

Proposed Christchurch Replacement District Plan

SECTION 32

COMMERCIAL AND INDUSTRIAL CHAPTERS (PART)

ADDITIONAL PROPOSAL

for Individual Tenancy Size for Office Activity in Key Activity Centres,
the Commercial Retail Park zone (Langdons Road) and
Industrial Park zone (Tait and Awatea)

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1.0 INTRODUCTION

1.1 PROPOSAL

1.1.1 The proposal is to introduce a maximum tenancy size limit of 500 m² GLFA (Gross Leasable Floor Area) for office activity in the following locations:

- The Commercial Core zone of all Key Activity Centres (being the District Centres at Riccarton, Hornby, Papanui/ Northlands, Shirley/ Palms, Eastgate/ Linwood, Belfast/Northwood, North Halswell and the Neighbourhood Centres at New Brighton and Spreydon/ Barrington);
- The Commercial Retail Park zone (Langdons Road);
- The Industrial Park (Tait Campus) and (Awatea) zones.

1.1.2 The scope of the proposal is limited to the matter described above in accordance with the Panel's direction in the Commercial (part) and Industrial (part) Decision 11 (Decision 11), which states:

[761] Therefore we direct the Council to lodge for the Panel's approval, within 14 working days of the date of this decision, a draft proposal for the inclusion of a 500m² GLFA maximum tenancy cap for offices in centres:

- a) The Commercial Core zone of all KACs, including the Spreydon/Barrington Neighbourhood Centre and the Commercial Retail Park zone north of Langdon's Road;*
- b) The Industrial Park zone (Tait Campus) and Industrial Park Zone (Awatea).*

1.1.3 The direction is to notify a Proposal that applies to all KACs (Key Activity Centres) within the district. Existing KACs are listed in the Canterbury Regional Policy Statement (CRPS) as Papanui (Papanui/Northlands), Shirley (Shirley/The Palms), Linwood (Linwood/Eastgate), New Brighton, Belfast, Riccarton, Halswell, Spreydon and Hornby. The names in brackets in the previous sentence are the terminology used to describe the KACs in Decision 11.

1.1.4 For the following areas of land:

- The Commercial Core zone at Riccarton, Hornby, Papanui/ Northlands, Shirley/ Palms, Eastgate/ Linwood, Belfast/Northwood and the Neighbourhood Centre at Spreydon/ Barrington);
- The Commercial Retail Park zone (Langdons Road);
- The Industrial Park zones (Tait Campus) and (Awatea);

the areas which respective rules apply to are to be the subject of the Panel's second decision on Proposals 15 and 16, to further amend the notified version of the proposed Replacement District Plan (pRDP) by inclusion of updated Planning Maps (paragraph 752 of Panel's Decision 11). Copies of the relevant planning maps are also attached to the Proposal as Attachment A (for information purposes only).

1.1.5 North Halswell and New Brighton are not included in Decision 11 (as decision making on the Commercial Core zone at North Halswell has been deferred and New Brighton was notified in Stage 2 and therefore a decision has not yet been made).

Therefore the areas that are to be subject to the new rules for these two areas are included to the Proposal as Attachment B (for information purposes only). For North Halswell, this is as presented as Annexure D to the Rebuttal evidence of Mark Stevenson for the Stage 1 Commercial hearing. For New Brighton, this is the extent of the revised Commercial Core zone that is supported by the Council through the Stage 2 Commercial hearing.¹

1.2 BACKGROUND

- 1.2.1 In Stage 1 of the pRDP, the Council's notified commercial proposal established a hierarchy of centres, comprising the Central City at the apex, with District, Neighbourhood and Local centres below it.
- 1.2.2 The Council's notified proposal included a limit on tenancy size of 500 m² GLFA for office activity in Neighbourhood centres (except for Spreydon/Barrington), to give effect to Policy 1 (Role of centres) and Policy 7 (Scale and form of development) of the pRDP.
- 1.2.3 The Panel's Decision 11 (and through the Correction Decision) retains a limit on the tenancy size of office activity for Neighbourhood centres, excluding Spreydon/Barrington (Activity specific standard (a) for Activity P10 (Office activity) under Rule 15.2.2.1) (Permitted activities in the Commercial Core zone). This supports the achievement of the objectives in the Proposal, the direction being to:
 - i. Focus commercial activity in a network of centres in a way and at a rate consistent with the role of each centre (Clause (a) and (a)(v) of Objective 15.1.2);
 - ii. Support the function of District Centres as major focal points for activities, and Neighbourhood centres as a focal point for convenience shopping and community activities (Clause (a)(iii) of Objective 15.1.2); and
 - iii. Give primacy to and support recovery of the Central City, followed by District Centres and Neighbourhood Centres identified as Key Activity Centres (Clause (a)(iv) of Objective 15.1.2, Policy 15.1.2.1(a)(i)).
- 1.2.4 The Panel's direction is for a limit on tenancy size of 500 m² GLFA for office activity in the locations described in paragraph 1.1.4.
- 1.2.5 The Panel discusses office tenancy size caps for the protection of the CBD in paragraphs [212] to [228] of Decision 11, concluding that on balance the evidence before the Panel justified the imposition of a tenancy cap.

