

IN THE MATTER of the Resource Management Act 1991
("RMA" or "the Act")

AND

IN THE MATTER of an application to **AUCKLAND
COUNCIL** for private plan change 51 to
the partly operative Auckland Unitary
Plan by **KARAKA AND DRURY
LIMITED**

JOINT WITNESS STATEMENT OF EXPERTS IN RELATION TO ECONOMICS

9 AUGUST 2021

Expert Witness Conferencing Topic: Economics

Held on: 30 June 2021

Venue: Internet (MS Teams)

1. ATTENDANCE

1.1 The list of expert attendees is in the signatory schedule to this Statement. All expert attendees have relevant expertise in urban economics.

2. BASIS OF ATTENDANCE AND ENVIRONMENT COURT PRACTICE NOTE 2014

2.1 All participants agree as follows:

- (a) The Environment Court Practice Note 2014 provides relevant guidance and protocols for the expert conferencing session.
- (b) They will comply with the relevant provisions of the Environment Court Practice Note 2014.
- (c) They will make themselves available to appear at the hearing in person if required to do so by the Hearing Panel (as directed by the Hearing Panel's directions).
- (d) This report is to be filed with the Hearing Panel.

3. AGENDA – ISSUES CONSIDERED AT CONFERENCING

3.1 The issues identified as forming the agenda for conferencing were:

- (a) Size of the Drury West centre;
- (b) Location of the Drury West centre; and
- (c) New proposed train station location and implications for integration with the Auranga Centre, employment densities of the Auranga Centre and size.

3.2 The following sections of this Joint Witness Statement address each of these issues or questions, noting where agreement has been reached and, in the event of disagreement, the nature of the disagreement and the reasons for that disagreement.

4. **ISSUE ONE: SIZE OF THE DRURY WEST CENTRE**

Areas of agreement

4.1 In terms of the land area of the proposed Auranga Town Centre, Mr Heath considers Figure 10 and Table 9 of the Urbacity report dated May 2020 is particularly relevant. At face value the 15.5ha commercial extent of the proposed town centre business zone is significant and well above what Mr Heath had assessed as appropriate for a single centre in Drury West in his economic analysis on the Drury West area during the development of the Drury – Opaheke Structure Plan.

4.2 However, Table 9 breaks down the different elements of the proposed town centre with associated land areas. Importantly, Mr Heath notes that that the developable commercial extent of the town centre's 15.5ha is only 7ha (core retail, parking and commercial). This is slightly less than what Mr Heath recommended for a single Drury West centre back in his 2018 report for Council for the Drury-Opaheke Structure Plan. In Mr Heath's view, the 7ha commercial area is not of a scale that would go beyond usual trade competition effects nor generate any significant adverse retail distributional effects on other centres in Drury (West or East) in the long term.

4.3 Mr Heath agrees with the extent of the Auranga Town Centre as proposed over the long term. This however is on the basis that the identified non-commercial areas could not be utilised for commercial activity, i.e., that the town centre is delivered in general accordance with Figure 10 (pg. 27) of the Urbacity May 2020 report.

4.4 Mr Cullen generally agrees with Mr Heath's comment at 4.3. However, the point he makes is an extreme one. Mr Cullen suggests that a more reasonable approach would relate to land use dominance. For instance, locating a shop, a café or an office on the ground floor of one of these buildings should not be an issue if it is a subservient activity within the building or area / zone.

4.5 Mr Heath acknowledges Mr Cullen's desired ground floor flexibility and in reality practical approach, but has residual concerns if this approach was applied across the entire 15.5ha then the commercial GFA potential of the Auranga Town Centre increases significantly to well beyond what Mr Heath has assessed as appropriate for the Drury West catchment. Mr Heath thinks a possible solution is to provide a small ground floor commercial GFA cap for commercial activity outside the identified commercial areas in Mr Cullen's Figure 10 of his 2018 report, particularly given the 7ha area is slightly less than what Mr Heath had earlier determined. This would provide flexibility for the developer to establish, by way of an example, a café on the ground floor of a residential block, without the ability to develop at grade commercial activity without restriction across the entire proposed Town Centre zone.

