

If we have a City Plan, why do we still allow retail developers to suit themselves - at a community's cost?

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Christchurch City (New Zealand) has had for some time a City Plan incorporating a centres-based approach to urban development. Despite this, there have been some recent examples where the Council has allowed retail investors to develop new retail premises well outside established centres. How did this come about? What role did impact assessment play in these outcomes? In one case, the City ultimately commissioned a Social Impact Assessment after the out-of-centre development had been permitted to occur and a new supermarket had opened. This paper describes the main findings of the SIA and its implications for future resource consent decisions.

1 Introduction: a centres-based approach and why it is relevant in social terms

Shopping centres and social wellbeing

The impacts of retail development are a key dimension of sustainable management in the urban environment. Consumption, via shopping, is both a social and an economic process, so spaces developed in the urban environment for shopping reflect both social and economic needs (Pawson, 1996). The location of shopping centres has generated considerable public interest (Porter and Mirsky, 2003) and is an issue that needs careful consideration and impact analysis because these are important urban spaces and social focal points for people and communities (Taylor et al., 2003). Urban centres are places to recreate, exercise and socialise, as well as to purchase goods and services, and they are a focus for community life. Typically there is a hierarchy of shopping centres in larger cities, with complexity of function indicated by the size and diversity of employment in the centre (Baines, et al., 2003).

Larger shopping centres commonly include facilities that supply primary health services and educational services, either integrated within the centre or co-located near its fringes. The larger centres also provide opportunities for commercial 'leisure' activities including movie theatres, often in multiplexes, and non-commercial recreation activities, for example, where connections to public libraries, recreation facilities, parks and reserves are established. They are frequently public transport nodes as well. There is a dynamic associated with the integration of retail activity, entertainment, the provision of other commercial, administrative and social services and public facilities, and the frequency of visits they generate.

Centres contribute to urban amenity through a mix of functional and social attributes important to social wellbeing. In addition to the functional amenity derived from the structured, physical co-location of multiple activities, an urban centre provides social amenity through attributes including a safe and attractive environment, a sense of community and belonging, and opportunities to meet people. Residents benefit from efficiency, by being able to satisfy several of their needs on the same trip, by purchasing goods or services, accessing other services essential to their welfare, and also by having a place for socialising with friends and family (Taylor, et al., 2003).

In Christchurch City, research has shown that shopping centres at all levels of the hierarchy from local shops to regional centres have a role in contributing social well-being to their communities. In general, the level of integration in a centre, shown by the diversity and extent of contributions to social well-being, increases across the spectrum from local through district to sub regional centres (Taylor Baines and Associates, 2004). Out-of-centre retail development is often located along transport corridors such as arterial roads rather than in a new or established town centre. In particular, "big box" retail development is often located out of centre. Research on the impacts of these out-of-centre retail developments shows that over time they often take on some of the characteristics of an integrated centre as they attract a variety of retail and other commercial activity, and eventually a range of social functions, into their vicinity (Morgan, et al., 2003). There is a natural propensity for businesses and other activities such as social services to agglomerate around an anchor retail activity such as a supermarket or big-box retail to tap into the customer flows attracted there (Taylor Baines and Associates 2004).

The impacts of out-of-centre retail development on town centres have led urban authorities to fund the revitalisation of existing centres, through main-street programmes and small business development, often in conjunction with controls to limit the extent of out-of-centre development (Institute for Retail Studies, 1998). However, while adverse impacts of out-of-centre developments on local retailers and mitigation responses are well documented, the measurable flow-on effects on social capital are also identifiable but have been paid less attention to date (Goetz, et al., 2006).

New Zealand's planning framework - the Resource Management Act 1991

New Zealand's principal planning statute is the Resource Management Act (RMA) 1991. The RMA states that "*sustainable management means managing the use ... of natural and physical resources in a way ... which enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety while ... avoiding, remedying or mitigating any adverse effects on the environment.*" From a social analysis perspective, the RMA provides the basis to advance a number of important arguments: that commercial retail development contributes to social well being in a variety of ways; that the enabling provisions apply to all people and communities, regardless of social and economic advantage; that longer-term consequences must be considered as well as short-term opportunities; that the Act is not indifferent to proposals which may undermine the efficient use of physical resources devoted by all sectors (private, public, community/ voluntary) to providing elements of the built urban environment - commercial buildings, community facilities, community services, physical amenities, transport infrastructure and transport services; that, in aggregate terms, the maintenance and enhancement of social amenity values is not a zero-sum exercise (i.e. it is not acceptable to say that losses of existing amenity in one location for one set of beneficiaries can be off-set against gains in new amenity elsewhere for a different set of beneficiaries).

