

**LOCAL GOVERNMENT ACT 2002
OUR COMMUNITY PLAN –CHRISTCHURCH OTAUTAHI 2006/16
DRAFT LONG TERM COUNCIL COMMUNITY PLAN FOR THE TEN YEAR PERIOD
BEGINNING 1 JULY 2006**

2007 AMENDMENTS TO THE LTCCP

SUBMISSION BY THE PRESTON GROUP

TO: Christchurch City Council
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A. SUBMISSION BY THE PRESTON GROUP

Pursuant to the Local Government Act 2002, The Preston Group (“the Group”) hereby lodges a submission on the draft Long Term Council Community plan – Our Community Plan 2006-16 (“the LTCCP”) and the proposed 2007 amendments to the LTCCP. The submissions also refers to the Draft Annual Plan 2007/08

The submission is in 3 parts as follows:

- Background on Preston Group as a consortium and potential developer affected by the provisions of the LTCCP
- Overview of concerns that the Preston Group has with the provisions of the draft LTCCP
- The relief sought by The Preston Group in terms of the final adoption of the LTCCP

B. THE PRESTON GROUP

Context

This section provides a brief overview of the Preston Group. This background covers:

- Details of the Group
- Outline of the Group’s development strategy which has the potential to be affected by the provisions of the draft LTCCP

Details of the Group's submission to other related statutory documents are also touched upon, including the Greater Christchurch Urban Development Strategy (UDS) and the functional and statutory relationship between the UDS and the LTCCP.

This background is important as it provides a context in which the Council can assess and understand the Preston Group's submission on the provisions contained within the LTCCP.

The information in this section of submission is to ensure that this is a transparent process by which the Council is clear as to what it is that The Preston Group is requesting in its submissions and the reasons for seeking relief.

The Preston Group

The Preston Group is a recently comprised consortium of developers in the residential and commercial sectors. The Group is comprised of the following three entities:

- A Christchurch based and South Island wide property group operating in the residential, commercial, industrial and tourism fields.
- An Auckland based and NZ wide operating development company operating in the rural and residential sectors.
- A NZ wide operating retail company.

Collectively, the Group's property and development portfolio is broad and covers land development (residential and rural), food sales (wholesale and retail), big box retail, commercial, industrial, a portfolio of rural ground leases and farming operations. A large proportion of the land development portfolio is concentrated in Canterbury and Christchurch involving developments in Rolleston, Lincoln, Kaiapoi, Christchurch (central and suburbs), Hanmer Springs and Kaikoura.

Proposed Development by the Preston Group

The Group, like the Christchurch City Council, has a commitment to the sustainable long term growth of Christchurch To this end, the Group has recently between them acquired significant rural land in the north east sector of Christchurch with a view to establishing a comprehensive mixed density residential development with constituent commercial, community and recreational facilities.

The final nature, form and scale of the development (approximately 200 ha) is yet to be defined however the level of investment in land acquisition, services reticulation, transportation and land development over the next 5 years will be substantial and will represent clear evidence of the Group's long term commitment to the City

Relevance to and concern with the LTCCP

The above proposal represents a significant investment which will be captured as a "*development*" for the purpose of the LTCCP in that it will involve a combination of land use and/or subdivision consents, building consents and service connection approvals.

In this respect, the Preston Group is concerned about the increasing costs of development as signalled by the content of the 2007 amendments to the 2006 Development Contributions Policy component of the LTCCP. The Group is particularly concerned about the lack of ability for purchasers to bear these additional costs and the

effect that will have on the viability of the development and wider sustainability issues for the City. These particular issues will be the focus of separate and self contained submissions by the constituent companies that compromise the Group.

Conversely this present submission focuses on the identification of the infrastructural requirements for new residential growth in the north eastern sector of the city and the implications this will have for the capital works programme identified by the Council in the Community Plan and the Annual Plan.

C. OVERVIEW OF PRESTON GROUP CONCERNS WITH THE LTCCP

Overview

The Preston Group's submission is concerned principally with the following components of the draft LTCCP:

- Volume 1: Our Community Plan – 10 year Capital Works Programme and proposed 2007 amendments to this.
- Volume 2 Draft Development Contribution Policy (DCP) - Part A: Christchurch City Development Contributions Policy

Volume 1 outlines, *inter alia*, the areas in which the Council will spend 1.9 B over the next ten years to deliver a capital works project programme.

