

ATTACHMENT E: BENEFITS AND COSTS OF FOODSTUFFS RELIEF OPTIONS & SECTION 32AA ASSESSMENT FOR SUPERMARKET OVERLAY (OPTION 5)

COSTS AND BENEFITS OF OPTIONS

Option	Costs	Benefits
<p>Option 1</p> <p>Do nothing (that is retain the notified Plan provisions)</p>	<ul style="list-style-type: none"> • Prospect of reducing / restricting Ashburton’s future Supermarket offering to meet demand, and resultant loss of benefits / disablement of community within the district (proportionate to community / household growth). • Consenting costs and uncertainty to Supermarket providers to establish in non Business A locations (with presumption that consent would not be issued). • Reconciling conflicts associated with urban design and functional and operational needs within the Town Centre may introduce operational constraints and / or a reduction in optimal urban design outcomes. • Increased risk of PC4 being undermined during the hearing process by supermarket sector store types who have limited opportunity (if any) establishing in the Business A Zone. <p>Costs and Benefits otherwise as set out in [74] of assessment accompanying the Plan Change.</p>	<ul style="list-style-type: none"> • New entrant supermarkets are to endeavor to amalgamate sites to establish in the Business A zone. Increases vitality, functional amenity and reinvestment in Town Centre (proportionate to the likelihood of this outcome being realised). <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>May reduce range of offer or increase costs and functional disbenefits (i.e. inability to screen BoH, reduced GFA, or reduction in car parking)</p> </div> <p>Costs and Benefits otherwise as set out in [74] of assessment accompanying the Plan Change.</p>
<p>Option 2</p> <p>Provide as a permitted activity at 407 West Street</p>	<ul style="list-style-type: none"> • Supermarket activity is neither consented, nor established. Therefore effects (distributional, reverse sensitivity, transport, nuisance) are untested nor managed by conditions. • No factual basis by which to distinguish this site (apart from submission) which results in equity issues with other retail / supermarket offerings that are established in out-of-centre locations. • Potential unwanted precedent effects 	<ul style="list-style-type: none"> • Certainty for Foodstuffs as to the provision of a Supermarket on the site. • Community benefit as proportionate to the extent to which household demand is not being currently met (considered low as site was purchased in 2012). • Increased market certainty for Council and the community on new supermarket location. Assists in any strategic and infrastructure planning requirements.
<p>Option 3</p> <p>Discrete option for ‘large format food and beverage providers’ in the Business C zone as restricted discretionary activity (RDA).</p>	<ul style="list-style-type: none"> • Creates uncertainty for community as to prospect of investment outside of the Business A zone. • Decreases integrity in the purpose of the Plan Change as creates an ‘exemption’ for a specific class of retail offering. • Effects are managed incrementally rather than a holistic consideration based on a ‘centres +’ approach to commercial management. • Consenting costs and uncertainty to Supermarket providers to establish and expand in the Business C zone. 	<ul style="list-style-type: none"> • Consenting regime would still provide for testing / management of strategic effects (albeit incrementally).

<p>Option 4</p> <p>Retain Status Quo (Operative Plan) for the Business C zones as applied to supermarkets. That is <750m² permitted, >750m² non-complying.</p>	<ul style="list-style-type: none"> • Would provide for small scale 'convenience supermarket' offerings which ironically would not have the same difficulty amalgamating titles in the Business A zone to establish. • Larger scale supermarkets would still remain precluded. • Could facilitate the issue PC4 is attempting to address - Business C Zone retail development. <p>Costs and Benefits otherwise as set out for Option 1.</p>	<p>Costs and Benefits otherwise as set out for Option 1</p>
<p>Option 5 – Overlay</p> <p>Apply an overlay that provides for Supermarkets activity within the Business C and D zones deeming re(development) to be RDA status re:</p> <ul style="list-style-type: none"> ~ distributional effects; ~ Amenity; ~ Transport; ~ reverse sensitivity. <p>Amendments to policy / provisions.</p>	<ul style="list-style-type: none"> • Reduces / removes prospect of investment of a supermarket offer in the Town Centre and associated social and functional amenity benefits (proportionate to the likelihood of this outcome being realised). • Supermarket activities (expansion or new development) on identified sites could cause potential adverse amenity, transport and reverse sensitivity effects if not appropriately managed <p><i>Scope for application to existing supermarkets is provided in [41] of Foodstuffs Submission ...'any alternative amendments. Absence of integrity without application to existing supermarket sites.</i></p>	<ul style="list-style-type: none"> • Recognises existing sunk costs associated with Supermarkets in Business C and D zones, increasing certainty (i.e reduces need to rely on s10 RMA1991) and reducing compliance costs. • Does not foreclose prospective feasible development capacity to ensure demand for large scale modern supermarket activity in the District to meet increased demand. • Policy, status and assessment matters can (should) be able to be appropriately drafted to manage strategic issues associated with supermarket development. <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>A sub-option is to deem status as a Discretionary activity allowing the full range of effects to be considered. This would increase uncertainty, but would provide for all matters (including localized amenity to be considered and responded to).</p> </div> <ul style="list-style-type: none"> • Narrows approach to recognise those activities with a credible concern as to being accommodated in the Business A zone.

