

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of the Proposed Plan Change 5 ("PC5") to the
Hamilton City Operative District Plan

**STATEMENT OF EVIDENCE OF DANIEL SHAO ON BEHALF OF
WOOLWORTHS NEW ZEALAND LIMITED**

CORPORATE

16 SEPTEMBER 2022

1. INTRODUCTION

Background and experience

- 1.1 My legal name is Yiqiang Shao. I am more commonly known as Daniel.
- 1.2 I am a Development Manager at Woolworths New Zealand Limited (“**Woolworths**”). I have held this role since June 2022.
- 1.3 I have a Bachelor of Planning (Honours) and a Master of Legal Studies (Distinction) from the University of Auckland, and a Post Graduate Certificate in Business from Massey University. I am a Member of the New Zealand Planning Institute, a Member of the Resource Management Law Association, and sit on the Auckland Regional Committee of Property Council New Zealand.
- 1.4 I have worked in planning and property related roles for the past ten years. Relevant to this hearing, I have been involved in town centre and retail developments in all major urban centres and many provincial centres across New Zealand. As such, I am familiar with the issues associated with planning for, and the subsequent consenting of, retail developments both within and outside of identified centres.
- 1.5 I am authorised to give this evidence on behalf of Woolworths.

2. WOOLWORTHS’ DEVELOPMENT PHILOSOPHY

- 2.1 Woolworths currently operates 190 Countdown stores nationwide, and employs over 20,000 people. Woolworths is also the franchisor for the FreshChoice and SuperValue brands, with a further 70 stores nationwide.
- 2.2 Woolworths has a long history of working with communities and councils to deliver developments that enable community wellbeing, while also ensuring that our supermarkets are functional and successful in the communities in which they are located.
- 2.3 When considering future development opportunities, Woolworths first identifies the areas and communities which have a need for, and would benefit from, additional supermarket services. This assessment looks at where population growth is likely, and where there are currently gaps in supermarket supply. Planning for and siting a supermarket is a catchment-based exercise, whereby

we aim to choose a location which provides as much benefit and convenience to communities as possible.

- 2.4 Supermarkets rely on convenient access and a high level of visibility to capture trade, and are typically located on arterial routes for ease of access and for exposure to passing traffic. A supermarket that is not adequately serviced by sufficient passing traffic will generally fail. Typically, the selected locations for supermarkets are on routes that are used by the population to move to and from work or a centre, to ensure that the supermarket forms a convenient stop along the way.
- 2.5 A well-located supermarket will provide both short and long-term employment opportunities for an area. In the initial construction phases a development will provide jobs directly for construction workers, as well as positive flow-on effects for the wider industry. Once a supermarket is developed and operational, it will provide 80 - 100 full-time and part time employment roles for supermarket staff.

3. APPLICATION OF WOOLWORTHS' DEVELOPMENT PHILOSOPHY TO THE SITE

- 3.1 The Peacocke area has long been identified as a greenfield growth cell and the only significant greenfield opportunity in the South of Hamilton to accommodate the City's growing population.
- 3.2 Woolworths had been in discussions with the previous landowner of the site since 2018, before purchasing the site in November 2021. Our intention for the site is to deliver a Countdown supermarket over a medium-term horizon (7+ years) to service the future residential growth which is forecasted to be some 8,400 dwellings within the Peacocke Structure Plan ("**PSP**") area.
- 3.3 The site has been selected for the following key reasons.
- (a) **Location (access):** Accessibility and visibility are two of the most important site selection criteria for a supermarket. Sites that have frontage onto strategic and major arterial roads provide the greatest exposure to pass-by traffic, but often have access constraints. At the other end of the spectrum, local streets are generally unsuitable for supermarket traffic for obvious accessibility and amenity-related reasons.

The site is at the intersection of two proposed Minor Arterial Roads, being Peacockes Road (north-south) and the proposed main east-west connection through the PSP area (“**E-W Arterial**”). It also has a third road frontage onto a Proposed Collector Road. This setting is ideal from a supermarket operation perspective.

- (b) **Location (commercial zoning):** Woolworths’ preference is always to develop supermarkets on appropriately zoned land, as it is fully aware of the challenges of seeking consent for out-of-zone supermarket developments. Often, this is not possible. But in Peacocke, we secured a site that was identified in structure planning documents as part of the Local Centre, and shown as local centre in Weston Lea Limited’s (now “**Adare**”) resourcing consent planning, directly adjacent to the “main street” of the proposed Local Centre.
- (c) **Development constraints:** The site is flat and free from any obvious development constraints. It is also free from any landscape, ecological or cultural / archaeological overlays.
- (d) **Timing:** Given the size, access, zoning and development requirements of a supermarket, usually there is only a small handful of suitable sites within any given catchment. In a greenfield setting, a balance needs to be struck between acquiring land too early (and wait for a structure plan / plan change which could take many years) and too late (when suitable sites have been acquired / developed by others).
- (e) Woolworths’ approach for Peacocke is similar to the recent Rototuna development. In that case, a greenfield site at the northern edge of Hamilton was secured ahead of residential development. Woolworths then worked through a planning process and developed the new store as the population of the surrounding area grew to support it.

