

### 3. DRAFT TERMS OF REFERENCE FOR COMMERCIAL STRATEGY

|   |   |
|---|---|
| <b>Officer responsible</b><br>Director of Information | <b>Author</b><br>Matt Bonis, DDI 941-8878 |
|---|---|

#### PURPOSE

This report is in response to a request (meeting 30 October 2002) from the Urban Planning and Growth Special Committee for a ***'Committee workshop regarding the terms of reference and issues for the formation of the commercial strategy'***, and follows on from reports to the Committee on 12 February 2002 and 30 October 2002.

The purpose of the workshop is to:

- (a) Explore in detail, the issues that the members are concerned will need to be incorporated within the strategy.
- (b) Provide explanation for preparing the strategy so that the members have an appreciation of resources needed, time frames and relevance to other Council policies and priorities.
- (c) To answer any concerns of members in relation to any of the above.

The following is a 'draft' of the scope of issues, objectives and tasks identified by Council Officers that are required to provide substance for the preparation of a Commercial Strategy. It is expected that the workshop process will further refine these identified issues and the scope of the strategy.

#### BACKGROUND AND TRENDS

Over the past few years there has been a significant increase in the scale and spread of new retail developments and redevelopments both within existing commercial centres and in locations outside of these centres.

Christchurch has a very high level of retail floorspace per capita and that figure is projected to significantly increase with expected new retail developments at existing malls and new suburban industrial developments. Figures from 2000 showed Christchurch city had a total retail floorspace of 958,307m<sup>2</sup> and a ratio of 2.9m<sup>2</sup> of retail floorspace per person. The current estimated annual retail turnover in Christchurch is about \$4.35 billion.

Projections by Council staff made in August 2001 identified an expected increase in retail floorspace of 116,585m<sup>2</sup> in new mall developments and in suburban industrial (B4) zones. This would be an increase of 12%, and increase the per capita retail floorspace for every person in Christchurch to about 3.2sqm per person.

With these projected increases in retail floorspace, central city retail floorspace would decrease its proportion of total Christchurch floorspace from 34% to 30%.

#### ISSUES

There are a number of issues/concerns which this spread of retail and commercial activity raises:

- Threats to environmental quality and social conditions in commercial areas arising from changing market trends in commercial development and investment;
- Concern over possible decentralisation of population and employment in a manner inconsistent with the objectives and policies in the City Plan, Chapter 4 'City Identity' and Chapter 6 'Urban Growth';
- Potential effects of the above changes on:
  - Amenity of affected areas; and
  - The transport network and ability of people to have convenient access to retail and commercial facilities in a manner that minimises the need for private transport.

- Threats to the financial viability and community social fabric and environmental quality of the central city and existing suburban centres (both local centres and district centres), where these centres are important as both commercial trading areas and as community focal points;
- Potential impacts on the distribution and location of community facilities (including social services);
- Potential for the rate of transition and/or over-intensification of sites to impact upon urban amenity and urban design of affected areas;
- Effects on transport networks (local and regional traffic changes; ease of access for cyclists, and pedestrians), and network and integration matters;
- Environmental impacts such as additional traffic, impacts on local neighbourhoods etc;
- The need to assess existing City Plan policies and rules with respect to retail and commercial development towards achieving Council and community objectives.

## OBJECTIVES

The Commercial Strategy would give clear direction to the location, scale and form of commercial activity so as to ensure that the provision of commercial activity is efficient, provides for equitable community access and is sustainable in economic, environmental and social terms. The 'Strategy' will also provide a framework for the consistent and integrated management of commercial centres through both regulatory and non-regulatory means. The term 'commercial' within the Strategy will apply to those business activities that focus primarily on retail and office development, although it also acknowledged that cultural and social infrastructure with links to business activities (ie Restaurants, Multiplex Cinema) are also likely to be incorporated.

The terms of reference are therefore essential in ensuring that the scope of the Commercial Strategy achieves the aims of the Council and the Christchurch community. Therefore the definition of objectives to provide the range and extent of the 'Strategy' needs to be given careful consideration. It is suggested that the summarised objectives identified below encapsulate the identified commercial issues facing the city.

