Strategic SIA for urban retail developments

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Introduction: sustainable urban development – current challenges and impacts

This paper addresses the influence of retail developments on urban form and the potential to achieve appropriate, socially acceptable and effective urban intensification and greener urban development, in which integrated commercial centres form a central role. Strategic SIA, abbreviated here as SSA, can assist the transition to a greener urban economy by interpreting the impacts of in- and out-of-centre retail development. Auckland, New Zealand, a sprawling urban area of over one million residents, is used as an example.

In New Zealand, for many years, the trend in urban development has been the dispersal of new activity predominantly over rural land. While there have been attempts to establish urban limits and land use zones, neither the current effects-based Resource Management Act (1991) regime, nor the Town and Country Planning Act process which preceded it, have provided the basis for effective strategic land-use planning to guide decision-makers. Much of the direction for the country's urban change has been dictated by the profit-seeking behaviour of residential and commercial property developers and investors (Memon, 1993; Memon and Perkins, 2000). Tracts of residential land are typically purchased and developed on a speculative basis, and corporate developers of commercial premises build with an eye to filling their developments with high-yielding activities. Government at various levels allocates resources for transportation infrastructure, which is dominated by investment in road capacity for the ever-increasing national fleet of private cars used to reach disparately located homes, places of work, shopping, community and social services, education and recreation. There is insufficient investment in non-car transportation infrastructure to enable substantial modal shifts. In these terms New Zealand's cities are very much 'growth machines' (Molotch, 1976). There is therefore a gulf between the practices of urban development prevailing in New Zealand at the present time and those which emphasise much stronger management of urban growth as increasingly prescribed by advocates of sustainable urban development and green economies (Vallance et al., 2009).

Current trends in New Zealand urban retail development illustrate starkly the challenges inherent in debates over urban futures because of the influence they have on urban form and the potential for effective and socially acceptable urban intensification. Retailing can be concentrated into distinct commercial centres, spread along transport corridors or dispersed wherever opportunities arise. As commercial actors, particularly retailers, seek to cater to growing consumer demand and optimise their market opportunities, they tend to adopt clustering patterns, in which certain larger businesses such as supermarkets act as 'anchors' to other businesses and services because of the volume of customers and the

frequency of visits that they generate (Morgan et al., 2003). Our research shows that such patterns of clustering occur in existing centres, new centres, and around stand-alone big-box retail, retail parks and other out-of-centre locations (Baines et al., 2003).

Commercial centres in New Zealand urban areas typically include a mix of public, community and private sector investments, including shops; other commercial services; hospitality, entertainment, and recreation facilities; health, education and social services; heritage features and open space. As providers of social and community services have sought to cater for community needs, they have relied on the advantages of co-location with both retail and other services to promote their accessibility. Typically they have relied, at least in part, on a legacy of premises and facilities in older centres as the physical bases for service provision. In new centres, they have tended to rely more heavily on the private sector or local councils, or a combination of the two, to provide premises and facilities which enable them to provide social services. Adequate public access to these 'amenities' has been a crucially important factor in their success.

For the Auckland metropolitan area, the Auckland Regional Growth Strategy (Auckland Regional Growth Forum, 1999) establishes priorities for the future management of urban form that are commonly referred to as a centres-plus approach. This approach gives preference to consolidation of existing centres but allows for some future growth outside existing centres along transport corridors and in areas of demand growth not so well serviced by existing centres. Thus, it supports the maintenance and enhancement of established commercial or town centres and discourages development outside those centres, particularly retail activities that generate high volumes of traffic movement away from established activity patterns. This approach is consistent with the long-established land-use planning practice of zoning commercial retailing activities (Memon, 1993). Typically, these single-use zones correspond to centres of varying sizes in a hierarchy including the CBD, sub-regional centres, district centres and neighbourhood centres.