Volume 2 of the LTCCP provides policy and implementation methods for assessing and taking development contributions to assist with the delivery of the above programme. This is largely described in Sections 4 and 5 of the draft policy and in related Appendices 1 and 5.

Volume 2

In terms of volume 2, the Group is generally supportive of the principles embodied in the DCP. In this respect the Group accepts in principle the need for a local authority to obtain development contributions linked to increasing growth in the requirement for services bought about by growth that is directly attributable to development activity. In this respect, the principals embodied in the draft DCP that are supported by the Group are as follows:

- The DCP will appropriately shift the cost for new infrastructure needed as a result of growth from ratepayers to those parties who have caused the need for growth. It is agreed that provided that the content, interpretation, implementation and timing issues outlined in this submission (and those individual submissions of the Groups constituents) are resolved, this is fairer and logical way of charging for growth bought about directly by development and ensuring development of the City can and will continue.
- The Group supports the fact that development contributions can only be charged in respect of projects which have been identified and costed in the LTCCP. And in this respect the Group is of the view that LTCCP must be absolutely accurate and transparent and must be based on wide community input into the wide range of projects that will be needed to support a long term (10 year) growth plan. (NB it is on this very basis that the Group opposes the absence of certain works in the

capital programme in the field of transportation - as elaborated on later in this submission)

- The Group supports the fact that Development Contributions will not be used to pay for renewing existing infrastructure or catch up a backlog of infrastructure upgrading and renewal that sadly has not been undertaken or has been neglected by the Council.

Notwithstanding this generic support of the DCP, the Group has residual concerns regarding the formulation, content and eventual implementation of the DCP. In particular, the Group's position is that the draft DCP in its current form fails to establish a transparent, consistent and equitable basis for requiring development contributions in order that the council's policy objectives are achieved. As mentioned these matters will be reflected in the individual and detailed submissions of the constituent agencies comprising the Group.

In this respect the remainder of this submission focuses on **Volume 1** and in particular the capital works programme for the next 10 years.

D. GROWTH AND 10 YEAR CAPITAL WORKS PROGRAMME

Context

The Preston Group are of the view that there is a strong functional and statutory relationship between the LTCCP and the Christchurch Urban Development strategy (UDS). Not only is the CCC a principle party to the production and implementation of both documents, but the success of both documents is interrelated. In this part of the submission the Preston Group outlines the importance of that relationship in respect to the following matters:

- The likely agreed strategy for growth in the UDS
- How the Preston Group projects fits in with that strategy in respect to the NE of Christchurch
- The implications for the 10 year capital works programme in the Community Plan

The UDS Strategy - Residential Growth Trends and Requirements

The population of Christchurch City has and will continue to steadily grow. Accordingly, adequate provision needs to be made for new housing units to accommodate such growth. The Christchurch Urban Development strategy (UDS) attempts to analyse this growth and establish nodes for accommodating such growth.

In terms of the magnitude of growth, it is suggested in the draft UDS that the number of new residential units over the next 35yrs will be a minimum of 75,000. This is considered to be at the lower end of the real need. Even taking current annual growth of a modest 1.8% per annum, ChCh City will require 2,300 new residential units per year allowing a conservative 2.7 people per unit, which is more on average than the UDS assessment.

In terms of the type of new residential stock to accommodate growth, the UDS also has expressed preferences. It seems that the strategy in the UDS is to engage a mix of Intensification within current residential zoning frameworks as well as identify and zone accordingly new residential nodes. The latter strategy is supported because there has been a view that in previous years the extent of the residential land bank has been

inadequate. This limitation has forced up available section prices faster than normal, and also created opportunities for entrepreneurs outside the city boundary.

It is submitted that the recent Pegasus Bay Township development is an example of “development by default”. If adequate land had been suitably zoned, serviced and available close to existing urban areas, Pegasus Bay may not have been promoted in the manner that it has been. It is questionable whether that development, being some 25km from the ChCh CBD seen as an efficient in terms of energy conservation (hydro-carbon efficiency and Kyoto principle matters) and transportation (impacts on traffic volumes entering ChCh from the north). The former is a consideration for the CCC through its climate change policies implicit in the RMA and the City Plan whilst the latter is a recognised issue in the LTCCP (i.e. *to provide a sustainable network of streets which distribute traffic between neighbourhoods and connect to major localities within and beyond the city*, p152 Vol 1).

