

**Kapiti Coast SH1 Expressway Concepts
Technical Advice to support KCDC Submission to NZTA**

ECONOMIC EFFECTS

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Our Brief

Economic Effects

1. *Assess the local economic effects arising from the proposal, in particular the disconnection of town centre areas and established businesses from the State Highway and resulting indirect access through the local network.*
2. *How might this vary over time? i.e. if town centres and business areas reshape/relocate to suit the changed environment, how long might this take, what recovery might occur?*
3. *What is the cost of adaption for the town centres of Paraparaumu, Waikanae and Otaki? Also related to this question in the initial brief, the client subsequently asked for an assessment of a possible “mitigation package” to assist the transition of communities impacted by the bypass.*
4. *Private property impacts - what will this do to property values and how does this affect the local economy?*

Summary of key economic impacts of expressway option in Kapiti

Impacted party	Economic effects –including property values & timing
The expressway proposals represent bypasses built to rural motorway standards, requiring extensive urban property acquisition, to high-speed standards and with very limited local access.	
a) Regional community	The long-term impact on regional economic activity is likely to be positive overall due to increased transport capacity and improved connectivity.
b) Wider Kapiti District Community as a whole	<ul style="list-style-type: none"> • The long-term impact on economic activity within Kapiti District is also likely to be positive overall. • Properties with improved access could see value increases of around 10% <i>over time</i>. <u>But</u> there is a real risk that some parties within the district will be net losers – noted below. • The impacts are critically dependent on the quality of connections with local communities. • The expressway bypass proposals however, miss the opportunity to move towards a more diversified economic base that might be available from proposals that better integrate transport links and land uses.
c) Impacted parties within District	
<ul style="list-style-type: none"> • Paraparaumu Town Centre 	<ul style="list-style-type: none"> • A threat of short-term decline in retail trade over five years arising from changes to access routes, the partial development of the WLR and the transfer of trade to new junctions. Across all three town centres this loss could be in the order of \$40m in 2004 prices and the possibility of even higher or longer-term impacts. See also, potential costs of “planning blight” below. • Risks of increased retail leakage if other shopping centres are perceived to be more accessible and attractive. • An associated threat of a medium-term decline in property values or growth rates.
<ul style="list-style-type: none"> • Waikanae Town Centre 	A threat of longer-term decline or reduced growth with future development likely to be based on a purely local service centre.
<ul style="list-style-type: none"> • Otaki Town Centre 	Potentially significant impacts from a bypass if local connections are not of good quality, given the current reliance on passing trade and out of area ‘destination’ shopping. .
<ul style="list-style-type: none"> • Airport land 	Some restriction on development prospects, due to reduced attractiveness, given more difficult access to the north.
<ul style="list-style-type: none"> • Residents – other than those directly affected by route 	Probability of accelerated property value increase over the medium to long term due to improved accessibility for long distance commuting. Nature of changes in local access needs further assessment.

<ul style="list-style-type: none"> Land owners around interchanges 	<p>Increase in property values over medium term due to development potential at the restricted number of new access points. These value increases are likely to be well in excess of the increases experienced by developed properties.</p>
<ul style="list-style-type: none"> Directly affected land owners / “Planning Blights” 	<ul style="list-style-type: none"> Significant customer loss for businesses on current SH1 strip. While directly affected landowners are compensated under the Public Works Act, long periods of uncertainty over the route and timing of the expressway is likely to lead to deferred investment, reduced maintenance and increased vacancy rates. These effects represent material economic impact that are not compensated for.
<p>Transport related mitigation measures</p>	
<ul style="list-style-type: none"> Locate junctions closer to centres (for example: move the currently proposed Poplar Ave junction to the north and move the Pekapeka junction closer to Waikanae. (An alternative approach would be to introduce additional junctions to improve local access to and from the State Highways). Make junctions more accessible, including easy provision for movements in all directions (at present Poplar Avenue is limited access, Pekapeka under Option 2 is also limited access and Otaki appears to be overly complex). Completion of Western Link ‘central section’ (between Kapiti Road and Otaihanga Road) and associated local networks to provide an Otaihanga-Poplar spine. This would greatly reduce the potential for all movement junctions on the State Highway to attract short local trips. High quality destination signing and branding of town centres and attractions for retail, services and tourism. Funding assistance to review district retailing and economic growth strategies in the light of transport network changes. NZTA acceptance of adjustments to planning policy, for example, potential employment and limited retail uses at new access points to the State Highway especially at Otaihanga. Investment in management and environmental enhancement measures on bypassed local network (including former State Highway) to fully capture potential benefits and safety improvements. 	
<p>Other mitigation measures</p> <p>If these transport related mitigation measure are not available, then local communities will need the resources and strategy to mitigate the economic impacts in other ways, such as more comprehensive town centre development, marketing, branding and business transition funding. Our view is that mitigation investment that can be tied to obviously transport orientated mitigation work is likely to have a higher chance of approval on the basis of NZTA funding criteria and similar project precedent elsewhere.</p>	

