be necessary.

Active investigation of urban fringe developments

Council taking a proactive approach to identifying specific locations in the urban fringes, advancing landowner consultation and progressing a plan change to give effect to the site through structure planning. This would require approximately 6 hectares for both Te Awamutu and Cambridge.

Active investigation of mid-way options (including Airport)

As identified through the Marketplace New Zealand research mid-way options exist that have the potential to maximise the retail spend of the Waipa District. These options being Rukahia (Airport) and midway between Te Awamutu and Cambridge would be subject to specific plan changes or resource consents. This would involve a block of approximately 12 hectares in size.

Combination of options

This option could see a mix of market led development and Council led, both in the town centre or the general zone.

5.1 OPTION EVALUATION

The following sets out an evaluation of the pros and cons of the various options available to Council.

| Option | Pro's | Con's |
|-----------------------|--|---|
| Do Nothing | <p>Market driven therefore the type of land and locations are only developed to suit the market.</p> <p>This means there is unlikely to be any over supply of zoned or consented land that could be put to other uses.</p> <p>Unlikely to be any under supply of land in it will be provide to meet the exact needs.</p> | <p>Potentially high compliance costs through dealing with a number of resource consents or enforcement of un-consented changes of use.</p> <p>Poor land use planning could lead to a disjointed town in terms of amenity, traffic and servicing.</p> <p>Impact existing town centers through inappropriately located development outside the town center.</p> |
| Town Centres | <p>Meets policy direction of the District Plan and other documents focusing development in the town center.</p> <p>Potential to maintain town centre focus.</p> | <p>Limited land availability meaning it is potentially restricting the market needs and impacting the consumer in Waipa through lack of choice.</p> <p>Congestion in the town center would be noticeable thereby constraining efficiency.</p> |
| Urban Fringe | <p>Land availability in this area is likely to be more readily available.</p> <p>New locations attractive to market in that it easier to develop Greenfield areas rather than retrofit existing areas.</p> | <p>There is potential for an urban fringe development to weaken the town centre function.</p> <p>Landuse planning, issues may arise as the surrounding environments may be rural or residential and absorbing effects will take some care.</p> <p>Additional infrastructure required.</p> |
| Midway Options | <p>Market efficiency in that the available spend in the District will be captured rather than leakage out of the District as currently occurs.</p> <p>Clearly distinct from town center and does not</p> | <p>Sustainability, in that infrastructure provision will likely be stand-alone. Traffic movements to and from the location may not be the most energy efficient use of resources.</p> <p>Social separation, as while</p> |

| | | |
|-------------------------------|---|--|
| | compete with the stores or activities in the towns. | the sites are within the District they would have ed relationship with the towns. Retail and commercial areas also have a social aspect to their function. Infrastructure provision may prove difficult and expensive to provide. |
| Combination of Options | Provides variety to the Market | No clear direction and a piecemeal approach could have many of the cons of the other options. May impact on town centre function. |

Following identification of options Council’s elected members were briefed on the options and feedback was sought in terms of a direction forward. The Council gave direction that any specific detail in regards to Te Awamutu should be left until after the consideration of the Billimag proposal. Evaluation should be made of the merits of the Summit Grains Block and alternatives to service Cambridge. There was a general acceptance by Councillors that the Town Centres option was limited in that there was little if any recognisable land left available. General zone locations, urban fringe options and the combination of options could be considered. From here decisions can be made on the options. The midway options were not supported, but not opposed, rather this was seen as part of the do noting option and would let the market and Resource Management Act 1991 determine if these were in fact appropriate locations.

6.0 SUMMIT GRAINS

The Summit Grains Block was identified through both the Council Staff and Real Estate Agent consultation as a potential development location for commercial intensification. The block as such is held in several individual land holdings, but can be described as the block of land bounded by Queen Street (SH1) to the south, Lake Te Koutu and reserve to the North, Lake Street to the west and to the east a piece of General Zone land that backs onto Albert Street. An aerial photograph showing the site that was subject to further evaluation is included in Appendix 5 to this report. The site is approximately 5.02ha in size and is characterised by the Benchmark site that predominantly trades in supplies of timber and building products, marine and car sales and repairs, the Summit Grains business and the Mad Butcher and fruit and vegetable shop that has recently been developed.

A portion of the site has a General Zoning, the Benchmark site is zoned Town Centre, and a portion of the site is designated for Railway Purposes and it is

assumed the underlying zone is General. Part of the site is also shown as Central Cambridge Character Area.

The reasons for identification of this site for potential future development is due to:

- Its proximity to the Cambridge Town Centre
- Its high profile location close to the State highway
- The fact that it includes a reasonably large unoccupied site

Being five hectares in size the site itself is smaller than the 6 hectares identified as being necessary in Cambridge through to 2021.