Any LTCCP strategy needs to be able to cater for even larger numbers of residential homes should the passage of time indicate greater increases than projected. To this end it is imperative that there is a strong link between the outcomes expressed in the final UDS and the contents and mechanisms contained in the LTCCP for servicing such growth.

UDS and Growth Areas

The location of new growth will ultimately be, in part, determined by the proposed settlement pattern in the final UDS publication. The draft 2006 version of the UDS contains a Map of Proposed Settlement Pattern and this has identified a number of growth areas. The Preston Group has submitted to this document and requested that an area of land in the vicinity of Marshlands stretching from Mairehau Road to Lower Styx Road is included in the UDS as a growth area. The attributes of that area giving rise to its suitability include the following matters:

- Proximity to the city CBD (11 minutes travel)
- As close to the CBD as the airport – within a 9km radius of both localities
- Much of this area has sandy type soils which are suitable for residential development
- Existing city infrastructure is adjacent
- Existing land-use is not significant economically. The majority of this land is grazed.
- Closeness to employment areas will limit long daily transport journeys (e.g. compared to Pegasus Bay residents)
- Handy to John’s Road for easy access both north and south (without going into the city) and to the Airport
- The start of a “Village Hub” to service this area already exists at Marshlands with its school, church, hall, domain, garage and garden centre. This forms an ideal basis for creating a mixed residential retail community.

This area is also adjacent to the recreational areas of Bottle Lake and two golf courses, and is not far from QEII Park and North Beach. In this respect, it is significant that the “play area” already exists within this locality for future residents, rather than it having to be created for some other growth areas.

The UDS Map as published in November 2006 already identifies the new Waitakiri residential development as a growth area, and talks of the possibility of the Chaney’s area being possibly considered in the future. The Preston Group contend that the area it

has identified should also be included within the Growth Strategy. As such, the Group has requested that the Urban Development Strategy and Action Plan be amended to include the areas identified on the attached plans as new Growth Areas for Greater Christchurch.

Implications of Growth and the UDS for LTCCP Capital Works Programme

The new growth identified in the UDS and promoted by the Preston Group will ultimately place pressure on infrastructure and services. This is even more important to acknowledge given that, in the view of the Group, there has been previously under investment in infrastructure in the City. Consequently now there is not only need for catch up on deferred capital works but also a need to confirm the capital programme for infrastructure and services identified in the LTCCP over the next 10 years.

To a large extent the LTCCP acknowledges the above by referring to the strong link between economic development /growth and provision of infrastructure and services. It is also acknowledged that the LTCCP proposes to manage growth not inhibit or prohibit it. Accordingly, there is general agreement that growth management requires planning and infrastructure and that this is a critical connection.

The keys to the above distil down to the following two factors:

- the regime for identifying the capital works programme and
- The method for delivering that programme.

Development Contributions

On the latter matter, the Group acknowledges the proposed recovery regime – users pays approach - on the development community that is the underpin of the LTCCP. Whilst it generally supports this approach, the Group notes that it is important that the regime is targeted at appropriate projects. Furthermore, contributions to these projects by developers needs to fair and reasonable. In this respect, the Group is not convinced that the proposed methodology and cost calculations which underpin the DCP is fair and reasonable. Moreover the Group is of the view that some of the contributions are not based on increased demand placed on infrastructure caused by development. It is the Groups' view that there must be a causal connection between growth and contributions. In this respect, the group queries the "Areas of demand" upon which the DCP is based. In particular the Group have the following questions: What is the justification for the identification of each "area of demand" and what is the link between areas of demand and list of capital expenditure? As mentioned previously, these concerns will be followed up in separate individual submissions by the constituent members of the Group.

10 year capital works programme

The nature of the 10 year capital works programme is set out in Volume 1 of the Community Plan and covers a wide programme on a range of sectors including city development, parks and reserves, leisure, services, roading, and sanitary utilities. The Group has particular issues with the programme as it relates to Streets and traffic/and Transportation projects.

It is the Group's submission that a critical factor for success of the LTCCP is that transport systems infrastructure are planned, integrated and available at the time of development occurring. In other words, it is essential that services and infrastructure is provided in advance or at least in tandem with development. This fundamental plank of integrated land use policy and will determine the success of the LTCCP.