Expressway economic impacts in Kapiti

1. The Kapiti Coast economy is dominated by locally focused activities serving a residential base of commuters and retirees. There are however activities that are integrated with the rest of the region and the prospects for growth in these externally focused businesses are also important for the development of a balanced economy. Retailing is the largest employer. Other important sectors include: construction, education, personal services (including finance), aged care, niche manufacturing and tourism.
2. The options proposed for the Kapiti expressway represent different forms of community bypasses, built to rural motorway standards with high design speeds and very limited access. However, due to various constraints, the design of the expressway options means that a considerable amount of construction (of the expressway itself in the form of widened State Highway and also a number of service roads) is proposed to take place 'on-line' through the centre of existing communities. The effect of this (in addition to the direct impact on economic activity due to property acquisition) is to limit the amount of relief that will be experienced by the local road network, partly due to the on-line nature of the options and partly due to the access restrictions placed on the proposed expressway which means that local traffic wishing to access the State Highway will have to travel further to do this. This means that the proposed options may not generate the economic benefits that could be expected from a 'typical' community bypass. In addition, because the construction is on an existing working route, the disruption costs are likely to be significantly greater.
3. The long-term impact on economic activity for the Wellington region is likely to be positive overall. International literature suggests that bypasses generally result in an overall and long-term gain to most business activity. This is primarily due to improvements in strategic connectivity, reductions in travel times and improved travel time reliability (See literature summary in Appendix One).
4. The significant improvement in accessibility due to better State Highway connections to the main regional centres, particularly for Wellington commuters, can be expected to support (and be incorporated into) the continued growth in land and property values. A 2009 report on the Economic Impact of the Western Link Road¹ (WLR) notes the difficulties in pinning down the precise impacts, but quotes a local valuer's view that 10-12% increases in residential property values might be occasioned by

¹ Para 120, Western Link Road: Economic Impacts, Brent Wheeler, July 2009.

improvements in the network. The report argues that a WLR of a suitable design is needed to open up sites for development and to improve the range of activities and employment types in the civic centre. If this is implemented it would be likely to increase employment and GDP above and beyond expected population growth rates and over time will reduce spending and employment 'leakage to other centres as Kapiti becomes more self sufficient. The expressway proposals do not provide for a completed WLR and the western option proposes to use part of the WLR alignment for the expressway. The expressway proposals by replacing a connecting link with a barrier through route could therefore damage to some extent the prospects for further economic diversification and maturity identified by Wheeler.

5. On balance we believe the expressway bypass proposals would likely have an overall benefit with increases in the capital value of properties across Paraparaumu, Waikanae, and Otaki over a long time period. These gains would likely be a zero sum result with Kapiti's gain being the loss of Wellington and other centres. Owners of undeveloped land would likely see the biggest percentage gains in value. The expressway proposals however miss the opportunity to secure the potential economic gains of an economy that moves from commuter suburb to a more diversified base.
6. In addition, locally it is usually the case that in the medium to long term, improved local network conditions will lead to continued growth in economic activity and the location of new accessible land on the bypass typically leads to new economic development. However, the effect on local areas is not always positive, especially for town centre retailing in the short to medium term. The design of bypass is a significant factor in determining the severity of local economic impacts experienced (See literature summary in Appendix One). The literature notes that a typical approach to economic appraisal of transport investments may not fully capture the impacts where there are spatial effects².
7. International literature suggests that a typical bypass can result in small but significant retail activity impacts within bypassed centres. Factors affecting the scale of these impacts are the size of the local centres, the extent of relief to the local network and the proximity of the new access junctions. The nature of the impact is several fold, namely: disruption/deterrence of established movement patterns (due to construction, network changes and unfamiliarity) and the resultant delay in re-establishing a new customer base to replace lost visibility and the loss of potential customers now passing through the area rather than (formerly)