3.4 The site meets all the location, design and operational requirements of a supermarket and, throughout most of the site acquisition due diligence period, was appropriately “zoned” for a supermarket activity, as identified in earlier iterations of the PSP. I understand the operative PSP within the Hamilton District Plan still identifies the site as being part of the proposed “Suburban Centre”, which is the only appropriate location (in planning terms) for a supermarket within the PSP.

- 3.5 Documents submitted in support of the Adare subdivision between Peacockes Road and the west bank of Waikato River also show the proposed Local Centre centred on the intersection with the Woolworths site occupying one of the four quadrants. It was therefore a surprise to Woolworths that PC5, as notified, proposed to limit the extent of the proposed Local Centre to the eastern side of Peacockes Road only.

4. FUTURE DEVELOPMENT OF THE SITE

- 4.1 While there are important functional and operational requirements Woolworths must provide for in the design of our supermarkets, we also recognise the importance of the surrounding environment, and communities they form part of. This is evident in the fact that, over the past 18 months, we have completed nine new / replacement supermarkets across New Zealand in a variety of settings and formats. These include:

- (a) Wainuiomata, Lower Hutt
- (b) Richmond, Tasman District
- (c) Hastings Central (replacement store)
- (d) Wanaka Metro (online/drive-thru store)
- (e) Waiata Shores, South Auckland
- (f) Awapuni, Palmerston North
- (g) Balclutha, Otago
- (h) Greville Road, North Auckland
- (i) Herne Bay Metro, Central Auckland

- 4.2 We are proud of our track record in delivering these quality developments and, in doing so, contributing to and, in many cases, transforming the communities they serve in a positive way.

- 4.3 The existing environment surrounding this site is predominantly rural, and the process of urbanisation may take many years to take shape and decades to mature. I understand the two parcels of land that make up the proposed Local Centre within the Adare subdivision were created as “super-lots” without any specified designs or uses. I understand this was because commercial

development was not anticipated to happen until sometime into the future once some of the residential sections have been developed.

- 4.4 Similarly, it is too early to determine the size, layout or design of a future supermarket development on our site while the wider area is still rural, and it likely being several years before the first houses are built and occupied. These details will be influenced by the timing, sequencing and form of residential and commercial development, and infrastructure, within the wider PSP area. For this reason, we accept that any future supermarket development on our site will be subject to further scrutiny through a resource consent process (as opposed to being a permitted activity). This will allow any supermarket application to be assessed against the future environment and developed in parallel.
- 4.5 I understand that a restricted discretionary activity resource consent will be required for any new supermarket development under the Local Centre Zone we are seeking. I consider this provides an appropriate framework for the design aspects of a supermarket development to be assessed. I am confident that the design of any development at our site will contribute positively to the function and appearance the proposed Local Centre and the surrounding residential environment.

5. RESPONSE TO SECTION 42A REPORT AND CHALLENGES WITH DEVELOPING A SUPERMARKET ON ADARE'S LAND

- 5.1 A consistent theme in the Section 42A Report and the Joint Witness Statement ("**JWS**") on the Local Centre topic from Council and Adare witnesses is the importance of having a supermarket "anchoring" the Local Centre on the eastern side of Peacockes Road; and the challenge the Woolworths's request would pose for the viability of the proposed Local Centre.
- 5.2 Council's and Adare's witnesses appear to have focused their assessment on the benefits of having a supermarket anchoring the Local Centre – on Adare's land – without having any regard to:
- (a) The benefits of locating a supermarket on the Woolworths' land; and
 - (b) The difficulty in trying to integrate a well-functioning supermarket alongside other Local Centre activities on Adare's land.
- 5.3 Under PC5 as notified, the proposed Local Centre is the only location where a supermarket is anticipated within the PSP. Woolworths' relief is not about

creating a new Local Centre, or an “out-of-centre” supermarket development. Rather, it is about enabling the development of a supermarket at an optimal location within the Local Centre.