To determine if the site is likely to meet the needs and land area required preliminary assessment of the site was undertaken which included a site visit and scoping of likely constraints. Council staff has identified no significant servicing issues. The primary identified constraint is that of traffic impacts. Should this area be developed for either commercial services or retail it is likely to generate significant vehicle movements. The site is constrained by access having to go via the State Highway either through Lake Street or Whittaker Street. While no specific traffic assessment has been undertaken as part of this project any development will need to consider this issue carefully. It is understood Council is currently commissioning a town centres traffic model to be prepared; this may help establish the limits to development for this site, subject to discussions with Transit. If the by-pass of Cambridge was scheduled sooner this may mean the site could be developed, as the effect of congestion for a short time may not be significant. However, as it is not scheduled until 2015-2016 this may delay development of this site.

The site is also subject to the designation for rail purposes by Toll NZ and part of the block is subject to the Cambridge Character requirements, so any development will have to have regard to the type, design and colour of building being developed which may potentially limit uses.

6.1 CONSULTATION

Before any consideration of the future use of the block could be completed consultation with the landowners and occupiers was needed. Invitations were sent out to the landowners via Council's contacts database for attendance at a meeting to be held at the Council's Cambridge Office on 1 March 2006. At this meeting only one occupier (Rob Fiest from Summit Grains) attended. Subsequent telephone conversations were had with several landowners. Included in this were conversations with David Williams the developer of the Mad Butcher and Fruit and Vegetable business, Neil Davies from Toll New

Zealand and a face-to-face meeting with John Hewitt owner of the land between the railway designation and Lake Te Koutu.

Generally the level of interest other than these landowners and occupiers can be categorised as reasonably apathetic by not attending the meeting nor making contact. Clearly any changes of land use are either not in the agenda or they were not wishing to discuss them in an open forum. In terms of the specific consultation undertaken these are summarised as follows:

Rob Fiest

Has a long-term lease to allow both access to his business (Summit Grains) and agreement to be allowed to continuing to operate. Significant investment has been made into the building and business and any relocation is not likely in the short term. He noted he used to own the land and pointed out there was a Telecom easement over the land for cell tower use and that there was a nearby Vodafone tower also. Rob believed that there were rights of first purchase by Tainui should Toll ever look to sell their land.

David Williams

He has developed the Mad Butcher and Fruit and Vege Shops on Toll NZ's land by way of lease and is currently in the process of trying to negotiate and lease further pieces of land from Toll for development or retail purposes. He would support any initiative of Council to provide for retail development of this area. David acknowledged there might be traffic congestion issues with development.

Toll NZ

Neil Davies of Toll New Zealand confirmed they have no mandate for disposing of land at the moment but also acknowledged there were no short or medium term plans to develop the land for rail purposes. He confirmed they were in negotiation to lease portions of the land. Long term Toll wished to retain some if not all, of the land for future shunting yards that may be associated with a future rail link from Hamilton to Cambridge. Toll has an easement under the Warehouse building to allow for an underground station. Therefore, Toll would not be interested in allowing their land to be part of any comprehensive development for long-term retail or commercial uses. Neil also confirmed that if their situation changed his understanding was that the sale of the land must first be offered to Tainui to purchase, which added additional complication for future use. Neil had no knowledge about whether Tainui were interested in purchasing or not.

John Hewitt

John was currently looking at options for the development of this land and was not adverse to retail going into this location, however he did not wish to be

limited into using the land for any particular purpose and he wished to maintain the flexibility of the General Zone provisions. John acknowledged he also thought there would potentially be traffic issues. He did not see a comprehensive plan change needed rather implementation should be left to individuals.

6.2 CONCLUSION

It is concluded that while the Summit Grains Block has some real opportunities for development there are a number of constraints to development. Landowner disinterest in a comprehensive approach is evident through apathy in participation in the process to date. A comprehensive approach could have allowed a structure plan to be developed incorporating all the sites and have general area parking and a comprehensive landscape programme and urban design principles to allow for a variety of uses. This would also have allowed a strategic roading assessment to be undertaken. However, until such time as guidance on Toll New Zealand's long term intent and any changes to the Benchmark premises either through relocation or re-branding to Bunnings; and details of the exact timing of the Cambridge by-pass any development of the site for commercial or retail purposes is likely to be through individual landowners initiatives.

Given the size of the site and that certain areas are already being used there is little likelihood that the full land area requirements for commercial needs will be reached. Some of the shortages in commercial services or retailing space may be accommodated but it is clear another solution is needed. The General zoning mechanism and policy direction is sufficiently robust to allow this site to accommodate a mix of uses that means a comprehensive rezoning of the site is not necessary and would be a poor use of Council resources for the likely gain. Being a town centre fringe development, care will need to be taken in assessing resource consent applications to ensure the uses proposed do not directly compete with those in the town centre to create problems with the function of the town centre.

7.0 CAMBRIDGE GROWTH CELL CB2

Having established there is little clear opportunity in the town centre and the fringe or General Zone including the Summit Grains Block leaves few options. The most obvious is a Greenfield development on the urban fringe. In Cambridge both in recent time and historically as set out in the Town Centres Policy Document and Urban Growth Study 1991 it is clear that the general direction of growth is in Cambridge North. This has been backed up by the Cambridge North residential area and through the staff workshop. Therefore, if a Greenfield site is chosen to accommodate the needed retail land then a site to the north is the most logical.

