



2012-2032

URBAN GROWTH STRATEGY

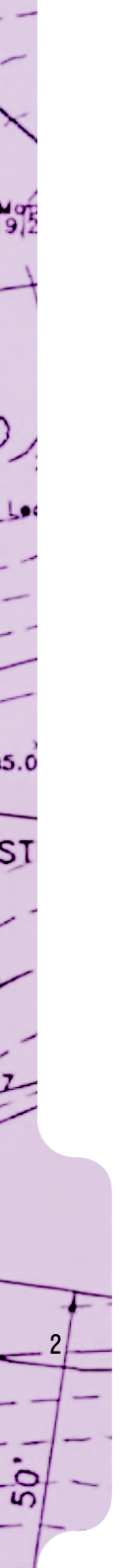


TOGETHER WE ARE A CITY.

URBAN GROWTH STRATEGY 2012–2032

CONTENTS

Foreword	3
Introduction	5
Council's Vision	11
A Brief History	13
Our City in 2032 – Projections	15
Low population growth	16
Insufficient housing growth	18
A lagging economy	18
Persistent deprivation in northern suburbs	18
Our World in 2032	19
Hutt Living	23
The way forward	24
Intensification	25
Apartment living	27
Greenfield development	30
Hutt Business	35
Commercial and industrial land supply	37
Retail land supply	38
Hutt Transport	39
State Highway 2	40
The Esplanade and Cross Valley Link	40
Greenfield infrastructure	41
Cycle network	42
Hutt Recreation, Open Space and Environment	43
A great base we intend to protect	44
Opportunities for growth	44
Impact on the environment and open space	45
Hutt Finances	47
Impact on Council's Long Term Plan and Financial Strategy	48
Return on investment	49



FOREWORD

Background

It is with great pleasure, that I present Hutt City's Urban Growth Strategy. It is a pivotal plan, in a suite of plans, more of which are still to come, but all of which will propel Hutt City towards achieving its vision and truly flourish in coming decades.

In its 2012-22 Long Term Plan, Council presented its vision for Hutt City. That vision is, "a great place to live, work and play". The rationale for this vision, and an overview of the superb opportunities we have to realise it are outlined in the recently published "Integrated Vision for Hutt City – Making Our City a Great Place to Live, Work and Play".

It is an "integrated vision" because behind it is recognition of the outstanding, strong individual communities that make up our city. These communities have worked tirelessly over recent years, alongside Council, to really contribute to articulating a greater vision, while ensuring the unique and special attributes of each community or neighbourhood are retained. The "Integrated Vision for Hutt City" aims to capture a picture of both our strengths and opportunities.

Following on from the Integrated Vision, are four key areas of focus – Growth and Development, Leisure and Wellbeing, Environmental Sustainability and Infrastructure, each of which will require specific planning.

Urban Growth

First off the block is this plan, the Urban Growth Strategy, addressing the Growth and Development focus.

Growth and development is essential if our city and our communities are to prosper in the medium to long-term. It is critical we enable "building" so that our city can grow economically, through businesses and organisations that operate here, and through the provision of desirable and appropriate housing for the range of residents that reside or will reside here.

Doing nothing is not an option. Spending nothing is not an option. Our city simply won't grow if we sit back, hands-off and let it take its course. This approach has not worked in recent decades and there is now an urgent need to act, or we will go backwards. We are experiencing significant population changes, and with that, need to address the increasing demand for different types of housing and modern, appropriate facilities to support residents and encourage businesses.

This is Council's plan for facilitating and investing in growth. Like the Integrated Vision, it includes the ideas and aspirations expressed by our communities. We add substance and make a commitment to growth by specifying what we will do to make it happen.

And with that, we expect and eagerly look forward to forming productive relationships and partnerships with a great many individuals, businesses and organisations all of whom will be adding to that growth.

Our picture of our future is a lively, growing and prosperous city with exceptional facilities, opportunities to achieve high levels of education, world class recreational facilities and excellent housing and business opportunities, all within the geographic surrounds of the Hutt Valley.



Ray Wallace

*Mayor of Lower Hutt
25 March 2014*



DELIVERING ON OUR GOALS

Council recognises that a “business as usual” approach to development will not achieve our goals. It will not provide adequate space for new families. It will not provide enough opportunities for older residents to find suitable housing. It will mean our population will decline, and it may mean that many commercial development opportunities are lost and our retail centres lack vibrancy.

This Strategy heralds a new approach to fostering development in Hutt City. It includes new ideas and bold proposals for at least doubling the current rate of housing growth in Hutt City, providing more opportunities for economic growth, and for getting our city moving.