- 5.4 I consider having a supermarket anchoring the Local Centre from the Woolworths site will achieve the same or a better outcome as having the supermarket(s) only within the Adare block, both in terms of the supermarket activity and the overall function and layout of the Local Centre.
- 5.5 As noted above, the Woolworths site has frontage onto two minor arterial roads and a third frontage onto a proposed local road. These frontages provide options for creating separate access points for customer and loading vehicles. The site's location, being at the “edge” of the proposed Local Centre, allows high volume supermarket traffic and loading activities to be kept outside of the “core” of the Local Centre.
- 5.6 By contrast, the ability to fit the supermarket (or supermarkets) on the eastern side of Peacockes Road is constrained by the proposed pedestrian main street. Supermarket traffic (customers and service vehicles) will have to share access with other businesses and activities along the Peacockes Road frontage. It will also be difficult for a supermarket to provide an attractive street interface as the “front” of the supermarket will likely have to face inwards, towards the customer car park, leaving the loading and storage areas between the building and Peacockes Road.
- 5.7 I consider the concept plan appended to the JWS dated 25 August 2022 (**Figure 1** below) clearly illustrates the difficulty in trying to integrate a supermarket within the Adare block. Notably:
- (a) The proposed layout shows the “back” of the supermarket facing Peacockes Road, with constrained loading and outdoor storage provisions, and landscaping being required along this frontage to “screen” this interface.
 - (b) Main access along Peacockes Road (which is very close to the Bridge Street intersection) will be shared between supermarket traffic (including for delivery vehicles, as these would not be allowed to reverse onto Peacockes Road via the proposed loading access) and other businesses.

Peacocke Local Centre Concept – August 2022

Urbanisplus

Principles and Criteria	Score	Comments
1 A well-located centre	Green	Critical mass close to the river
2 A connected centre	Green	Retail all on one side of Peacockes Road; some commercial across
3 A cohesive centre	Yellow	Large majority of retail along main street, but some along spine
4 A viable centre (anchor)	Green	Connected to main street; easy parking; can grow
5 A viable centre (specialty retail)	Green	Retail around anchor and along main street
6 A legible centre	Yellow	Good activation; supermarket servicing along Peacockes Road

Areas	GF provided	1 st floor provided	Total provided	HCC 2048 projected
Supermarket	4,800m ²	-	4,800m ²	4,800m ²
Specialty retail, including grocery	5,300m ²	-	5,300m ²	5,300m ²
Specific hospitality	1,200m ²	-	1,200m ²	-
Commercial	1,300m ²	1,300m ²	2,600m ²	2,600m ²
Potential community facility	1,500m ²	-	1,500m ²	-
Total GFA	14,100m²	1,300m²	15,400m²	12,700m²

Spare capacity in Local Centre Zone	Areas
Above specialty retail	5,300m ² per floor
Above specific hospitality	1,200m ² per floor
Above commercial	1,300m ² per floor
Above potential community facility	1,500m ² per floor
Total (GFA)	9,300m² per floor
Total additional land	13,100m²

Legend	
- - - Local Centre Zone boundary (as notified)	Potential community facility
Supermarket	Additional capacity (potential residential, including apartments or terraced housing)
Specific hospitality	Residential (medium density housing)
Specialty retail (shops approx. 9m x 15m)	Potential education facility
Commercial (buildings max. 20m deep)	Parking (4 parking bays)



Figure 1: Concept Plan for the Proposed Local Centre appended to the JWS dated 25 August 2022.

5.8 The above is despite the concept plan showing a significant under-provision of car parking to meet the minimum requirement of any supermarket operator. (The proposed 240 spaces only just meets the practical parking demand of a 4,800sqm (gross) supermarket. There is very little additional parking available for other activities within the town centre.)

5.9 I consider the vision the Council has for the Local Centre and the main street would be better served by having a supermarket on the Woolworths site, which has none of the above constraints. This would allow the “core” of the Local Centre on the eastern side of Peacockes Road to be developed for more pedestrian oriented activities, be it retail, residential or mixed use. Notwithstanding this, nothing in Woolworths submission seeks to preclude supermarket development on Adare’s land.

5.10 I do not consider Peacockes Road should be seen as a “barrier” for pedestrian movements between the two blocks. I understand the section of Peacockes Road (and the eastern end of the E-W Arterial) will be a “low speed environment”, given the proposed location of the Local Centre and the school. In any case, this outcome can be achieved through appropriate design and management of this section of the road.

- 5.11 The counterfactual is that the Woolworths site could be developed for high density residential. In that scenario, I expect the Council would also want the design of Peacockes Road to facilitate the movement people between the Woolworths site (and the residential catchment beyond) and the Local Centre. There is no reason to assume that the road would become some sort of barrier if the Woolworths site was developed as a supermarket instead.

6. CONCLUSION

- 6.1 From the outset, Woolworths have sought to work within the framework established by the Council by securing a site in the only location where supermarkets are provided for within the PSP. Our intention is not to create a separate retail hub that will compete with the Local Centre, but to provide a functional supermarket with an efficient layout that will complement the role and function of the proposed Local Centre.
- 6.2 The relief sought by Woolworths will see finer-grained retail, office, community and mixed-use activities concentrated on the eastern side of Peacockes Road with a supermarket on the western side. This will enable the supermarket to be easily accessible by private motor vehicles (for the customers) and heavy vehicles (for the delivery of goods), without compromising the creation of a pedestrian-friendly environment with active street frontages within the core of the Local Centre. I consider this outcome will better provide for the operational needs of the supermarket, the convenience needs of customers, and the function and layout of the Local Centre.

Daniel Shao

16 September 2022