² DfT Transport investment intensity and economic growth report SACTRA, 1999.

stopping. One study from the USA³ compared the retail performance of a number of bypassed communities of comparable scale to those in Kapiti and found that on average a reduction in retail growth of 2.7% could be expected for a 5 year period after the introduction of the bypass, before returning to a normal growth trend. If this impact was assumed for Kapiti, then the impact could amount to a loss to retailing of the order of \$40m over a five-year period (2004 prices).⁴

8. Further particular characteristics of the Kapiti Expressway “bypass” options distinguish it from a typical bypass.
 - a) The existing SH1 access to local town centres is via immediate and convenient exits offering high visibility of the destination and intuitive understanding of entrance and exit routes. This is proposed to be replaced with severely limited and potentially confusing access to and from the local network. For example, the options contain only one relatively compact and ‘all movements’ access junction (at Otaihangā) between the local and strategic networks between Raumati and Otaki. The infrequency of interchanges and their layout characteristics means that the local connections from these interchanges to town centres are circuitous and may be of an inconsistent standard along their length. In the case of Paraparaumu, the local road network is only partially developed, as the Western Link Road is not completed in the proposals. The result of the reduced accessibility to and from the State Highway will be added travel distance and associated increases in the number of junctions that need to be negotiated. This is likely to increase travel times for some movements in the order of an additional 5 minutes. The proposed junction spacing for the Expressway options will increase travel distance and the number of junctions to be negotiated for the majority of trips accessing SH1 from the local network. Local trips displaced from the existing SH1 may also have longer journeys than currently in some cases. The majority of local trips will be unaffected by the expressway or may even benefit from the sections of the WLR proposed. The position regarding travel times is more complex as even ‘through-trips’ may be longer, they may be quicker in some cases as overall network capacity is increased and delays are consequently reduced. However, the local network is not problem-free under the two proposed options. The issues we raise regarding perception, convenience and clarity remain important from a retail point of view as does the issue of development migration to the new junctions - irrespective of the position on local travel times. To be really conclusive on these points, further modeling of forecast traffic movements is required. Further work is required to quantify these impacts

³ Kentucky University, ‘The impact of a new bypass route on the local economy and quality of life,’ June 2001

⁴ Assumes the Paraparaumu retail core, Kapiti Road, Waikanae Town Centre and Otaki SH1 shopping areas make up three quarters of the district’s total retail floor space (P. 30 Kapiti Coast District Retail Strategy 2006) and that this ratio can be used to estimate a \$300m share of the district’s \$400m total household retail spend in 2004 (p.22). i.e. \$300m x 2.7% x 5 years = \$40m (at 2004 prices).

in terms of both the precise designs, locations and status of interchanges and service roads – and also in terms of access times from key points within Kapiti to SH1 and town centres - with and without the Expressway).