More recently, large-format or bulk retailing centres have been added to the taxonomy of such locations. There have also been occasions when large 'anchor store' developments - typically supermarkets, discount warehouses and large Do-It-Yourself home maintenance stores - have been allowed to establish in stand-alone locations. These have tended to be non-complying developments to existing plans, which have nonetheless found favour with customers and politicians, reinforcing the notion that there are high levels of unmet demand for such dispersed retail outlets. A requirement to locate all anchor stores in an existing centre is particularly constraining on these large format retailers because it is this retail category that is most able to maintain business viability in stand-alone situations. Anchor stores are capable of taking their customers with them and do not rely to the same extent on having other businesses around them, while out-of-centre opportunities offer advantages for other reasons, such as lower land costs. But these out-of-centre developments have the greatest potential to create adverse impacts on existing centres and urban form, including acting as an anchor for other retail and service activity to locate close by, thus leading to the creation of poorly planned quasi-centres, with poor amenities such as pedestrian linkages or open space.

The particular problem that arises is that large-format retail centres or stand-alone stores such as supermarkets are often located in close proximity to major roads, relying predominantly on and indeed necessitating private motor vehicle access. Such developments inevitably promote increased levels of private vehicle use. During planning processes for such developments, the focus on traffic assessments is primarily on technical capacity for vehicles and efficiency aspects related to the road infrastructure. Broader amenity issues such as the implications for other modes of transport and pedestrian amenity, and broader resource-use efficiency issues, such as the relative resource costs of private cars versus public transport, have received little if any attention. Furthermore, large-scale commercial sprawl creates strong financial inducements for owners of traditional, productive land uses – including market gardens and orchards on the urban periphery – to sell their land. Ensuing irreversible loss of high-quality soils close to cities poses a long-term risk to food security.

What needs to be done? Strategic social impact assessments

SSA, as for the broader strategic environmental assessment, is applied at the level of policy and planning compared to project applications. In the urban environment this could include issues of cumulative effects, the interpretation of sustainable urban development in a practical sense, and setting out the social parameters from which policy makers, developers and communities can negotiate a wide range of outcomes. Logically then, if SSA is applied in the context of planning for urban retail development, it should be applied to the policies, plans and rules, not just to individual large-scale retail developments such as shopping malls and big-box retail (Baines and Taylor, 2002).

SSAs in New Zealand (Baines and Taylor, 2008) have found the mix of functions in urban commercial and service centres contributes functional amenity (i.e., ease and efficiency of access to multiple activities on one trip) and social amenity (i.e., spaces for social interaction and community activities). Experience also shows that SSAs need to be integrated with other forms of IA early in the assessment process – examples include traffic engineering, noise management, urban design and landscaping, urban ecology, and management of natural hazards.

SSA should be applied to broad physical planning for urban areas. Examples of where this has been done, such as the Auckland Regional Growth Strategy, have considered issues primarily based around the notion of compact urban form to minimise the negative effects of urbanisation over a greater area. Such plans do not necessarily exclude expansion opportunities with locational choice for retail developers but are focussed on balancing potential green outcomes from compact growth against the potential longer term effects of continued dispersal. In this approach integrated communities around integrated centres (the centres-based approach) is seen as the best way of meeting broadly defined needs (Taylor et al., 2003).

SSA is used to support policy development which seeks to guide the locational choices of urban residents and commercial actors in ways which will contribute most effectively to the future social wellbeing of urban communities. SSA helps identify and provide an empirical basis for policy preferences that reinforce the role of existing commercial

centres, and innovative or emerging patterns and trends that are specifically aligned with urban intensification. The role of SSA is to bring an understanding of the collective behaviours of urban residents to the attention of decision-makers.

Benefits (social outcomes) sought from a centres-based approach

As part of SSAs conducted in Auckland, evidence for spatial patterns of locational preference were assembled for residential populations in the vicinity of ten established centres in the Auckland region (Table 1).[1] Data demonstrated a degree of preferential clustering of residential and household types around centres for households with no private car and for residents who travel to work using modes other than the private car (bus or train to work). Spatial concentrations were also evident of residents aged 65 years and older, a particular demographic cohort that is expected to grow at rates faster than the average population growth rate in the medium to longer term.