Encouragement of existing centres as accessible community focal points through district plans has been supported by several earlier Environment Court decisions, notably by Justice Bollard in *St Lukes Group Limited v North Shore City Council (A41/2001)* and by Justice Treadwell in *Westfield NZ Ltd v Upper Hutt City Council and Wellington Regional Council W44/2001*.

A centres-based approach incorporated in the Christchurch City Plan

Since 1996, Christchurch has had a City Plan which incorporated a centres-based approach explicitly. The City Plan makes numerous references in policies and objectives to what might collectively be described as a 'centres-based approach' to urban development. Specifically, Objective 12.1 of the City Plan entitled 'Distribution of Business Activity' seeks "*A distribution, scale and form of business activity which meets the economic needs of businesses, provides the community with convenient access to goods, services and opportunities for social interaction, and which ... encourages co-location of community services and facilities within the central city and district centres; consolidation of residential development around selected consolidation focal points; accessibility, by a variety of modes of transport, to centres providing a wide range of public and private services and facilities; and manages the adverse effects of business activities on the environment, including maintaining the function, vitality and amenity of those existing centres that provide a wide range of public and private services and facilities to the community ...*"

Weaknesses in implementation

Notwithstanding the stated objectives of the City Plan alluded to above, implementation of these aspects was undermined during the early years of the Plan by political decisions which demonstrated a reluctance to 'interfere' with market-place initiatives. There are several reasons why commercial investors are interested in out-of-centre retail developments. Firstly, it is an avenue for market entry for those who are not already established within the existing centres and who are not prepared to pay the price to buy into existing centres. Secondly, out-of-centre land costs are usually considerably lower than in-centre land costs. In the case of supermarket developments, building on a new site has the added advantage of avoiding the complications of construction activities interfering with on-going retail customer activity. All these reasons were evident in this case.

2 Background to a New Zealand SIA case study

This case concerns the development of a new supermarket in the suburb of Aranui, Christchurch, New Zealand - in the context of the City Plan.

There was little dispute with the developer's proposition of unmet demand for supermarket shopping in the eastern side of Christchurch. Nor was there much debate over the proposition that the existing commercial centre in the suburb of Aranui was in need of new investment. A supermarket had been established as the nucleus of this centre some thirty years ago. Until relatively recently, the centre boasted a bank and post office (both now closed), as well as a selection of small convenience stores. In addition to these commercial premises operating in the Aranui shopping centre, a medical centre and a physiotherapy practice have operated directly adjacent to the centre for 17 and 24 years respectively. Other long-established community-related premises nearby include a community hall, two churches (one having a drop-in café and food bank which operate five days a week), three pre-school facilities, and Police premises with an adjacent youth activities centre. Aranui Primary School and Aranui High School are both located nearby. It is noteworthy that all these community-related facilities lie within the 800m walking distance (sometimes referred to as a 'pedshed') of the established supermarket. Figure 1 shows the locations of the established supermarket and the new supermarket in relation to the suburb of Aranui itself. The coloured overlays indicate that there is very little overlap in the respective 800m pedsheds: if you used to walk to the old supermarket, you were unlikely to walk to the new one.

From a social perspective, the critical planning issue was one of supermarket location. Did it matter whether or not the new supermarket was to be located within the existing centre? Would an alternative site 1 km to the north, on land zoned for residential use but with a residue of contaminated soil from previous industrial activity, be just as good, or even preferable?

History records that the developer was granted consents to build a new supermarket 1km distant from the existing neighbourhood centre of Aranui. The existing supermarket closed on virtually the same day as the new supermarket opened.

3 The role of impact assessment in this case study

The role of impact assessment, particularly the manner in which social impact assessment was applied in this case, contributed to the planning decision which allowed the out-of-centre supermarket development to proceed, contradicting the intent of the City Plan. Three aspects of this assessment activity are noteworthy. Firstly, the developer declined to engage any competent SIA practitioners, preferring to employ an economist who carried out a desk-based analysis of census demographic data and then claimed to present an assessment of 'social and economic effects'. Secondly, throughout the planning process, the developer maintained that the existing supermarket would remain open in the interests of the local community, even if the proposed out-of-centre supermarket was granted approvals, a scenario that turned out to be patently false. Thirdly, the assessment of social and economic effects adopted an inappropriate framework for comparative assessment, choosing to compare the social effects of the existing, in-centre supermarket with the potential effects of the proposed, out-of-centre supermarket, and ignoring completely any consideration of the social effects that would be associated with a re-developed, in-centre supermarket consistent with the City Plan. The assessment therefore ignored the long-term social implications for the community of Aranui of allowing the out-of-centre retail development to occur.