Two clear options exist in this regard, the first is within the Cambridge North Structure Plan area either that already zoned or more likely in the Deferred Residential Zone. A retail park could act as a buffer or transition between the by-pass route and the residential environment. Consequent rezoning or individual applications could provide for this. The 2003 Growth Strategy did not highlight any significant servicing constraints for this area, traffic may need to be looked at, timing will be a key factor and development may not be able to occur until Council has reticulated trunk infrastructure.

The second location is within the area identified in the Waipa Urban Growth Strategy (WUGS) as Growth Cell CB2 (a copy of the map identifying this area is shown in Appendix 6) and is commonly known as Victoria Road West. This cell was identified as being suitable for development in the constraints assessment with a proviso that adequate stormwater reticulation or disposal would need to be addressed. Some concern over traffic implications along Victoria Street may also require investigation along with landowner interest. This location could again act as a buffer from the State Highway bypass. The location near a possible interchange would likely suit market needs in that it would have viewing locations from the State Highway and as stated could provide a buffer from either rural uses or future residential uses.

Any development of a site in this location would need to be carefully planned. Evaluation of landscape and servicing issues would need to be undertaken. Controls on the types and sizes of stores and services should be controlled to ensure it does not directly compete with the function or services offered in the town centre. This is likely to mean controls on the sizes and uses of the stores in such a complex; minimums and maximums will be needed to ensure the function of the town centre was not compromised. This approach is preferable to detailing exactly what shops can or cannot be located in the development. In terms of size of the development 6 hectares should be provided for. While the Summit Grains Block may provide some of the land requirement (or other locations throughout the district by resource consent) oversupplying to a small degree ensures that pricing is not over inflated driving some business out. This gives individuals the opportunity for choice of location depending on the nature of their business, and allows for expansion in the other areas of the "commercial" business land.

A development in Cambridge North would need to ensure either rezoning or individual consents dealt with the land in one proposal rather than say three developments in different locations of 2 hectares each. The result of this would be a confusion of function and no doubt lead to loss of amenity in Cambridge North.

In terms of the merits of a Council initiated plan change to give effect to such a redevelopment is something the Council will need to consider. As has been seen through the advent of the Billimag proposal in Te Awamutu the market has the

ability to undertake the initiative to develop an area. While there are currently policies which give direction against this type of urban fringe development support through this document would go some of the way to recognising that Council policy was to allow this form of development assuming it is undertaken correctly. Clearly a new zoning mechanism or resource consent would allow the Council to adequately control a development, however should Council undertake the advancement of rezoning it has no real surety that the location, controls through conditions, or performance standards will meet the needs of the individual development. Consequently, they could rezone and have a private initiated development occur in close proximity.

The recommendation of this report is if any plan changes were proposed it would be simply to include provision in the policies of the plan to identify that this type of development in this general location was appropriate under certain circumstances and let the market decide the specific location.

8.0 OTHER MATTERS

In preparing this report several other matters noted include:

Industrial Zoning

The current industrial zoning is reasonably permissive in the types of activities it provides for; some of the commercial development may easily be accommodated in this zone, including new areas being rezoned. In considering its new Industrial zones Council will need to think carefully about the types of activities allowed in this zone with particular regard to retail activities. It is not uncommon for industrial zones to become de facto retail zones. The consequence being insufficient usable industrial useable land.

Town Centre

Both the Cambridge and Town Centres are attractive places to visit. With the changing nature of the population and activities around the townships Council will need to monitor the functions of towns carefully to make sure they retain their high levels of amenity and appeal. Linkages to areas and uses around towns need to be maintained and updated as necessary. It is understood this may be being looked at as part of the traffic management initiatives being undertaken, i.e. the "Te Awamutu Town Centre Improvement Study".

Community Services

In regard these services, particularly in Te Awamutu, the impression from visiting and talking to staff is that there is a need for community services space and office space. The clear location for this seems to be in the area linking between the main street and the Events Centre. These are two significant draw cards to the town, and the interrelationship is not clear, through improved

linkages and perhaps a structure plan for this area, utilisation of the area between the two could markedly improve the amenity and functions of Te Awamutu Township.

9.0 CONCLUSIONS AND RECOMMENDATIONS

The key findings from the work undertaken for this study is that there is a need for additional land for the forecast demand for retail space of approximately 12 hectares or 6 hectares for both of Te Awamutu and Cambridge. Allocation of where this goes should primarily be left to the market with potentially some policy direction from Council. The consequences of allowing growth in the retail sector in particular will ensure reduction in leakage of spending outside the Waipa District, which will benefit the community in terms of convenience and the local economy.

Lastly, should the Billimag development not progress then further assessment of the retail needs for Te Awamutu will need to be undertaken.

10.0 LIMITATIONS

This report has been prepared for the particular project described to us and its extent is limited to the scope of work agreed between the client and Harrison Grierson Consultants Limited. No responsibility is accepted by Harrison Grierson Consultants Limited or its directors, servants, agents, staff or employees for the accuracy of information provided by third parties and/or the use of any part of this report in any other context or for any other purposes.

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