- b) Under both options for Paraparaumu, and the eastern option for Waikanae, the expressway remains immediately adjacent to the town centres, and operating at a higher intensity (increased speeds and volumes) compared with the current State Highway. The economic impacts of a typical bypass are at least partially mitigated because lost passing trade is more than made up by induced local trade, which after bypass construction finds the local centre a more accessible and pleasant shopping environment. This potential is limited under the eastern proposal and partially limited under western option which bypasses the Waikanae Town Centre.
- c) The impact on land, property and businesses where road widening and construction would occur is also a significant potential local economic impact (between 200 and 400 land parcels could be affected dependent on the final design of the Expressway. Further work is required on the types and numbers of properties required under each option to allow economic impact to be estimated. Of interest also in economic terms are the potential impact on rail interchanges and the potential effect on rail commuting potential. The western bypass option has a similar effect to the eastern option for Paraparaumu, but does provide Waikanae with considerable relief, although the issue of deterioration in connectivity with the strategic network remains for this community.
- d) The economic impacts on Paraparaumu Town Centre retailing may however, be partially mitigated by the relatively low level of non-resident customers who made up well less than 10% of comparison good spend in 2004.⁵
- e) In the case of Waikanae retailing, the economic scale and profitability of the existing centre may not be sufficient to survive the increased external competition arising from improved access to alternative of shopping in Paraparaumu Town Centre where a wider retail offering is available and also to withstand the loss of passing trade.

⁵ P. vii, Kapiti Coast District Recommended Retail Strategy, McDermott Miller, 2006. In 2004, comparison goods spending in Kapiti District totaled \$164m, of which \$10m came from households outside Kapiti.

- f) In the case of Otaki retailing, we expect the overwhelming majority of business is sourced from non-local customers. Circuitous and potentially confusing entry and exit points associated with the proposed Expressway junction could have a significant impact, although the 'outlet store' focus to this area makes it more of a known destination and therefore it may be better able to survive access changes. The majority of current retailers feel that the current proposals will negatively affect their businesses to a moderate degree (Reference: KCDC Survey September 2009)
9. For these reasons in the section above, a 2.7% average reduction in local retail activity for an adjustment period of around five years before returning to a normal growth trend might represent an average or best-case scenario. Given the particular nature of the Expressway proposals, a more probable scenario might be a higher or longer-term loss in retail activity, perhaps until additional network changes or additional (and possibly relocated) retail development takes place.
10. Degradation of access quality to and from SH1 could also impact the development prospects for Paraparaumu Airport and other commercial land, which has the potential to be unlocked by the completion of the Western Link Road and complementary connections to the State Highway. While the limited Western Link Road elements contained in the Expressway proposals may improve access to the south, the access to the north will continue to be through Paraparaumu Town centre, but with a more circuitous route to an interchange at Otaihanga. The quality of the integration of these local links with local land uses was identified in the Brent Wheeler report⁶ as being critical to achieving a potential substantial lift in economic activity relative to a restricted access design for the Western Link Road.

Shift in the geographic focus of business activity

11. There is almost certain to be pressure for migration of development to the new, well accessed, interchange points at a distance from the existing town centres. Whilst this does create an economic growth potential, we are advised that the NZ planning system has had little long-term success in preventing retail development in these new areas, which if not carefully planned could compete adversely with existing town centres. The economic impacts of this shift could include the following issues.

⁶ ibid

- A transfer of land value from existing town centres to land around the new interchanges. While this transfer may appear to create little net economic impact on the district, there would likely be losses from the uncertainty, the disruption during the period of readjustment and the redundancy of Council investment in the town centre.
- Vacancy rates and a downgrading of the overall retail offer in centres is also likely to occur under this scenario. The character of the existing centre is likely to change with a reduction in retail and an increase in other businesses less reliant on easy access to high volume roads.
- The 2006 Retail strategy suggests that such a dispersed retail offering would deliver less over retail spending growth for the District. The possible scale of this economic impact could be reduced growth expectations for retail and commercial development in Paraparaumu Town Centre.

Planning Blight

12. Directly affected landowners are compensated under the Public Works Act at valuation levels comparable to “unblighted properties. This compensation is however, likely paid after a long period of planning uncertainty. During this time of uncertainty over the route and timing of the expressway, property maintenance declines, quality of the environment deteriorates and therefore vacancies rise and rental income falls. The costs of these impacts before the time of compulsory property purchase are not compensated for, and are a loss to the economy. Therefore Kapiti Coast District should work to avoid a drawn out period of uncertainty for any option. The western option with the Waikanae Bypass is probably more problematic than the eastern option built largely on the existing route and therefore likely has a greater cost of uncertainty.