1.3 EVALUATION

- 1.3.1 The new proposal, as described above, is based on the following evaluation that follows in this report.
- 1.3.2 The proposed 500m² tenancy cap rules included in the Proposal have been evaluated against the objectives included by the Hearings Panel in Decision 11 (Section 6 of this evaluation). The specific directions of the Panel contained in that

¹ Section 12 of the Statement of Evidence of Mark David Stevenson on behalf of Christchurch City Council Planning 2 September 2015, and Joint Memorandum of Counsel on behalf of Christchurch City Council, Every Import Limited (#2052) and Julian Sanderson (#2045) dated 15 September 2015.

decision that relate to a limit on tenancy size in Key Activity Centres (being District centres and the Neighbourhood centres of Spreydon/Barrington and New Brighton), the Commercial Retail Park zone on Langdons Road, and the Industrial Park zone (Tait Campus and Awatea) are also of relevance to the scale of the evaluation contained in this report.

- 1.3.3 This report has been prepared to fulfill the obligations of the Council under the Resource Management Act 1991 (the Act), and the direction in paragraph [761] of Decision 11. This report should be read together with Decision 11 on the Commercial and Industrial Chapters of the proposed Replacement District Plan and associated evidence filed by the Council and Section 32 evaluation including:
- i. Section 32 report for the Stage 1 Commercial proposal, publicly notified on 27 August 2014; Refer to pages 8, 43, 48 and 75 which are particularly relevant to the proposal;
 - ii. Proposed Christchurch City District Plan Commercial and Industrial chapters Economic Analysis, November 2013 ('Property Economics Report'); Refer to p46 for the recommendations of Property Economics for tenancy limits on offices;
 - iii. "Statement of Evidence of Mark David Stevenson on behalf of Christchurch City Council - Planning 13 April 2015"²; Refer to paragraphs 19.5, 19.14 – 19.24 where relevant to offices, and 21.17 to 21.21 which relates to office activity in the Commercial Retail Park zone; and
 - iv. "Statement of Evidence of Phil Osborne on behalf of Christchurch City Council - Economics 13 April 2015"³; Refer to Paragraph 5.1 in particular.

2.0 STRATEGIC CONTEXT

2.1 PURPOSE OF THE COMMERCIAL AND INDUSTRIAL CHAPTERS

- 2.1.1 The purpose and scope of the Commercial and Industrial Chapters is discussed in the Panel's Decision 11.
- 2.1.2 Decision 11 on the Commercial and Industrial Chapters sets the objectives and policies on
- a. the role of different centres in a hierarchy of centres;
 - b. managing the distribution of commercial activity by directing retail and office activities to centres and restricting such activities in industrial zones;
 - c. the scale, form and design of development in centres;
 - d. the functions of different industrial zones and the outcomes sought; and
 - e. the nature of activities anticipated.
- 2.1.3 It also provides the rules and methods for achieving the objectives.

² <http://www.chchplan.ihp.govt.nz/wp-content/uploads/2015/03/310-CCC-Mark-Stevenson-evidence-planning-brief-of-evidence-CommercialIndustrial-13-4-15.pdf>

³ <http://www.chchplan.ihp.govt.nz/wp-content/uploads/2015/03/310-CCC-Phil-Osborne-evidence-economics-CommercialIndustrial-13-4-15.pdf>

- 2.1.4 Those objectives, policies, rules and methods will also apply to the areas proposed to have a limit on tenancy size for office activity.