The powerlessness of impact assessment to support decision makers fully in these circumstances was exacerbated by other factors as well. Firstly, there is a paucity of relevant, empirically-based New Zealand social impact studies of retail developments, such as the study referred to in this paper. Secondly, local councils as consent authorities generally do not see fit to call their own social impact evidence or even to engage professional peer review of the social impact assessments that are presented to their decision makers. In the absence of prior empirical New Zealand data, this might appear understandable. However, the RMA embodies a precautionary approach, which recognises the need to consider the risks of (the Council's) decision making if there is uncertain or insufficient information. The RMA also places the obligation on the applicant to commission adequate assessments of likely effects. Therefore, Councils should at the very least be scrutinising consent applications for the existence and adequacy of social impact assessments; asking questions of the applicant, even if the Council itself does not have the answers. Thirdly, there is essentially no monitoring of social effects once resource consents have been granted and projects proceed, which logically feeds back into the first issue.

Taylor Baines & Associates was commissioned to carry out an ex-post assessment of social effects, some six months after the new, out-of-centre supermarket opened its doors at Aranui, and the existing supermarket closed. This SIA is therefore based on actual effects experienced by members of the host community.

Details about the assessment approach and methods used can be found in documents presented to the Environment Court (Taylor Baines, 2007). In this paper, we wish to focus on two aspects of the SIA case study: the framework for comparative assessment, and the summary of findings.

4 The framework for comparative assessment

The 'before and after' assessment carried out for the resource consent hearing focused on the short-term benefits and losses associated with the change from old supermarket to new supermarket, without drawing attention to the distribution of those who benefitted and those who lost out. Functional (shopping) benefits were attributed to the larger population of supermarket consumers associated with the advent of a larger supermarket. In a simplistic quantitative sense, these would far outweigh any loss in convenience for residents in the immediate vicinity of the existing supermarket. However, as a desk-based assessment, it failed to explore at all the social implications of supermarket location for the community previously served by the established supermarket.

An SIA should have attempted to assess not only these distributional effects but also the consequential social effects. Furthermore, if the social effects assessment had been carried out comparing a new supermarket in an "out-of-centre" location with a new supermarket in an "in-centre" location, it would have demonstrated the potential to capture many of the wider social benefits while avoiding many of the localised adverse social effects. It cannot be emphasised strongly enough that the focus of the SIA should not have been on comparing a new supermarket with an old supermarket, but rather on comparing the two locations for the new supermarket.

The relative costs and benefits to the supermarket developer of these two options would have been different, as would the relative costs and benefits to supermarket consumers and residents. Comparing these frameworks for assessment demonstrates how the supermarket developer gained at the cost of a well-defined group of city residents.

5 Main findings of the SIA case study

Detailed description of the effects can be found in Taylor Baines (2007, Attachment 3). In summary, beneficial social effects relate to:

- access to cheaper goods at Pak'nSave for residents throughout the larger catchment;
- more employment at Pak'nSave for local residents;
- financial support for a wide range of community groups throughout the larger catchment area;
- easy, direct access to the supermarket for immediate neighbours;
- improved visual amenity from landscaping around the new supermarket;
- other amenities at the new supermarket;
- sealing over of soil contaminated with arsenic by previous timber yard activities;
- a new recreational reserve adjacent to the new supermarket.

Adverse social effects relate to:

- changes in physical accessibility to the nearest supermarket (although some others will be closer);
- loss of the walking option for going to the supermarket (although some others will gain a walking option);
- loss of particular stores;
- reduced numbers of people visiting the the Aranui shopping centre;
- loss of a urban renewal opportunity for the Aranui centre.

These social effects for the "out-of-centre" supermarket scenario are summarised graphically in Figure 2. It becomes evident that residents of Aranui have experienced a mix of positive and adverse social effects, and that the cumulative adverse social effects probably are more significant than the short-term benefits.

However, the social benefits for City residents as a whole appear to outweigh the local social effects. It should be noted that none of the adverse social effects on residents of Aranui were brought to the attention of the decision makers at the resource consent hearing for the new supermarket. It therefore seems logical that the decision makers found no reason to decline the consent application for the out-of-centre supermarket development.

Figure 3 is a graphical summary of the overall social effects that could have been expected from the re-development of the in-centre supermarket site in Aranui. Two points are immediately apparent. Firstly, the overall effects for the Aranui community would have been overwhelmingly positive. Secondly, practically all the potential adverse social effects could have been avoided.