INTRODUCTION



INTRODUCTION

The Urban Growth Strategy sets out the long-term approach to managing growth and change for Hutt City.

The focus is principally on how the “built environment” in Hutt City will change over time. This means how much we want the city to grow, where new homes and businesses will be accommodated, and what will be done to support and encourage this development.

This heralds a new approach to fostering development in Hutt City. It includes new ideas and bold proposals for at least doubling the current rate of housing growth in Hutt City, providing more opportunities for economic growth and for getting our city moving.

Council recognises that a “business as usual” approach to development will not achieve our goals. It will not provide adequate space for new families. It will not provide enough opportunities for older residents to find suitable housing. It will mean our population will decline and may mean that many commercial development opportunities are lost and our retail centres lack vibrancy. Growth in the way of “building” is positive, if not essential, when done on strategy, in a planned and thoughtful way.

This strategy:

- briefly summarises the history of Hutt City’s growth over many decades.
- projects what our city is likely to look like or face in 2032, based on Statistics NZ figures.

- provides detail on what we are planning for in regard to
 - housing
 - business
 - transport
 - recreation, open spaces and environment

- explains the funding implications of the plan

We outline a future for the city and an approach for achieving it. This future will:

- have a growing base of working age families;
- have thriving and appealing commercial centres;
- have attractive and affordable housing opportunities;
- provide a city that is easier to get around;
- offer a sustainable future for the economy and public services; and
- ensure that Hutt City will continue to play a major role in the Wellington region

FINAL DECISIONS

Growth targets

Greenfield development

Following is a summary of decisions Council has made to immediately progress growth. They are tangible first steps in what will be an exciting period of development. These decisions have only been possible because of the great feedback Council received from communities, businesses and individuals on the draft Urban Growth Strategy.

- * Target population growth that would ensure that at least 110,000 people live in the city by 2032

- * Target an increase of at least 6,000 in the number of homes in the city by 2032

- * Provide for residential development on approximately 24 hectares in the Upper Fitzherbert area above Wise Street and below the paper road, instead of pursuing Greenfield development for whole of the Upper Fitzherbert area at this time
- * Provide for residential development on approximately 40-50 hectares in the Upper Kelson area
- * Undertake further investigatory work on the roading options available in Kelson and Wise Street, Wainuiomata in 2013/2014 including costings
- * Partner with developers to provide key infrastructure for Greenfield development including:
 - roading and water infrastructure in Upper Kelson
 - extending and upgrading Wise Street in Wainuiomata

- * Limit Council's up-front cost recovery for Greenfield infrastructure;
- * Provide for rural/residential development on approximately 265 hectares in Normandale and Moores Valley
- * Allow development of smaller lifestyle sections of 5,000 square metres and investigate reducing frontage and driveway requirements
- * Allow one hectare lots across the remaining rural residential areas in the city

Intensification

- * Provide for targeted infill intensification in Waterloo and Epuni beyond 2018
- * Carry out further investigatory work on other areas that may be suitable for targeted infill intensification for example, the railway corridor and the periphery of the Central Business District (CBD)
- * Provide for low-rise apartment developments in key locations in the City, namely:
 - Eastbourne against the hills, and other sites that will not have negative effects on views and shading of existing dwellings
 - Jackson Street from Cuba Street West excluding the area covered by Plan Change 29, The Esplanade and Marine Parade area in Petone
 - around the Waterloo shops and train stations with the exception of Ava station
 - the periphery of the CBD (high-rise is already provided for in CBD)
 - suburban shopping centres
- * Increase investment in the “Making Places” project that aims to enhance perceptions of the CBD and to encourage development there
- * Provide for targeted multi-unit development rather than reducing lot size across the board
- * Develop and implement through the District Plan (where not already required) design guidelines for medium and high density developments (includes multi-unit developments and apartments) and all developments in the CBD and Petone West
- * Provide for 40% coverage rule across the city to remove any impediment to multi-unit development, where necessary
- * Investigate the feasibility of relaxing CBD parking requirements per apartment to allow developers and apartment building owners to provide off-site parking where they are converting an existing building into apartments

Business

- * Investigate the District Plan provisions related to State Highway 2/Korokoro entrance way and the southern portion of Manor Park to further facilitate current discussions between Council and New Zealand Transport Agency (NZTA) on possible uses/development of these areas

Financial incentives

- * Extend the financial incentives policy for another three years and make this available for high density developments and large non-residential developments in Hutt City
- * Begin the process of reviewing the District Plan to facilitate progress on the Urban Growth Strategy