Eastern (on existing route) and western (bypass of Waikanae) options

13. The major economic risk for the district is the loss of existing, and reduced future growth of, retail and commercial trade as a result of potentially degraded accessibility from the state highway to the local network. The eastern and western options have very similar impacts in this respect. The western Waikanae bypass option would likely have greater impact on the Waikanae Town Centre if a junction were provided at Te Moana Road. This option may also have greater impact on the ability to deliver the planned land use development benefits that are integrated with the Western Link Road proposals. If the Western option is likely to have more difficulty gaining consents, then the “planning blight” costs of uncertainty may be greater than the eastern option.

14. Mitigation strategy / Costs of mitigation

- a) Locate junctions closer to centres (for example: move the currently proposed Poplar Ave junction to the north and move the Pekapeka junction closer to Waikanae. (An alternative approach would be to introduce additional junctions to improve local access to and from the State Highways).
- b) Make junctions more accessible, including easy provision for movements in all directions (at present Poplar Avenue is limited access, Pekapeka under the western option appears to have limited access and Otaki appears to be overly complex)
- c) Completion of Western Link central section and associated local networks to provide an Otaihanga-Poplar spine. This would greatly reduce the potential for all movement junctions on the State Highway to attract short local trips.
- d) High quality destination signing and branding of town centres and attractions for retail, services and tourism.
- e) NZTA acceptance of adjustments to planning policy, for example, potential employment and limited retail uses at new access points to the State Highway, especially at Otaihanga.
- f) Funding assistance to review district retailing, economic growth and town centre development strategies in the light of transport network changes.
- g) Investment in management and environmental enhancement measures on bypassed local network (including former State Highway) to fully capture potential benefits and safety improvements.
- h) Reduce period of any planning uncertainty.

Non-transport mitigation package

- i) If these transport related mitigation measure are not available, then local communities will need the resources to mitigate the economic impacts in other ways such as more comprehensive town centre development, marketing, branding and business transition funding. Our view is that mitigation investment that can be tied to obviously transport orientated mitigation work is likely to gain far easier acceptance with the NZTA.

Appendix One. Summary of literature on economic impact of community bypasses

Reference	Findings	
BTCE, <i>'The effects on small towns of being bypassed by a highway,'</i> August 1994	The short to medium retail sales impact on two small Australian towns, as a result of being bypassed, was estimated at +5.6% and -4.5%.	Table 3
California Department of Transportation, <i>'California Bypass Study, The Economic Impacts of Bypasses,'</i> May 2006	<i>"In general, bypasses impact the local economy as a function of the type of traffic addressed. Businesses in communities with heavy local traffic or with through traffic that does not stop will not be impacted. Communities that provide services to pass-through traffic are more likely to be impacted."</i>	P2
DfT, <i>'Transport investment, transport intensity and economic growth report,'</i> SACTRA Report, 1999	Recommendation of appraisal techniques to identify when the economic appraisal of transport investments may not fully capture economic impacts: namely when transport economic appraisal is not comprehensive, where market imperfections exist or where there is a need to identify spatial effects. The report confirms that whilst transport economic appraisal can include most economic effects, it is possible for schemes to generate other (positive or negative) economic impacts.	Ch 10
Kentucky University, <i>'The impact of a new bypass route on the local economy and quality of life,'</i> June 2001	This study found that retail sales growth was reduced in bypassed locations (by 2.7%) and that vacancy rates in these locations increased post-bypass.	Tables 3 and 5
Province of Nova Scotia, <i>'Economic Impact of Highway Bypass Development On Communities,'</i> May 2004	<i>"The key findings indicate that the development of a highway bypass results in short-term impacts primarily to drive through traffic-dependent businesses, but little or no significant long-term economic impacts overall."..... "....a community's ability to adjust to a change in highway alignment and take economic advantage of the improvements in the transportation</i>	P11 & ...p12