3.0 RESEARCH

3.1 PROCESS, INFORMATION SOURCES AND ADVICE

- 3.1 In determining the most appropriate approach to manage commercial activity in accordance with the objectives and policies of the Commercial and Industrial proposals, the Council has received technical advice and assistance from retail and economic experts at Property Economics. This has included a technical report that has informed both proposals and is part of the section 32 report notified by Council for the Commercial and Industrial proposals in stage 1 of the pRDP.
- 3.2 Of relevance to this proposal, Property Economics recommended "*Restricting (either restricted discretionary or discretionary) the development of any commercial office activity above 500sqm outside the Central City. Office activity above this threshold typically accommodates business that serve a much wider city, national or international function, and these activity types would both encourage and stimulate the recovery of the CBD, aside from the economic advantages that these businesses contribute to the economy from locating in the CBD*". (Recommendation 2, p46 of report, being Appendix 8.3 of Section 32 report notified in stage 1⁴).
- 3.3 Where appropriate, the Council has also relied on information provided in evidence to the Stage 1 Commercial and Industrial hearing of the District Plan Review together with opinions expressed to the Panel, particularly by Mr Phil Osborne, who describes the risk to the CBD of businesses locating in suburban centres and other locations. This was in the context of questions from the Panel (p108 of transcript for Commercial and Industrial Stage 1 hearing, Day 1 11 May 2015) [http://www.chchplan.ihp.govt.nz/wp-content/uploads/2015/03/Transcript-IHP_Commercial-Industrial-PART-Monday-11-May-2015.pdf].

4.0 RESOURCE MANAGEMENT ISSUES

4.1 STRATEGIC PLANNING DOCUMENTS

- 4.1.1 The Panel has considered the higher order documents in its Decision 1 and Decision 11. Therefore consideration has already been given to the strategic policy direction in higher order documents and this has been carried through into the objectives and policies of the Commercial and Industrial chapters (Decision version) of the proposed Replacement District Plan. Notwithstanding this, those directions of particular relevance are as follows.

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[http://resources.ccc.govt.nz/files/TheCouncil/policiesreportsstrategies/districtplanning/districtplanreview/Appendix 8.3-PropertyEconomicsReport.pdf](http://resources.ccc.govt.nz/files/TheCouncil/policiesreportsstrategies/districtplanning/districtplanreview/Appendix%208.3-PropertyEconomicsReport.pdf)

- 4.1.2 The Land Use Recovery Plan (LURP) has 10 outcomes, those of particular relevance being that

"Land use recovery integrates with and supports wider recovery activity, particularly within the central city" (underlining is my emphasis) and

"A supportive and certain regulatory environment provides investor confidence to obtain the best outcomes from resources used in the recovery".

- 4.1.3 Objective 6.2.2 of chapter 6 to the Canterbury Regional Policy Statement (CRPS), on urban form and settlement patterns states:

The urban form and settlement pattern in Greater Christchurch is managed to provide sufficient land for rebuilding and recovery needs and set a foundation for future growth, with an urban form that achieves consolidation and intensification of urban areas, and avoids unplanned expansion of urban areas, by:

...

(3) reinforcing the role of the Christchurch central business district within the Greater Christchurch area as identified in the Christchurch Central Recovery Plan;

- 4.1.4 Objective 6.2.5 of chapter 6 to the CRPS states:

Support and maintain the existing network of centres below as the focal points for commercial, community and service activities during the recovery period:

(1) The Central City

(2) Key Activity Centres

(3) Neighbourhood centres.

These centres will be high quality, support a diversity of business opportunities including appropriate mixed-use development, and incorporate good urban design principles.

The development and distribution of commercial activity will avoid significant adverse effects on the function and viability of these centres.

- 4.1.5 Objective 6.2.6 of chapter 6 to the CRPS also states:

Identify and provide for Greater Christchurch's land requirements for the recovery and growth of business activities in a manner that supports the settlement pattern brought about by Objective 6.2.2, recognising that:

...

(3) New commercial activities are primarily directed to the Central City, Key Activity Centres, and neighbourhood centres.

- 4.1.6 In being not inconsistent with the LURP and giving effect to the CRPS, there is a clear direction to reinforce and recognise the role of the Central city as a principal focal point amongst a network of centres and directing new activities to the Central City and other centres.