SECTION 32AA OVERVIEW (PREDICATED ON AVAILABLE EVIDENCE)

Objective 5.1 – Section 32(1)(a)

Evaluation Objective 5.1A as recommended to be amended by Option 5 seeks to include the word 'primarily'.

Objective 5.1: Business Area Development and Effects

~~Growth, maintenance and consolidation of business areas, provided that adverse effects on the environment are avoided, remedied or mitigated.~~

The contribution of business activities to the economic and social wellbeing of the district is recognised and provided for, with:

- a) commercial activities and retail activities primarily focused to support vibrant and viable centres, and**
- b) business activities able to operate efficiently and effectively within the District's business zones as subject to environmental standards which reflect their function, location and role.**

The Report [Error! Reference source not found. and Error! Reference source not found.] identifies that the approach is considered to be the better option in terms of both recognising the importance of the Town Centre as set out in the Planning Section 32 Report [Section 7.8.3] whilst providing a pathway whereby additional supermarket supply can be provided to meet wellbeing needs. Such a pathway is recommended on the basis of evidence from Mr Heath that otherwise feasible supply may be unreasonably constrained, whilst still retaining provisions that manage actual or potential adverse

effects on the social and functional amenity benefits provided by a consolidated Town Centre. Such an approach is considered to be the most appropriate way to achieve the purpose of the Act, in comparison to both the Operative approach and the notified PC4 approach.

The Provisions – Section 32(1)(b) and s32(2)

The policies, rules and methods sought to be amended are set out in [Error! Reference source not found.] of this Report. The assessment should be read in the context of Section 7.9.4 'Evaluation of the Provisions', as the below **only assesses** the amendments recommended in relation to the 'Supermarket Overlay'.

For the purpose of this assessment:

- a. Effectiveness means how successful 'the package of provisions associated with PC4 is in achieving the respective objectives of the existing operative objectives, amended Objective 5.1 and the relevant provisions of the CRPS and NPS-UD.
- b. Efficiency means whether the benefits of the 'package of provisions associated with PC4 outweigh the costs, either immediately or over time.

Efficiency and Effectiveness		
Economic	Costs	<ul style="list-style-type: none"> – Reduces / removes prospect of investment of a supermarket offer in the Town Centre and associated social and functional amenity benefits (proportionate to the likelihood of this outcome being realised). – Costs of resource consents (for RDA) for expansion and / or development associated with overlay (not considered material). – Potential reduced investment, and multiplier benefits forfeited from opportunity cost associated with Supermarket establishing in overlay (and not in the Business A zone).
	Benefits	<ul style="list-style-type: none"> – Greater capacity to accommodate other forms of retail and commercial investment in the CBD (beyond 2038). – Does not preclude opportunity for a (smaller scale) supermarket to establish in the Town Centre. – Recognises sunk economic costs associated with existing non-centre supermarkets. – Does not foreclose a <i>feasible</i> option to provide for business use development capacity as required by the NPS-UD.
Environmental	Costs	– Supermarket activities (expansion or new development) on identified sites could cause potential adverse amenity, transport and reverse sensitivity effects if not appropriately managed.
	Benefits	– Assessment matters associated with RDA status provides for appropriate and targeted environmental consideration of relevant matters.
Social	Costs	– Marginal reduction in transport efficiency and cross shopping were a supermarket to be located in the Business A zone (as subject to prospect of realisation).
	Benefits	– Ensures a 'release valve' should supermarket demand not otherwise able to be met, thereby meeting wellbeing needs.
Cultural	Costs	– There are no anticipated cultural costs as a result of the provisions.
	Benefits	– There are no anticipated cultural benefits as a result of provisions.
Risk of Acting or not acting (s32)(c)		<p>There are no considered risks in terms of acting or not acting in this respect. The status for development (RDA) and associated matters capture the likely potential or actual adverse effects.</p> <p>The provisions ensure that additional supermarket capacity is feasible, and that the integrity of PC4 is suitably flexible to accommodate such demand.</p>
Efficiency		

The costs associated with this policy and its methods are not likely to be significant on the community as a whole, although there will be compliance and opportunity costs for Supermarket operators seeking to (re) development within the Overlay.

There remain significant (albeit longer term and cumulative) benefits in achieving a more consolidated and efficient pattern of commercial development within Town Centres (Business A) zones, in particular in reversing continued reinvestment in Commercial Activity outside of the Business A and B zones.

Effectiveness Assessment

The proposed provisions are considered to be the most effective means of achieving the objective(s) as together they will:

- are the more appropriate in terms of giving effect to the NPS-UD as this relates to feasible development capacity in so far as the provision of modern supermarkets.
- gives effect to the Canterbury Regional Policy Statement, particularly co-ordination and consolidation of urban growth, and retention of assessment matters to consider the environmental outcomes sought by the CRPS (i.e traffic, amenity, reverse sensitivity and distributional effects).