Other matters



Stokes Valley:

- * Investigate the feasibility of development in the Shaftesbury Grove area in Stokes Valley

Harbour Ward:

- * Investigate and report on possible reverse sensitivity issues associated with development in the Marine Parade area of Petone
- * Investigate the feasibility of low-rise apartments in the Eastbourne Village

Kelson and Normandale:

- * Investigate the provision of community facilities that may be required as a result of increasing population growth in the Upper Kelson area
- * Septic tank use in Normandale

Wainuiomata:

- * A marketing plan for Wainuiomata based on the parameters outlined in the Integrated Vision for Hutt City
- * Septic tank use in Moores Valley and around the Coast Road issue
- * Air quality in the Moores Valley/Coast Road area
- * Investigate the possibility of providing for rural residential development on rural land around Pencarrow, Coast Rd and other areas of these types
- * Potential for development in current commercial areas of Wainuiomata

Further Work:

- * Investigate permeability and hydraulic impacts of intensification on water courses
- * Economic Development Strategy:
 - Reviewing the Economic Development Strategy to align this with the Urban Growth Strategy (where appropriate)
- * Transport:
 - Preparatory work on an Integrated Transport Plan as part of the Infrastructure Strategy
 - Continuing the work with NZTA on the Cross Valley Link

General

- * Provide advice concerning funding for Urban Growth Strategy to ensure Council remains within debt targets and the parameters of its financial strategy
- * Direct officers to meet with counterparts in other territorial authorities in the region and Greater Wellington Regional Council to investigate the development of a regional spatial plan
- * Provide:
 - \$1m per annum for the next three years to account for the financial incentives package for high density housing and large non-residential developments
 - \$5.5m over 10 years to account for increased investment in Making Places
 - \$13m over 2018/20 to account for the proposal to develop a link road in Kelson
 - \$1.5m in 2014/15 to account for the proposal for the extension/upgrade of Wise Street
 - \$5m in 2020/2021 to account for the proposal to link Wise Street and Wellington Road



COUNCIL'S VISION

COUNCIL'S VISION

Council's vision for urban growth in Hutt City is *Hutt City is the home of choice for families and innovative enterprise.*

To realise this vision, Council believes we need to achieve the following goals.

GOAL	MEANS
Capacity and demand for great living and a thriving commercial sector	<p>The city is a sought after location for residential and business development and we have space to accommodate growth. The city offers homes, an environment and amenities that nourish families and provide great New Zealand living.</p> <p>The city is the preferred place of business for new business, providing a vibrant economy and well-paid jobs close to home.</p>
An economy that can compete in our world in 2040	<p>Our economy has managed the shift to a service economy based on science, knowledge, technology and creative industries, and we host fierce innovators.</p> <p>We grow, retain and attract people and talent that create a critical mass of smart people that will reinforce our knowledge, technology and creative-based service economy and attract "smart" businesses.</p>
Thriving and distinctive centres that anchor Hutt City	<p>Our thriving business and retail centres are distinctive and memorable public spaces, with quality, well-designed buildings.</p> <p>The Central Business District and Petone are recognised as the heart of the city, anchoring our sense of place and are regionally significant centres of commerce and great living.</p>
Fantastic recreational opportunities, the natural environment, and character urban environment underpin Hutt City's quality of life	<p>Fantastic recreational opportunities, the natural environment and character urban environment underpin Hutt City's quality of life and make this an attractive place for new households and businesses to develop.</p>
A city that is connected, driving opportunities for commerce, living and playing	<p>The city and its major centres have efficient and resilient connections to the region, driving opportunities for commerce to become more efficient and grow, opening new areas for development, and helping ensure adequate mobility in times of natural disasters and emergencies. The transport network contributes positively to our social mobility and ability to get to places to enjoy recreational activities.</p>