4.2 ORDER IN COUNCIL

4.2.1 The process for the Replacement District Plan is prescribed by the Order in Council made by Government on 7 July 2014. The Order in Council modifies the Act to provide a streamlined process for the review of the Christchurch City and Banks Peninsula District Plans and preparation of a Replacement District Plan. The Order in Council states that the Council must have particular regard to the Statement of Expectations (Schedule 4 of the order). The relevant expectations for this proposal include the following:

- (a) clearly articulates how decisions about resource use and values will be made, which must be in a manner consistent with an intention to reduce significantly (compared with the existing district plans) —*
- i. reliance on resource consent processes; and*
 - ii. the number, extent, and prescriptiveness of development controls and design standards in the rules, in order to encourage innovation and choice; and*
 - iii. the requirements for notification and written approval:*

(b) provides for the effective functioning of the urban environment of the Christchurch district, reflecting the changes resulting from the Canterbury earthquakes, including changes to population, land suitability, infrastructure and transport:

(e) ensures sufficient and suitable development capacity and land for commercial, industrial, and residential activities:

4.2.2 Overall the proposal responds to the Statement of Expectations as follows:

- a. It contributes to the effective functioning of the CBD and its ability to perform the role anticipated as a principal focal point (clause (b)).

Through directing large office tenancies to the CBD, the proposal facilitates employment and growth in the Central City. For example, it is anticipated to attract uses serving the needs of businesses and employees, residential activity and other investment. There are also benefits for the wider community e.g. access to services to meet their needs.

- b. Sufficient capacity is provided in a suitable location for large office tenancies (clause (e))
- c. While not reducing the requirements for resource consent, the proposal will facilitate large office tenancies in the Central City and limit the same in suburban locations. This in effect articulates how decisions on resource use and values will be made (clause (a)).

It is noted that any Office activity exceeding 1,750 m² is classified as a High trip generator under rule 7.2.3.10 of Proposal 7 (Transport) and requires consent as a Restricted Discretionary activity (RD1 of 7.2.2.2). Any building exceeding 4,000 m² in a District Centre or 1,000 m² in a Neighbourhood centre (including Spreydon/ Barrington and New Brighton) also requires resource consent under

rule 15.2.3.1 of Proposal 15 as a Controlled or Restricted Discretionary activity. Therefore, in circumstances where a development with tenancies of greater than 500 m² is proposed in a Key Activity Centre, which exceeds one or more of these thresholds, resource consent will be required anyway.

4.2.3 Non-compliance

Any non-compliance arising with activity specific standards for Office activity (P10 of rule 15.2.2.1) in the Commercial Core zone is Restricted Discretionary (RD6 of rule 15.2.2.3), enabling an assessment against relevant matters of discretion on maximum tenancy size (15.8.2.1 and Centre vitality and amenity (15.8.2.4).

In the Commercial Retail Park zone (located north of Langdons Road), any non-compliance with activity specific standards for Office activity (P19 of rule 15.5.2.1) is Discretionary (D2 of rule 15.5.2.4).

In the Industrial Park zone, any non-compliance with the activity specific standards for Office activity (P11 of rule 16.4.2.1) is Restricted Discretionary (RD2 of rule 16.4.2.3).

Therefore the activity status for consent that non-compliance triggers is different for the Commercial Retail Park zone, but this is a consequence of the Retail Park zone rules.

Having regard to the activity status for a non-compliance, there is an opportunity for applicants to demonstrate that their proposal is appropriate with matters of discretion being limited in the Commercial Core and Industrial Park zones. Relative to a more stringent consent path, this will minimise transaction costs.

4.3 STRATEGIC DIRECTIONS OBJECTIVES

4.3.1 The Strategic Directions chapter of the pRDP has a number of objectives of relevance to the proposal including:

Objective 3.3.1

The expedited recovery and future enhancement of Christchurch as a dynamic, prosperous and internationally competitive city, in a manner that:

- a. Meets the community's immediate and longer term needs for housing, economic development, community facilities, infrastructure, transport, and social and cultural wellbeing; and*
- b. Fosters investment certainty; and*
- c. Sustains the important qualities and values of the natural environment*

Objective 3.3.2

The District Plan, through its preparation, change, interpretation and implementation:

- a. Minimises:*
 - i. transaction costs and reliance on resource consent processes; and*

- ii. *the number, extent, and prescriptiveness of development controls and design standards in the rules, in order to encourage innovation and choice; and*
- iii. *the requirements for notification and written approval; and*

b. Sets objectives and policies that clearly state the outcomes intended; and

c. Uses clear, concise language so that the District Plan is easy to understand and use.

Objective 3.3.5

The critical importance of business and economic prosperity to Christchurch's recovery and to community wellbeing and resilience is recognised and a range of opportunities provided for business activities to establish and prosper.