6 Final reflections - lessons for SIA and its use.

There is considerable irony in this case study. Members of the Aranui community contributed substantially to the conduct of the social impact assessment work, through their time and knowledge. After the SIA findings were presented to the Environment Court, along with the evidence of other technical experts, the Court handed down a strongly-worded decision in favour of the City Plan's centres-based policy:

[19] The point we wish to emphasise to the parties and, particularly to the Council is that a continuation of the approach of granting consents for non-complying or discretionary activities out of zone will effectively undermine the approach of this variation. It would in fact entrench an uneven and ad hoc approach to development of retail areas throughout the city.

[20] Our view is that Variation 86 clearly sets its face against such ad hoc development. Our expectation therefore would be that non-complying or discretionary activities out of zone would rarely be granted consent. New areas would generally be encouraged by the Council by way of amendment to the Plan. In that way the full range of effects and benefits would be able to be considered on a city-wide basis, including effects of a wider nature such as distributional effects, traffic effects and effects on social cohesion and amenity.

Furthermore, the veracity and conclusions of the SIA evidence was not challenged in cross-examination by any of the appellants to the case. However, that decision will not remedy the situation for Aranui. The community of Aranui will live with the outcomes of the earlier resource consent decision for many years to come. The City at large may have learned a lesson at their expense.

Reflecting on the use of SIA as an aid to planning and decision making, this case study provides powerful arguments on several aspects.

Although the case study might appear to have been at the project level, its intent was to illuminate issues that are relevant and arguably more important at the plan and policy level. In this case, the ex-post nature of the SIA - the fact that the findings were not speculations about what might be experienced in future, but reports of actual accumulating experience - is probably significant. Our experience suggests that, as SIA practitioners, we have far too few ex-post, empirical studies on which to draw. The same constraint of course applies to planners and judges. We would therefore recommend more applied social research in the form of SIA case studies and longitudinal studies, so that practitioners can make more substantial contributions to future public plan and policy making.

The second aspect of this case is the attention given to the conceptual framework for assessment. In particular, we have drawn attention to the difference between a simplistic 'before and after' assessment in a case where the critical issue is one of location for new development, not a debate about whether such a new development is wanted or justifiable in terms of the Act. It is again ironic that the Resource Management Act already places considerable emphasis (in section 5.2(c)) on the importance of "avoiding, remedying, or mitigating any adverse effects", yet here is a case where significant adverse social effects could have been largely avoided if the issue of alternative locations had been canvassed properly at the original consent hearing.

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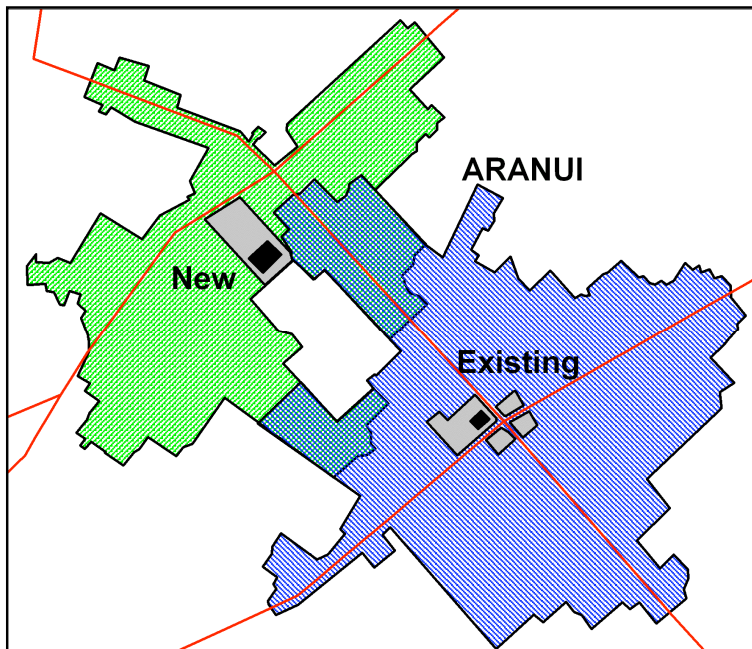


Figure 1: Locations and associated 800m pedsheds of existing (light blue) and new (green) supermarket in relation to the suburb of Aranui showing area of overlap (darker blue)