- Ascertain community aspirations regarding function and amenity of commercial centres as community focal points;
- Existing centres: Identify role, function, economic strength, success factors, economic drivers, extent to which meeting social needs, threats to future function and amenity;
- Identify centres to be managed for growth/decline, and methods;
- Identify marginal, well located centres (re: centre distribution, population, transport network), needing non-regulatory strengthening and/or caution regarding additional out-of-zone commercial activity;
- Identify commercial needs of urban growth areas;
- Establish principles to guide the appropriate location of new centres and large scale development in existing centres;
- Establish desired outcomes re: design and amenity;
- Identify regulatory and non-regulatory mechanisms (including City Plan changes) necessary to implement the Commercial Strategy; and
- Miscellaneous objectives for form and design of centres; pedestrian orientated and bulk retail; out-of-centre activity (ie rural selling places).

## TASKS

Attached as Appendix 1 is a work breakdown structure of the process that would need to be undertaken in order to undertake a robust assessment of: The existing Commercial environment within Christchurch City; it's likely trends over the next 25 years; and the formation of mechanisms for implementing the Strategy's objectives. For each commercial area within the City the role of the centre will be analysed and an assessment undertaken of the following:

- Integration of traffic/access/carparking
  - Consideration of the traffic generated by the size of the centre and its consequential effects on the surrounding road network,
  - Pedestrian access routes through and around the centre,
  - Potential traffic generation if developed to full plot ratio and the consequential effects on the traffic network.
- Social impetus
  - The ability of the centre to provide a central focal point for the community;
  - The provision or otherwise of community facilities and social services, such as libraries.

- Scale and amenity
  - Design considerations given close proximity to residential areas;
  - Consideration of screening outdoor areas, location of parking and planting, artificial lighting and hours of operation,
  - Issues of managed expansion or decline to ensure surrounding amenity is not degraded.
- Position in the city's retail distribution
  - Is the catchment and function of the centre expanding beyond its role as a 'neighbourhood centre' to the detriment of other centre,
  - Analysis as to whether the centre has a specific and appropriate niche within the market, whether this be entertainment, mixed use or retailing.

Such information would provide a baseline comparison of small urban centres within the city and would allow the prioritisation of each centre's role, appropriate outcomes and recommended mechanisms for implementation.

#### **IMPLEMENTATION MECHANISMS**

The Council already undertakes non-regulatory initiatives through the use of programmes to meet social, environmental and economic objectives for commercial areas. The Commercial Strategy will provide an overall framework for the setting of priorities for Council initiated non-regulatory improvements and should avoid the ad hoc approach to improvement works. It is worth noting the link between non-regulatory mechanisms and the proposed amendments to the Local Government Act that would confer to the Council a 'power of general competence' which enables the Council (with a community approved mandate) an additional ability to achieve outcomes sought in the Commercial Strategy.

In terms of regulatory mechanisms the Commercial Strategy will provide the impetus and robust rationale for changes to the City Plan in terms of: existing commercial zoning patterns, and a return to a 'centres based approach to commercial distribution'; statutory policy and regulation; and resource consent assessment.

#### **CONCLUSIONS**

In summary the formation of the Commercial Strategy would provide to the Council an overarching framework for managing the statutory and non-statutory direction of business activity within the city. Given the extensive influence of the Strategy, it is important to ensure that the 'Terms of Reference' and objectives of the Strategy are clearly identified so that the project can follow a focussed process.

#### **Staff**

**Recommendation:** That the report be utilised by the Committee as a basis for 'Workshopping' the Terms of Reference, Issues and Objectives for the formation of the Commercial Strategy.

#### **Chairman's**

**Recommendation:** That the report be utilised by the Committee as a basis for 'Workshopping' the Terms of Reference, Issues and Objectives for the formation of the Commercial Strategy plus recommended Terms of Reference be brought to the February meeting.