Objective 3.3.7

A well-integrated pattern of development and infrastructure, a consolidated urban form, and a. Is attractive to residents, business and visitors; and

b. Has its areas of special character and amenity value identified and their specifically recognised values appropriately managed; and

c. Provides for urban activities only:

i. within the existing urban areas; and

ii. on greenfield land on the periphery of Christchurch's urban area identified in accordance with the Greenfield Priority Areas in the Canterbury Regional Policy Statement Chapter 6, Map A; and

d. Increases the housing development opportunities in the urban area to meet the intensification targets specified in the Canterbury Regional Policy Statement, Chapter 6, Objective 6.2.2 (1); particularly:

i. in and around the Central City, Key Activity Centres (as identified in the Canterbury Regional Policy Statement), larger neighbourhood centres, and nodes of core public transport routes; and

ii. in those parts of Residential Greenfield Priority Areas identified in Map A, Chapter 6 of the Canterbury Regional Policy Statement; and

iii. in suitable brownfield areas; and

e. Maintains and enhances the Central City, Key Activity Centres and Neighbourhood Centres as community focal points; and

f. Identifies opportunities for, and supports, the redevelopment of brownfield sites for residential, business or mixed use activities; and

g. Promotes the re-use and re-development of buildings and land; and

h. Improves overall accessibility and connectivity for people, transport (including opportunities for walking, cycling and public transport) and services; and

i. Promotes the safe, efficient and effective provision and use of infrastructure, including the optimisation of the use of existing infrastructure; and

j. Co-ordinates the nature, timing and sequencing of new development with the funding, implementation and operation of necessary transport and other infrastructure.

Objective 3.3.8

a. The Central City is revitalised as the primary community focal point for the people of Christchurch; and

b. *The amenity values, function and viability of the Central City are enhanced through private and public sector investment.*

Objective 3.3.10

The recovery and stimulation of commercial and industrial activities in a way that expedites recovery and long-term economic and employment growth through:

a. Enabling rebuilding of existing business areas, revitalising of centres, and provision in greenfield areas; and

b. Ensuring sufficient and suitable land development capacity

The evaluation in section 6.0 considers the appropriateness of the rule in achieving a number of these Objectives, and Objectives of the Commercial chapter.

4.4 RESOURCE MANAGEMENT ISSUE IDENTIFIED

RESOURCE MANAGEMENT ISSUE 1 – The dispersal of larger office tenants in suburban areas post-earthquake and the effect on the recovery of the Central City

4.4.1 The evidence of Mr Phil Osborne⁵ summarises the issue of dispersed business activity in a post-earthquake environment and the effect of this on the Central City and wider economy. For ease of reference, the relevant extracts are copied below -

A change perpetuated in the Christchurch economy post-earthquake is the decentralisation of business activity (specifically commercial) from identified centres. This dilution of activity will have long-term impacts upon the competitiveness and economic prosperity of the Christchurch community.

This change is not simply an effect of the loss of substantial capacity from the CBD as a result of the earthquakes. This trend had been of concern for at least 10 years prior.

In 2000 the CBD accounted for 53% of commercial activity within the City. By 2010 this figure had fallen by over 20% to under 41%. The competitive deterioration of the CBD has diverted commercial activity throughout the City with commercial activity now becoming increasingly dispersed throughout Christchurch.

The key issue that is of concern within the Christchurch economy is the undermining of the wider competitive influence of the CBD and the fact that loss of activity from this, and other centres, is likely to reduce Christchurch's economic competitiveness as a City resulting in a fall in community well-being.

Economic benefits to the Christchurch economy with regard to the Central City are dependent on critical mass (and effective density) that produce improve overall productivity.⁶

4.4.2 Further evaluation of this issue is presented in section 2.2 of the Section 32 report, supporting the Commercial proposal in stage 1 of the pRDP⁷.

⁵ Evidence of Phillip Osborne for the Central City Hearing dated 17 December 2015
<http://www.chchplan.ihp.govt.nz/wp-content/uploads/2015/08/3723-CCC-Central-City-Phil-Osborne-Evidence-Economics-17-12-20151.pdf>

⁶ Paragraphs 3.1 to 3.5 of Evidence in chief of Mr Phil Osborne for the hearing of the Central City proposal.

5.0 SCALE AND SIGNIFICANCE EVALUATION

5.1 LEVEL OF DETAIL

5.1.1 The level of detail required for the evaluation of the proposed Replacement District Plan provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions. The scale and significance assessment considers the environmental, economic, social and cultural effects of the provisions and whether the provision:

- is directed by a higher order document; and/or
- is important to resolve an issue or problem particularly to protect life and property; and/or
- relates to a wide range of policy options or only variations of a theme; and/or
- where it is a policy direction, radically changes from business as usual under the operative City Plan; and/or
- where it is a policy, will affect reasonable use of land; and/or
- adversely affects specific stakeholder interests including Ngāi Tahu; and/or
- gives rise to adverse effects and whether there is certainty of effects based on the availability of information to assess benefits and costs.