	<i>infrastructure is dependent, in part, on the effective implementation of a regional economic development strategy or strategic land use plan."</i>	
Texas University, <i>'Impacts of Highway Relief Routes on Small and Medium Sized Communities,'</i> October 2001	This work produced modeled estimates of the impact on retail sales, as a result of a relief route, in an average small centres of -11.1% and on an average medium sized centre of -1.9%	Project summary 1843-S
TRB (Transportation Research Board), <i>'Current Practices for Assessing Economic Development Impacts from Transportation Investments,'</i> NCHRP Synthesis 290, 2000	Review of appraisal methods of economic development impacts associated with transport. Examples of bypasses are commented on as follows <i>"These various studies essentially showed that local factors can lead to positive or negative impacts.....they generally concluded that bypasses typically had little net effect on the economic activity in most communities, and these impacts were as often positive as negative."</i>	Ch3 p30
TRB, <i>'Economic Impact of Highway Bypasses,'</i> Anderson et al, TRR 1395, 1993	This study concluded that a bypass generally brought a small, but statistically significant, decrease to business volumes in bypassed cities.	p144-152
Wisconsin Department of Transportation, <i>'The economic impacts of highway bypasses on communities,'</i> January 1998	<p><i>"· In most communities, highway bypasses have little adverse impact on overall economic activity. The economies of smaller communities have a greater potential to be adversely impacted by a bypass.</i></p> <ul style="list-style-type: none"> <i>· Over the long term, average traffic levels on the "old routes" in medium and large bypassed communities are close to or higher than pre-bypass counts, indicating continued strong economic activity in those communities and the opportunity for retail trade to flourish.</i> <i>· Very little retail flight has occurred in bypassed</i> 	P4

	<p><i>communities, meaning that few businesses have relocated or developed new operations in areas adjacent to the bypass route.</i></p> <ul style="list-style-type: none"> <i>· Communities view their bypasses as beneficial overall, while at the same time communities and individual businesses understand that the bypasses presented changes that must be addressed proactively.”</i> 	
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Notes: The literature on the economic effects of bypasses identified in this review is of variable standard, uses different methodologies and is not presented in consistent formats, making comparison between findings difficult. It seems clear however that the overall findings are that retailing in bypassed centres may experience short to medium term difficulties – although wider economic benefits are likely to lead to continued retail growth in the longer term.

Appendix Two: Economic Impacts by location and affected party

Summary of possible economic impacts – Paraparaumu (Residents, Town Centre, Kapiti Road & Airport)

A) Eastern Option. Expressway on current SH1 alignment

Impacted party	Benefits	Costs & risks
<p>1.1 Residents – commuters (Paraparaumu & Raumati)</p>	<ul style="list-style-type: none"> • Likely improved local access to Paraparaumu Town Centre, but further investigation needed. • Overall improved long-distance commuter access by car. • Improved property/land values in most cases. 	<ul style="list-style-type: none"> • Longer access to SH1 for northwards travel. • Increased local network distance/time to access State Highway.
<p>1.2 Residents - Non commuters – (retired etc) - (Paraparaumu & Raumati)</p>	<ul style="list-style-type: none"> • Some likely improvements in local access to Paraparaumu Town Centre but further investigation needed. • Improved property land values in most cases. 	<ul style="list-style-type: none"> • Longer access to SH1 for northwards travel.
<p>2.1 Retail – local customer base</p>	<ul style="list-style-type: none"> • Some improvements in local access but further investigation needed. 	<ul style="list-style-type: none"> • Drift of retail development to new interchanges likely to create competition and reduced sales growth. Loss of land value at Town Centre offset by land value increases at new interchanges, but with disruption during transition. • Reliance on old State Highway east of railway does not assist Paraparaumu to consolidate local market and to prevent and further reduce, the significant levels of out of area retail ‘leakage’. • Continued environmental and ‘barrier’ problems in town centre • Acquisition and removal of economic activity for construction purposes and “planning blight” during preceding time of uncertainty.
<p>2.2 Retail – out of area customer base</p>	<ul style="list-style-type: none"> • Faster and safer long distance 	<ul style="list-style-type: none"> • While out of district retail sales are not especially