On the above basis, the Group is concerned about the potential absence of appropriate roading infrastructure improvements in the north east of the city. The Group acknowledges that this issue is closely aligned with the various options for the northern arterial and the funding and planning of that large scale project, The Group also notes that the planning, funding and implementation of the northern motorways is the domain of central government and historically there has been uncertainty in this respect. This has given rise to unpredictable delays with the Northern Motorway. The Group understands that the current timing of the project is for construction around 2016. The two issues to arise out of this are that:

- this major project is on the outside cusp of the 10 year capital works programme and therefore creates a potential delay in dealing with issues of safety and efficiency on the CCC roading network through the north-eastern suburbs of the city, particularly along Marshland Road
- In terms of the CCC Capital Works Programme for network infrastructure, the Group notes that there is only partial provision for easing congestion of the main arterials routes leading northward out of the city.

In terms of the latter matter, the Group notes that Appendix 4 of the 2006 approved DCP outlines a schedule of capital expenditure related to growth and provides a summary of the Net Growth components of projects included in the ten-year period. In this respect the Group is pleased to note that the approved schedule includes the following works:

- Marshland Road/Prestons Road Intersection
- Hills Road extension – Innes to QEII
- Hill Road 4 laning - Aylesford - Whitmore

The group is concerned that there is no update to this in the 2007 revision of the programme and more particularly other related roading improvements have not been identified. To this end, the Group has identified a suite of roading projects that it believes are required within the period of the Capital Works programme to address the issues of safe and efficiency of the city roading network in the north east. The list of works is as follows. It should be noted that this list includes those works which have also been identified in the Plan.

1. Marshland Rd/Prestons Rd intersection upgrade to multi-lane roundabout or traffic signals to relieve existing congestion
2. Marshland Rd/QEII Dr intersection upgrade to signalised roundabout or traffic signals to relieve existing congestion
3. Mairehau Rd realignment to provide greater separation between Mairehau Rd and QEII on Marshland Rd for improved safety and capacity, Intersection between new Mairehau Rd link and Marshland Rd to be controlled by roundabout or traffic signals to reduce existing delays for Mairehau Rd traffic. Widening to 4 lanes between new link and QEII for additional capacity.
4. QEII Dr/Burwood Rd intersection upgrade to multi-lane roundabout or traffic signals to relieve existing congestion. Widen QEII Dr to 4 lanes between Marshland Rd and Burwood Rd to provide additional capacity

5. Mairehau Rd/Burwood Rd intersection upgrade to multi-lane roundabout or traffic signals to provide additional capacity
6. Upgrade Marshland Rd /Hawkins Rd / Lower Styx Rd intersection in conjunction with Styx Bridge replacement to improve road safety and provide additional capacity.
7. Construct new link from QEII to Cranford St to provide for Northern Arterial
8. Widen Cranford St to 4 lanes to relieve congestion
9. Construct new link from QEII to Hills Rd to provide additional capacity
10. Widen Hills Rd to 4 lanes between Whitmore St and Akaroa St to relieve congestion and provide additional capacity for new link.
Provide traffic signals at Hills Rd/North Avon Rd.
11. Improve link (Quaids Rd) between Prestons Rd and Radcliffe Rd for road safety and to provide for future traffic demand.
12. Improve vertical alignment of Marshland Rd rail crossing for safety and convenience.

The Group request that these works all be incorporated in the 10 year capital works programme.

E. RELIEF SOUGHT BY SUBMITTER

Based on the content of Part B, C and D of this submission the Preston Group seeks the following relief in support of their submission:

- That the CCC provides written justification for the identification of each “area of demand” used in the DCP as well as similar explanation and justification for the link between areas of demand and list of capital expenditure.
- That the CCC Incorporates the 12 specific projects identified above into the 10 year capital works programme for “Streets and Traffic” and Transportation Activity”

F. HEARING

The Preston Group wishes to be heard in support of its submission. The size and complexity of the task of reviewing the draft LTCCP/DCP and preparing and making submissions may be beyond the resources of smaller property developers and individual ratepayers. Bearing this in mind The Preston Group asks that the council allows others to join with this Submission and become part of a joint presentation at the hearing if necessary.

SIGNED for and on behalf of
The Preston Group

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DJ McMahon as agent for
The Preston Group
Dated: 10 May 2007

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