Areas of disagreement (with reasons)

4.6 None.

5. **ISSUE TWO: LOCATION OF THE DRURY WEST CENTRE**

Areas of agreement

5.1 Mr Heath considers the proposed location of the Auranga Town Centre appears to have been based on the original location of the Drury West train station, and all the economic and social benefits this would generate from a TOD.

5.2 Mr Heath considers the new train station location, being around 1km west and separate from the proposed town centre, would likely reduce the employment densities in the

town centre compared to previously envisaged in the Urbacity May 2020 report and lessen the TOD proposition at Auranga Town Centre.

- 5.3 However, Mr Heath considers the level of economic performance of the proposed town centre is not reliant on the train station, as seen by the lack of retail around other train station stops across the Auckland rail network. The Auranga Town Centre is based on supporting the core Drury West catchment with high levels of accessibility and profile to that market, and not contingent on train passenger numbers to be viable.
- 5.4 Mr Heath considers any adverse implications from the new train station location in relation to accessibility and integration may be more impactful on civic and community uses which are likely to have a greater proportion of patronage derived from public transport infrastructure. Mr Heath thinks this would dilute the vibrancy and vitality of the town centre (i.e., a social amenity impact), but likely have minimal impact on the economic performance of the centre.
- 5.5 From an economic perspective, in Mr Heath's view the proposed Auranga Town Centre is well positioned to take advantage of good accessibility and profile. Having direct profile and access from SH22 (via a connector road) is important for the centre. Mr Heath considers proximity and profile to SH1 is not that relevant for the proposed town centre as the centre is designed to service the more localised Drury West market and not SH1 drive-by traffic.
- 5.6 Mr Cullen agrees with Mr Heath's comments. Mr Cullen extends Mr Heath's view adding that the development proposal contained within PC51 is largely irrelevant to a rail station. The extreme western station prevents the establishment of a more comprehensive TOD as outlined by Mr Heath. It negates a broader employment story extending from the PC51 town centre to the south side of the rail line (to the station shown in Council's Drury Opaheke Structure Plan 2019).
- 5.7 Amongst other things, the proposed park and ride at the Oira extension is contrary to TOD principles. That site is constrained by poor access (in both absolute and relative terms), a smaller catchment (a large part of the walkable catchment is rural land) and urban quality issues with a flyover across the rail line coming to ground some 100 metres from the rail station.

Areas of disagreement (with reasons)

- 5.8 None

6. ISSUE THREE: INFRASTRUCTURE PROVISION AND INTEGRATION

Areas of agreement

- 6.1 Mr Heath considers there are clear economic and social efficiencies (and infrastructure efficiencies) in having a commercial centre and train station located together, particularly for employment opportunities and the ability to create a TOD. These opportunities have been reduced as a result of the train station migrating 1km further west, but not lost altogether.
- 6.2 However, in Mr Heath's view the train station, being less proximate, will have a weaker connection to the proposed town centre and its walkability to the town centre significantly reduced compared to the original location as assessed in the Urbacity May 2020 report. SH22 dissecting the two locations further dilutes this connection. However, in Mr Heath's view if increased residential density resulted on the land in between the proposed town centre and the new train station location, then the number of people walking / biking to the centre for retail, commercial and professional services, community facilities and social connections may actually increase.
- 6.3 Mr Cullen generally agrees with Mr Heath's comments.

Areas of disagreement (with reasons)

6.4 None

7. PARTIES TO JOINT WITNESS STATEMENT

7.1 The signatories to this Joint Witness Statement confirm that:

- (a) They agree with the outcome of the expert conference as recorded in this statement;
- (b) They have read Appendix 3 of the Environment Court's Practice Note 2014 and agree to comply with it; and
- (c) The matters addressed in this statement are within their area of expertise.

SIGNED ON 9 AUGUST 2021

EXPERT NAME	PARTY	SIGNATURE
Mike Cullen	Karaka and Drury Limited	
Tim Heath	Auckland Council (as regulator)	