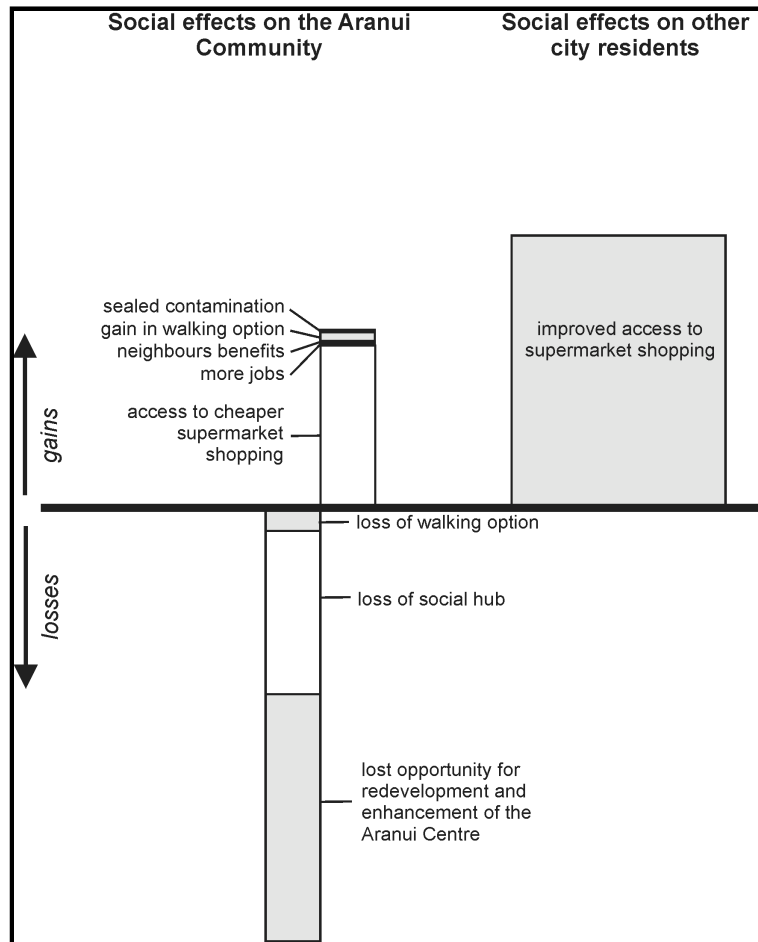


Figure 2: “Out-of-centre” scenario - social effects summary

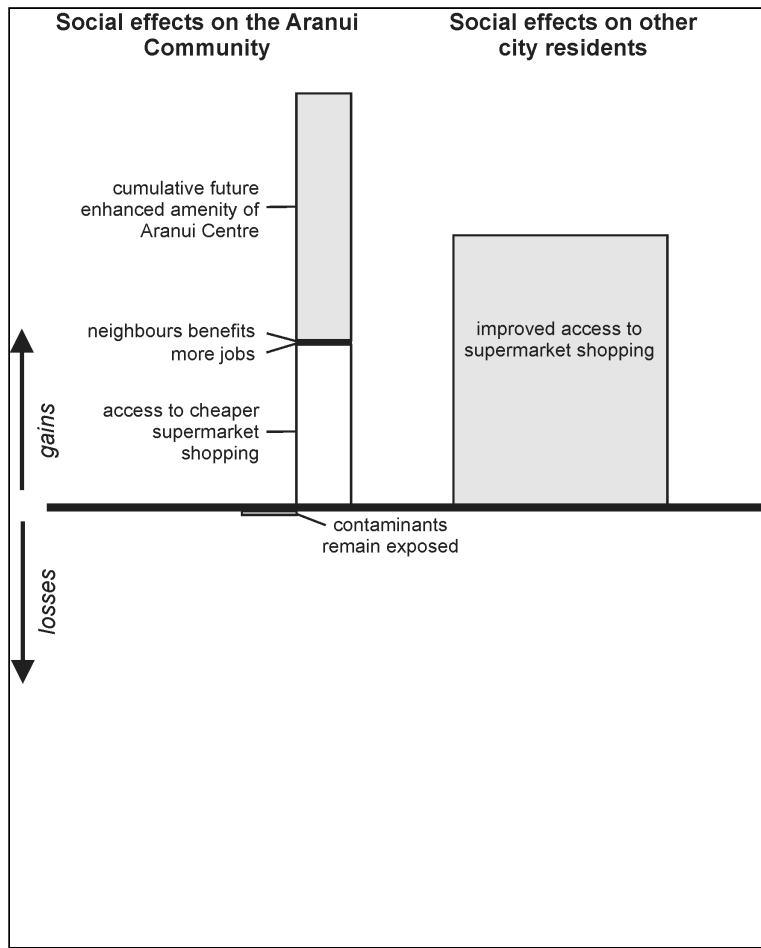


Figure 3: "In-centre" scenario - social effects summary