5.1.2 The decision of the Panel limits the potential scope of the matters to be considered and whether the proposed limit on tenancy size of office activity is the most appropriate way to achieve the objectives and policies of the proposed Replacement District Plan, particularly Objective 15.1.2 and Policy 15.1.2.1. Therefore, this requires a focused evaluation as to whether the proposed limits should be included in the pRDP, or whether they should not.

5.1.3 Notwithstanding this, I evaluate the points above as follows.

5.1.4 There is direction from higher order documents that the Central City is the principal focus for a diversity of activities (Objective 12.2), and where the greatest concentration and scale of built development is expected to occur (Policy 12.2.1⁸). Other direction from the LURP and Chapter 6 of the CRPS also signals that the Central City is a focus of activity and that land use recovery supports wider recovery, particularly in a central city context. The latter could be taken to mean that land use decisions should support recovery in a broader strategic context, having regard to the function of the CBD i.e. not allowing for recovery of suburban areas at the expense of the Central City.

5.1.5 If the dispersed activity that has occurred is allowed to continue (while acknowledging that it may be limited to other centres), it creates a risk that the Central City will not recover to the extent that it should in order to support the wider economy. It is therefore an important matter requiring resolution.

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<http://resources.ccc.govt.nz/files/TheCouncil/policiesreportsstrategies/districtplanning/districtplanreview/Section32CommercialChapter.pdf>

⁸ Appendix 1 to the Christchurch Central Recovery Plan

- 5.1.6 The proposed tenancy limit is a change from the operative City Plan which has no such limitations on office tenancy. As a consequence, it may preclude the scale of office activity that may have been anticipated by a landowner, foreclosing their options. However, it does not impede other uses of the land or smaller tenancies in a large office building, therefore not affecting the 'reasonable use' of land to a large extent.
- 5.1.7 Having regard to the points above, the proposal is of a moderate significance in that it affects landowners and occupants in commercial centres and the other locations. However, the wider community at large is not affected to the same extent, if at all.

5.2 EVALUATION OF OBJECTIVES

- 5.2.1 Section 32(1)(a) of the Resource Management Act requires the Council to evaluate the extent to which the objectives are the most appropriate way to achieve the purpose (section 5) of the Act.
- 5.2.2 No evaluation of objectives is necessary because this proposal does not propose any new objectives or any changes to existing objectives. Rather it proposes provisions (methods) to respond to the objectives that have already been considered and confirmed by the IHP through their Decisions 1 and 11.
- 5.2.3 Therefore, in the case of this proposal, the proposed provisions are to be assessed against whether they are the most appropriate to achieve the relevant objectives. This analysis is provided in Section 6 below.

6.0 EVALUATION OF PROPOSED RULE

- 6.1 Section 32(1)(b) requires an evaluation of whether the provisions are the most appropriate way to achieve the objectives by identifying other reasonable practicable options, assessing the efficiency and effectiveness of the provisions in achieving the objectives, and summarising the reasons for deciding on the provisions.
- 6.2 The evaluation must identify and assess the benefits and costs of environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions, including opportunities for economic growth and employment. The assessment must if practicable quantify the benefits and costs and assess the risk of acting or not acting if there is uncertain or insufficient information available about the subject matter.
- 6.3 The following two options were evaluated to determine the most appropriate method to address the resource management issue described in section 4.3.
- Option A: Introduce a maximum limit on tenancy size of 500 m² for office activity in the defined locations (all Key Activity Centres, Industrial Park Zone – Tait Campus and Awatea, and Commercial Retail Park zone - Langdons Road).

- Option B: Retain the provisions of the Decisions Version of the Commercial and Industrial Chapters (part) of the pRDP – a limit on tenancy size of office activity only in Neighbourhood centres (excluding Spreydon/Barrington).

