

**KAPITI COAST DISTRICT COUNCIL**

**PRIVATE PLAN CHANGE 84 : AIRPORT ZONE**

**ECONOMIC RESPONSE TO HEARING PANEL MINUTE 3 (23 FEBRUARY 2017)**

**Philip Osborne**

**17 March 2017**

1. In paragraphs 10,13,14 and 17 of Minute 3, the Hearing Panel put forward questions that sought clarification and confirmation of my economic position on Plan Change 84 in the context of the evidence that had been presented during the hearing by both the proponent of the plan change and submitters against, specifically in relation to the relevant economic experts that had presented evidence.
2. This response addresses the questions raised in Minute 3.
3. Paragraph 10 of Minute 3 raises an 'over-arching' question of the resolve of my recommendations to the Reporting Officer given the economic evidence provided on behalf of KCAHL. Given that my position is also related to the relevant retail distributional impacts I have considered this evidence in my response as well.
4. Essentially my position remains unchanged. I hold this position on the basis of two issues. Firstly that no evidence has been presented that would suggest that permitting KCAHL's position will result in a positive overall economic position in terms of community well-being, in fact the position remains that in running contrary to the Council's position the community are likely to suffer the economic costs of continued dispersed activity.
5. Secondly, the specific retail impacts would suggest that the KCAHL position is likely to result, for the most part, in a simple redistribution of retail spend negating the significant potential economic benefits associated with increased retention.
6. Paragraph 13. From an economic viewpoint I would suggest that in this situation there is limited risk moving the activities proposed from Prohibited to Non-Complying. The risks associated with dislocated retail activity, and the unhealthy competition of centres that represent significant economic assets to the wider community, can I believe be

assessed through a non-complying activity status while still safeguarding against incremental effects through recognition of the underlying objectives of the Plan.

7. Reduced flexibility under deferring activity status comes at a potential cost, allowing for an application for commercial activity as a non-complying activity allows for a possibility that there are circumstances under which these activities would not result in net economic losses to the community.
8. Paragraph 14. While my evidence does not deal directly with the specific level of activity it is based on an enabled position. This relates to a position that the market could reach rather than that already consented.
9. Paragraph 17. The issue was raised with regard to the potential conflating of the ODP with the PDP in relation to supermarket provision. On further reflection I would agree that the two sets of District Plan provisions have, in some aspects, been conflated these. Under the ODP the existing New World store is defined as a food & grocery stores, not a supermarket. While I would not agree with the ODP's definition (and supermarket GFA threshold), it is the definition that is currently relevant. The PDP proposes to reduce the supermarket definition to 1,000sqm GFA which would by default make the existing New World store at the airport fall within the definition of a supermarket. Given this under the ODP allowing a supermarket within the Airport Zone could result in both the existing food and grocery store of approximately 1,499sqm and an additional 'supermarket. Therefore, based on applying the ODP provisions my position is there should be no supermarket within the Airport Zone, as there would be potential for another supermarket brand to establish within the Airport Zone until the PDP becomes operative.

**Phil Osborne**

17 March 2017