<p>(small share of total trade)</p>	<p>access to the area.</p>	<p>significant, future growth in this share is threatened by local access degradation (in terms of convenience and legibility of access junctions and local networks)</p> <ul style="list-style-type: none"> • Drift of development to new interchanges likely to create competition and reduced sales growth. Loss of land value at town centre may be offset by land value increases at new interchanges. • Some short-term impacts until out of area customers become familiar with new routes.
<p>3.1 Other Business - local customer base (commercial, personal and household services) located at Town Centre, Kapiti Road and prospective Airport development.</p>	<ul style="list-style-type: none"> • Some likely improvements in local access but further investigation needed. 	<ul style="list-style-type: none"> • Drift of retail development to new interchanges likely to create competition and lengthen development period for existing commercial land at Kapiti Road, Airport & Town Centre. Loss of land value at existing sites may be offset by land value increases at new interchanges
<p>3.2 Other business - (out of area customer base)</p>	<ul style="list-style-type: none"> • Improved long distance access. • Local access to State Highway lengthened. 	<ul style="list-style-type: none"> • Downgraded access from Airport land to northern routes. • Drift of development to new interchanges likely to create competition and lengthen development period for existing commercial land at Kapiti Road, Airport & Town Centre. Loss of land value at existing sites may be offset by land value increases at new interchanges. • Reduced growth prospects for a more diversified local economy if interchanges and local access ways to SH1 are not well signed and developed.

Summary of possible economic impacts – Paraparaumu (Residents, Town Centre, Kapiti Road & Airport)

B) Western Option. Expressway that avoids town centres

There is little material difference between the eastern and western options in terms of economic impact. The route remains largely the same for Paraparaumu and Otaki town centres under both options. The main route difference is the physical bypassing of Waikanae Town Centre under the western option.

The western option bypassing Waikanae would likely have greater impact on the Waikanae Town Centre if a junction were provided at Te Moana Road. This option may also have greater impact on the ability to deliver the planned land use development benefits that are integrated with the Western Link Road proposals. If the Western option is likely to have more difficulty gaining consents, then the “planning blight” costs of uncertainty may be greater than the eastern option.

**Summary of possible economic impacts – Waikanae (Residents, Town Centre)
a) Eastern Option. Expressway (predominantly) on current SH1 alignment**

Impacted party	Benefits	Costs & risks
1.1 Residents – commuters	<ul style="list-style-type: none"> Improved commuter access to longer distance destinations. Improved property / land values. 	<ul style="list-style-type: none"> Town centre remains adjacent to a major route with high speeds, flows and resulting noise impacts. Longer access to SH1 for northwards travel. May make north Kapiti more attractive for commuting.
1.2 Residents - Non commuters –	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Longer access to SH1 for northwards travel. Local trips displaced from State Highway may be lengthened.
2.1 Retail – local customer base	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition and further threaten Waikanae Town Centre. Loss of land value at Waikanae Town Centre may be offset by land value increases at new interchanges. Continued environmental and ‘barrier’ problems in town centre. Acquisition and removal of economic activity for construction purposes. “Planning blight” during time of uncertainty. Local trips displaced from State Highway may be lengthened.
2.2 Retail – out of area customer base (small share of total trade)	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Drift of development to new interchanges likely to create competition and likely to reinforce existing long-term decline in retail activity serving out of area customers. Loss of land value in town centre may be offset by land value increases at new interchanges. Some short-term impacts as out of area customers become familiar with new routes. “Planning blight” during time of uncertainty. Trips to and from the State Highway will be lengthened
3.1 Other Business - local customer base (commercial, personal and household services) located at Town Centre, Kapiti Road and prospective Airport development.	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition for existing businesses if Kapiti local market centre of gravity shifts south. Loss of land value in existing centre – although offset by increase of values at interchanges.