Option A – Appropriateness in achieving Objectives of the pRDP

- 6.4 Option A supports the achievement of Objective 15.1.2 of the Commercial proposal (Decision version), particularly clauses (iv) and (v) of giving primacy to the Central City and consistency with the role of centres. It is also consistent with the general Objectives 3.3.1, 3.3.5, 3.3.7 (particularly subclause e) and specific Objective 3.3.8, which recognises the Central City as the primary community focal point.
- 6.5 Table 15.1 as referenced in clause (v) of Objective 15.1.2 describes the role of each type of centre in the network, including the CBD as the “*principal employment and business centre for the city and wider region*” including “*a wide range and scale of activities*”⁹. Of those centres where a tenancy limit is proposed, District centres are described as a “*focal point for employment (including offices)*”¹⁰. While some District centres current have offices of a large scale, larger tenants are anticipated to locate in the Central City under this policy framework, having regard to their contribution in terms of employment to the CBD’s role as a ‘principal employment centre’.
- 6.6 The proposal is not necessarily effective in achieving clause (vii) of supporting the recovery of centres that sustained significant damage. While it supports the recovery of the Central City, it is less effective in facilitating the recovery of suburban centres such as Eastgate/ Linwood by limiting the potential for larger offices tenancies. Notwithstanding this, the Commercial proposal, subject to Decision 11, continues to recognise the Key Activity Centres as community focal points for a range of activities (Objective 15.1.2 of the Commercial chapter, being Decision 11, and Objective 3.3.7 of the Strategic Directions chapter, being Decision 1). The chapter also supports the recovery of centres that sustained significant damage including Linwood/ Eastgate (Objective 15.1.2 of the Commercial chapter (Decision 11)). The provision made for intensification around KACs in the Residential proposal (Decision 10) also supports the growth and recovery of all KACs.
- 6.7 In encouraging larger tenancies in the CBD, it will enhance the vitality and amenity of the central city due to increased employment levels and associated activity, consistent with Objective 15.1.2 of the Commercial proposal. This will assist in its revitalisation of the Central City, consistent with Objective 3.3.8 of the Strategic

⁹ “*Principal employment and business centre for the city and wider region and to become the primary destination for a wide range and scale of activities including comparison shopping, dining and night life, entertainment, guest accommodation, events, cultural and tourism activities.*”

Provides for residential activity at higher densities, recreational and community activities and facilities (including health and social services) as well as civic and cultural venues/ facilities (including museums, art galleries)

Serves the City’s population and visitors to the City.

The focus for City, sub-regional and wider transport services with a central Transport interchange), providing access to large areas of the city and the surrounding districts of Selwyn and Waimakariri by public transport.”

¹⁰ Noting that the Commercial Retail Park zone (Langdons Road) for which a tenancy limit is proposed is part of a District centre, Papanui/ Northlands.

Directions proposal and support an expedited recovery (Objective 3.3.1 of the Strategic Directions proposal).

- 6.8 It is also appropriate in achieving Objective 15.1.4, which seeks a scale of development consistent with the role of a centre. As Table 1 describes, the CBD is the principal centre and this aligns with the CCRP.
- 6.9 As discussed earlier, it will not reduce consenting requirements compared to the operative City Plan, particularly in District centres or other locations where a tenancy limit is proposed, potentially inconsistent with objective 3.3.2 (a) of the Strategic Directions proposal. However, it will provide clarity of the outcome anticipated (3.3.2(c)), in effect, fostering investment certainty (Objective 3.3.1(b)).

Option B – Appropriateness in achieving Objectives of the pRDP

- 6.10 Retaining limits on tenancy size in Neighbourhood centres (excluding Spreydon/Barrington) but not District centres and in other locations is consistent with Objective 15.1.2 (v) in retaining a distinction between the scale of office activity anticipated in different centres. Table 15.1 of the Commercial proposal describes Neighbourhood centres as having a range of activities in some cases including “small scale offices”. This option therefore aligns with this outcome.
- 6.11 A rule limiting tenancy size in Neighbourhood centres only (except for Spreydon/Barrington) also supports Objective 15.1.4 which seeks a scale of development consistent with the role of a centre. It draws a distinction between Neighbourhood centres and higher order centres (CBD and District centres), reflecting the distinction made in Policy 6.3.6(3) of chapter 6 to the CRPS, although as Spreydon/Barrington is excluded, it would be an exemption to this approach.
- 6.12 The option supports recovery of the CBD and its revitalisation, consistent with Objectives 3.3.8 and 15.1.2 (vii). However, it is not to the same extent as option A, which limits large office tenancies to the CBD. This option supports the recovery of District centres that sustained significant damage, namely Linwood, by enabling larger tenancies.
- 6.13 Option B is not as appropriate as Option A in achieving Objectives 3.3.8 and 15.1.2 (iv) of supporting the Central City as the primary community focal point and of giving primacy to it. There is effectively a lost opportunity to direct demand to the CBD with Option B.
- 6.14 The choice that Option B provides for location of larger office tenancies is consistent with Objective 3.3.2(a) although it does not necessarily minimise consenting requirements, particularly for office activity in neighbourhood centres relative to the operative plan (which has no equivalent tenancy limit). It may assist in meeting the community’s needs, consistent with Objective 3.3.1 (a) but does not support clarity in the outcomes sought (of giving primacy to the CBD) or fostering investment certainty of what is being done to support recovery of the CBD.
- 6.15 The benefits and costs of the two options are, to the extent possible in the time available, evaluated in the table below.

