

**BEFORE HEARING COMMISSIONERS
IN TIMARU | TE TIHI-O-MARU ROHE**

In the matter of the Resource Management Act 1991

And

In the matter of the hearing of submissions in relation to the Proposed
Timaru District Plan

Between **THE REDWOOD GROUP**

Submitter & Further Submitter

And **TIMARU DISTRICT COUNCIL**

Planning Authority

SUMMARY OF EVIDENCE OF NATALIE HAMPSON (ECONOMICS)

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SUMMARY OF EVIDENCE

1. My full name is Natalie Diane Hampson. I provided a statement of economic evidence dated 5 July 2024.
2. My evidence considered the Submitter's latest relief from an economic perspective, including positive and potential adverse effects. This included assessment and discussion in relation to the GFA cap and timing threshold provisions followed by discussion and analysis (where applicable) on specific activities sought within the LFRZ (Former Showgrounds Precinct) as Permitted or Restricted Discretionary Activities. My evidence considered previous economic assessments carried out by, or for, Timaru District Council (Council) as well as more recent trends in employment and business activity across the Timaru urban area (township).
3. The s42A officer (Ms White) has, on review of evidence, accepted Redwood's relief to reinstate gymnasiums and recreational activities (up to 6,000sqm GFA) as a Permitted Activity in the LFRZ (Former Showgrounds Precinct) as well as the ability for an additional 6,000sqm GFA of Permitted activities on the site as a Discretionary Activity. This is in addition to her earlier recommendations to retain many of the operative Plan provisions for the site.
4. I support these recommendations from an economic perspective. In my evidence in chief, I set out that:
 - a. the notified provisions for the LFRZ would have significant adverse effects on the commercial feasibility of developing the site (given the economics of development) and would adversely affect the ability of the LFRZ to support economic development and wellbeing in the district and wider sub-region over the long-term;
 - b. the potential economic effects arising from the development of the Showgrounds site on the City Centre had already been considered by Council to be acceptable in light of the wider economic benefits of providing for a LFR centre in Timaru;
 - c. due to resource consents already issued for the site that gave effect to the operative Plan provisions, the notified provisions would be largely redundant in terms of the economic effects Council purported would be achieved;

- d. the City Centre has continued to experience growth in recent years, including in the retail sector. I consider that the performance of the City Centre is improving; and
 - e. the City Centre will be more resilient to trade competition effects under the PDP, such that any potential distributional effects caused by the planned growth of the LFRZ (Former Showgrounds Precinct) will likely be minor, and not 'significant' as considered by Property Economics in their 2020 review (which preceded the issuing of a resource consent for the site).
5. I understand from Ms White's latest evidence (17th July) that the only matters that remain in contention are the proposed inclusion of medical centres, childcare centres, one visitor accommodation activity and residential activities as Restricted Discretionary Activities within the LFRZ (Former Showgrounds Precinct).
 6. I support the addition of these specified activities as they will increase the functional amenity of the LFRZ for local workers and the surrounding local community in northern Timaru. These activities also support the efficient use of the Showgrounds site while not resulting in adverse distributional effects on the role and function of the CCZ (or wider centre network). I briefly summarise key points from my primary evidence on each activity below.

Visitor Accommodation

7. Currently, larger accommodation providers are not located in the Timaru Central SA2 and are located elsewhere in Timaru, including in residential zones. While the PDP is likely to improve the feasibility of redevelopment in the City Centre, which may see larger commercial accommodation providers attracted to that zone in the future, I consider that there is a risk that hotel operators may bypass Timaru if the City Centre does not provide an attractive enough option in the short to medium-term.
8. Allowing for one accommodation provider to establish in the LLRZ will not undermine the role, function or amenity of the CCZ, especially given the already dispersed patterns of visitor accommodation in Timaru. Improving the ability to attract a new hotel operator to Timaru in the short to medium-term will enhance Timaru's role as the primary urban area in the sub-region. Economic benefits of the proposal include guest spending still be likely to occur in the City Centre, creation of additional jobs, helping to meet growth in demand, lifting the overall quality and depth of offer for visitor accommodation in the Timaru urban area, and supporting the competitive operation of the business land market.

Healthcare and Childcare Services

9. Childcare services and medical services are not activities that typically trigger distributional effect concerns. Therefore, I consider that providing a consenting pathway for these activities in the LFRZ (Former Showgrounds Precinct) creates no risk of undermining the purpose, function or amenity values of the CCZ. There are no material economic costs of this proposed activity that I can identify (and that can't be avoided or mitigated by consent conditions).
10. It is efficient for these activities to be spread across an urban area rather than concentrated in a single, central location. The LFRZ is conveniently located relative to demand arising from the northern suburbs of Timaru, including the greenfield residential growth areas to the north. At the same time, the Neighbourhood Centre Zones in northern Timaru are only small, with no obvious vacant capacity. The LFRZ could therefore provide development capacity for childcare and medical services to help meet projected demand from existing and future households in this part of the urban area.
11. The LFRZ is also a node of employment and is central to a wider node of employment when considering the surrounding industrial zoning. Including a childcare centre and medical centre in the LFRZ would therefore add to the functional amenity of the locality as a place of work.

Residential Activity

12. Timaru District is a Tier 3 local authority under the NPS-UD. Tier 3 councils are 'encouraged' to apply Parts 2 (objectives and policies) and 3 (implementation) of the NPS-UD. As such, many of the objectives and policies of the NPS-UD apply to the district. This includes (but is not limited to) providing for well-functioning urban environments (Objective 1, Policy 1), at all times providing at least sufficient capacity to meet expected demand for housing (and business) over the short, medium and long-term (Policy 2), supporting competitive land and development markets (Objective 2), and enabling more people to live in areas that are in or near centres or other areas with employment opportunities (Objective 3(a)). The provisions of the NPS-UD are relevant context to the submitter's proposal to provide for some Residential Activity on the periphery of the LFR centre on the former Showgrounds site as a Restricted Discretionary Activity.
13. I do not consider that there are any economic costs from utilising the two identified residential sub-precincts for residential development (particularly where any adverse

effects can be assessed through the proposed matters of discretion). There are however economic benefits, including providing more choice in the location of housing capacity, providing more attached housing capacity, enabling more people to live next to a centre and employment, and a more efficient use of the land resource in the existing urban area. I consider that the proposed relief is consistent with the objectives and policies of the NPS-UD with respect to housing and it will make positive contribution to Timaru's urban form and future housing growth.

24 July 2024

Natalie Hampson