		<ul style="list-style-type: none"> • “Planning blight” during time of uncertainty. • Local trips displaced from State Highway may be lengthened.
3.2 Other business - (out of area customer base)	<ul style="list-style-type: none"> • Better longer distance access to markets once on SH1 • 	<ul style="list-style-type: none"> • New interchanges may be attractive to businesses with an out of area customer base. • Trips to and from the State Highway will be lengthened

Summary of possible economic impacts – Waikanae (Residents, Town Centre)

B) Western Option. Expressway that avoids Waikanae town centre

Impacted party	Benefits	Costs & risks
1.1 Residents – commuters	<ul style="list-style-type: none"> Improved local access to Waikanae Town Centre due to removal of through traffic effects. Improved commuter access to longer distance destinations. Improved property / land values with significant additional benefits if the Expressway Waikanae Beach Intersection is constructed 	<ul style="list-style-type: none"> Longer access to SH1 for northwards travel. May make north Kapiti more attractive for long distance commuting with risks of increased trip length and urban sprawl. Local trips displaced from State Highway may be lengthened.
1.2 Residents - Non commuters – (retired etc) - (Paraparaumu & Raumati)	<ul style="list-style-type: none"> Improved local access to Waikanae Town Centre. 	<ul style="list-style-type: none"> Longer access to SH1 for northwards travel. Local trips displaced from State Highway may be lengthened.
2.1 Retail – local customer base	<ul style="list-style-type: none"> Improved local access to Waikanae Town Centre likely to support the development of a local service retail centre. 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition and further threaten Waikanae Town Centre. Loss of land value at Waikanae Town Centre may be offset by land value increases at new interchanges. Local trips displaced from State Highway may be lengthened.
2.2 Retail – out of area customer base (small share of total trade)	<ul style="list-style-type: none"> Likely to reinforce existing long-term decline in retail activity serving out of area customers. Location of interchanges closer to Waikanae Town Centre would be preferable – especially an intersection at Waikanae Beach. 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition and could further threaten Waikanae Town Centre. Loss of land value in town centre may be offset by land value increases at new interchanges. Some short-term impacts as out of area customers become familiar with new routes. Trips to and from the State Highway will be lengthened
3.1 Other Business - local customer base (commercial, personal and household services)	<ul style="list-style-type: none"> Improved local access due to removal of through traffic. 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition for existing businesses if the Kapiti local market ‘centre of gravity’ shifts south. Local trips displaced from State Highway may be lengthened.
3.2 Other business - (out of area customer	<ul style="list-style-type: none"> Better longer distance access to 	<ul style="list-style-type: none"> New interchanges may be attractive to businesses with an out

base)	markets once on SH1 •	of area customer base. • Long travel on local network to access SH1 intersections. • Trips to and from the State Highway will be lengthened
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Summary of possible economic impacts – Otaki (Residents, Town Centre)

Proposed off-line expressway and slip road arrangement – same design for Otaki under both options

Impacted party	Benefits	Costs & risks
1.1 Residents – commuters	<ul style="list-style-type: none"> Improved longer distance commuter access. Higher property / land values. 	<ul style="list-style-type: none">
1.2 Residents - Non commuters – (retired etc) - (Otaki and surrounds)	<ul style="list-style-type: none"> Improved local access to Town Centre. 	<ul style="list-style-type: none">
2.1 Retail – local customer base	<ul style="list-style-type: none"> Improved local access to Otaki Town Centre likely to reinforce the sustainable development of a local service retail centre 	<ul style="list-style-type: none"> Drift of development to more accessible points near new interchanges (near Otaki and elsewhere in Kapiti) could create competition and could further threaten Otaki Town Centre. Loss of land value at Otaki Town Centre offset by land value increases at new interchanges.
2.2 Retail – out of area customer base	<ul style="list-style-type: none"> The attractiveness of Otaki as a specialist retail destination may mean that a more pleasant shopping environment for speciality shops could encourage additional trip making. 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition and could further threaten Otaki Town Centre. Loss of land value in town centre offset by land value increases at new interchanges. Impact if passing and out of area customers find the new slip road access arrangements inconvenient or difficult to use.
3.1 Other Business - local customer base (commercial, personal and household services) located at town centre and rural businesses.	<ul style="list-style-type: none"> Improved local access due to removal of through traffic. 	<ul style="list-style-type: none"> Drift of development to new interchanges may create competition for existing businesses if the Kapiti local market ‘centre of gravity’ shifts south.
3.2 Other business - (out of area customer base)	<ul style="list-style-type: none"> Better longer distance access to markets once on SH1 	<ul style="list-style-type: none"> New interchanges may be attractive to businesses with an out of area customer base.