OPTION	BENEFITS	COSTS
<p>Option A: Introduce a maximum limit on tenancy size of 500 m² for office activity in the defined locations</p>	<p>Encourages large office activity (above 500m²) within the CBD, rather than in the CBD and District Centres. This will subsequently stimulate the recovery of the CBD and produce associated economic advantages. Businesses greater than 500m² typically serve a wider city function, therefore being located within the CBD is the most appropriate location.</p> <p>Positive effect on amenity values for office workers in the CBD, which is currently lacking.</p> <p>Provides certainty for investors that plan to rebuild within the CBD that other large offices will also be encouraged and directed to rebuild in the CBD.</p> <p>The method supports the level of public investment of the CBD through recognition that the CBD is given primacy ahead of other centres.</p> <p>The Commercial chapter continues to recognise KACs as community focal points for a range of activities (Objective 15.1.2 of the Commercial chapter, and intensification around in and around them (Decision 10) to facilitate investment.</p>	<p>Imposes new restrictions and reduced flexibility for landowners in terms of new development allowed within District centres (KACs) (incl. the Commercial Retail Park on Langdons Road), and Industrial Park zones at Tait and Awatea.</p> <p>May impede the recovery of District centres, particularly those that sustained damage and are still vulnerable e.g. Linwood</p> <p>The method does not support the development and investment in KACs by limiting the establishment of large offices.</p> <p>Potential for reduced levels of amenity in District centres and other locations due to limitations on investment/ activity/ employment per tenancy.</p>
<p>Option B: Retain the provisions of the Notified Version of the Commercial and Industrial Chapters (part) of the pRDP – a Limit on tenancy size of office activity in Neighbourhood centres only</p>	<p>Provides choice in the locations that larger office tenancies are provided for</p> <p>The method gives primacy to KACs (by limiting tenancy size in lower order centres), ensuring an efficient distribution of office activities</p>	<p>May compromise the recovery of the CBD by allowing office activity to be located outside the CBD.</p> <p>Centres close to the CBD pose a risk to the recovery of the CBD, having regard to the existing lack of amenity for</p>

OPTION	BENEFITS	COSTS
	<p>serving the needs of communities across Christchurch.</p> <p>The method distinguishes between the different roles of centres, ensuring that the extent and scale of office development is appropriate to its role.</p> <p>Supports KACs as community focal points, enabling the needs of people and communities in the surrounding area to be met.</p> <p>Ensures access to goods and services and employment opportunities to those living around KACs, particularly for those without access to a private vehicle.</p>	<p>office workers in the CBD and the good transport routes available to those centres.</p> <p>Development of any office activity above 500m² is generally expected to be located in the CBD rather than in a suburban centre, curtailing the outcomes anticipated by the community.</p> <p>Provides uncertainty for investors that plan to rebuild within the CBD due to flexibility where large offices can be located.</p>

7.0 The risk of acting or not acting

7.1 The risk of not acting is that the current provisions will potentially jeopardise the recovery of the CBD, in particular not providing the encouragement and direction for large offices to be located in the central city. The risk of acting is considered minor, and is associated with providing less support to KACs and other locations where the tenancy size of office activity is proposed to be restricted.

8.0 Direction of the Panel

8.1 This approach will fulfill the direction of the Panel in their Decision 11, paragraph 761 and the Correction Decision.

9.0 Conclusion

9.1 The options identified above, in regards to introducing a limit on the individual tenancy size for office activity in KACs, Industrial Park zone and Commercial Retail Park zone, all have associated benefits and costs.

9.2 It is concluded that Option A is the most appropriate option in supporting the revitalisation and recovery of the Christchurch CBD, providing for offices in a location where they are generally anticipated and consistent with the objectives of the pRDP. This is also consistent with the approach taken in the Panel's Decision 11 and the Correction Decision.