Table 1: Observed clustering behaviour (selected Auckland Region)

	%HH no car	Relative to regional average	**% Travel to work by all non-car modes**	Relative to regional average	**%65+ years**	Relative to regional average
Supermarket-based centres						
Glenfield	9.4	+	14.3	+	12.6	+
Sunnynook	9.8	+	10.9	+	16.6	+
New Lynn	10.3	+	18.7	+	7.7	-
Milford	10.8	+	12.7	+	24.6	+
Birkenhead	7.7	+	17.4	+	10.9	+
Northcote	15.6	+	13.7	+	14.6	+
Royal Oak	15.3	+	14.1	+	17.0	+
Pakuranga	10.3	+	9.7	-	14.2	+
Botany Town	2.9	-	5.6	-	10.5	+
Mangere	11.7	+	7.6	-	7.0	-
Stand-alone supermarkets						
College Hill	11.0	+	32.8	+	8.7	-
Greenlane	5.6	-	14.9	+	6.6	-
Transport corridors						
Dominion Road	9.5	+	n/a	+	6.2	-
Manukau Road	8.2	+	n/a	+	12.1	+

1. The simplified level of analysis used here identified percentage of usually resident population and households with selected attributes living within ~800m of the centre and compared them to the regional average. The resulting comparisons are likely to reflect individual householder choices alone. A more detailed level of analysis differentiated between people living in the immediate vicinity of commercial activities (commercial meshblocks), those living further away from the commercial centre but still within ~800m of the centre, and those living in the remainder of the related Census Area Units, and found a similar pattern of clustering. These comparisons are likely to be influenced by formal plan changes (e.g. encouraging mixed use developments in commercial areas) and developer activity in response to such plan changes. Source: *Evidence of J.T. Baines before the Environment Court on behalf of the Auckland Regional Council and the Territorial Authorities of the Auckland Region*

Auckland Region (Average)	7.0		10.1		9.9	

Comparisons were made between the walking neighbourhoods of the ten established centres, the two stand-alone supermarkets and the two transport corridors. Preferential spatial clustering is already well established around a large majority of the centres sampled, even in the absence of public policy initiatives. In half the cases, such clustering is relatively intense (>40% above the regional average). The exceptional percentage of people living around College Hill who travel to work by non-car modes is explained by its proximity to the CBD and the high numbers of CBD workers who walk to work. The modern, stand-alone supermarket located at the centre of their residential area is essentially their "corner store".

The research also found that multifunctional centres create distinct residential patterns, attracting concentrations close by of elderly, car-less households, users of public transport, people who walk to work and particular ethnic groups. These centres therefore contribute to social and cultural diversity. They provide opportunities for business start ups and low income groups such as those selling ethnic foods or operating second-hand stores that cannot survive in expensive rental areas.

The ability to access employment nearby is another aspect of social wellbeing influenced by the agglomeration of businesses around anchor stores in established centres. For the ten supermarket-based centres listed in Table 1, on average 20 per cent of the centres' workforces lived in the adjacent statistical areas. For the two stand-alone supermarkets (i.e. with very limited additional commercial activity co-located), the comparative figure was half (10%), reflecting their more limited employment opportunities.

Survey research has also demonstrated the importance of established centres for the delivery of social and community services. Service providers establish accessibility via co-location close to business activities and proximity to concentrations of people reflected in foot traffic and car parks. Accessibility is therefore often influenced strongly by decisions of property investors and developers.

This research and the wider literature confirm that shopping in a society such as New Zealand is both a social and an economic process. Spaces developed in the built environment for shopping reflect both social and economic needs. Integrated centres deliver amenity to communities through a functional and a broader societal role (Taylor et al., 2003). They are places to recreate, exercise and socialise, purchase goods, access social, community and other professional services, and gain employment in all the interrelated activities. Integrated centres are a focus for the suburb or suburbs that they serve, with a variety of shops, services and other amenities located in close association with retail facilities. The extent of the variety depends generally on the scale of the centre. Irrespective of scale, however, integrated centres are a focus for community life and people visit them for a large number of reasons in addition to shopping.

By comparing and interpreting critically the impacts of in- and out-of-centre retail development in formulation of policy and plans, SSAs can assist transitions to a greener

economy. SSAs do this by highlighting reductions in resource use when urban residents are enabled to access the full range of urban amenities within a relatively compact area, rather than travel much longer distances to achieve the same. They can help identify potential negative social effects of different urban forms but, most importantly, they can help planners to identify potential social benefits through enhanced social wellbeing that are not necessarily in conflict with economic and environmental outcomes.

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