A BRIEF HISTORY

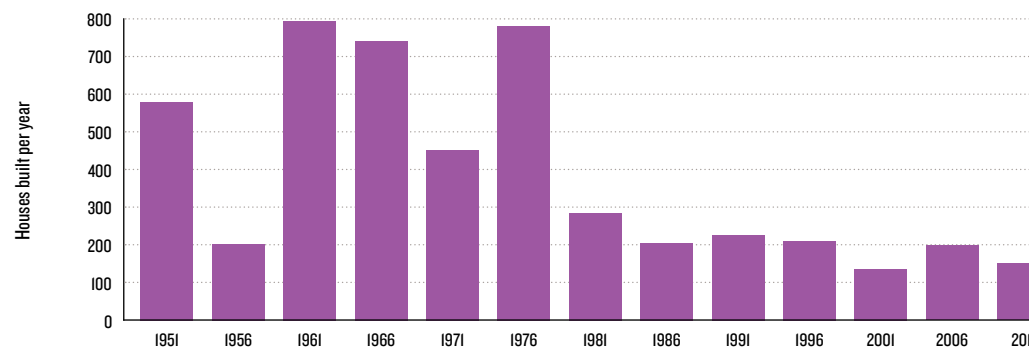
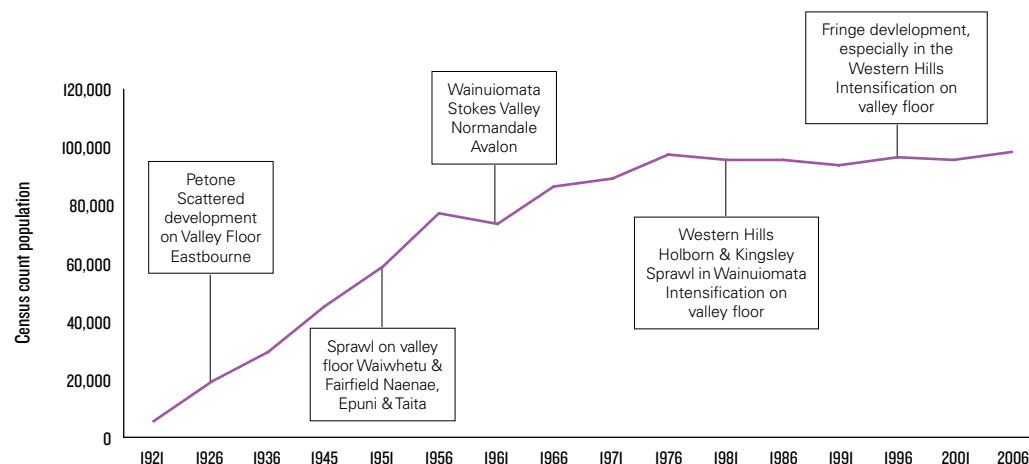
A BRIEF HISTORY

Historically, Hutt City's growth has gone hand in hand with major residential developments focused squarely on family homes and sections, alongside major transport and business developments such as development of the Ford assembly plant in 1936.

Residential growth slowed considerably by the early 1980s. By this time, most of the Greenfield potential in Hutt City was developed and the remaining large land holdings moved into multiple ownership, while Greenfield areas in other parts of the Wellington region were developed. While housing intensification (infill housing, terraced houses, apartments) has provided some growth in Hutt City over the last 20 years, most intensification has occurred in Wellington City.

The Hutt City economy also had a long run of very high economic growth several decades back. However, the reforms of the late 1980s hit the Hutt City economy hard, with many large traditional industry employers closing shop over the following two decades. Since then, the city has been transforming its economy with a growing focus on science and technology and, before the recent recession, had achieved some success in improving its economic performance.

The overall result is that since the early 1980s the city's housing growth has been minimal and the city's population has been largely static with the 2013 census showing only 0.55% growth in the city since 2006. The last seven years have seen housing growth fall to around 70 homes per annum. This can be seen in the accompanying diagrams.





OUR CITY IN 2032 – PROJECTIONS

OUR CITY IN 2032 – PROJECTIONS

The 2013 census confirms that while Hutt City has grown, this growth has been slow – 0.55% since 2006 – and the numbers low – our census night population is now 98,238 compared to 97,701 in 2006.

It is therefore highly likely that the city will experience population loss over the next 20 years. This paints a worrying picture which will be highly detrimental to the City unless positive action is taken.

The following provides a snapshot of Hutt City in 2032. While we have the total population numbers from the 2013 Census we do not yet have the more detailed tables, so this snapshot is based mainly on Statistics New Zealand's median growth projections for Hutt City, based on the 2006 Census.

LOW POPULATION GROWTH

Hutt City's very limited population growth of 0.55% since 2006 can be compared to 5% in the Wellington region as a whole and 5.3% nationally. Generally, the city's growth in the last ten years has been highly concentrated in a small number of central valley and Western Hills areas, while the Northern suburbs of Taita and Naenae as well as Epuni and Waterloo and some areas of Wainuiomata have experienced substantial depopulation. Within the overall forecast, there are a number of important sub-trends¹:

- **Negative net migration** - Every year, Hutt City loses between 400 and 800 people due to net

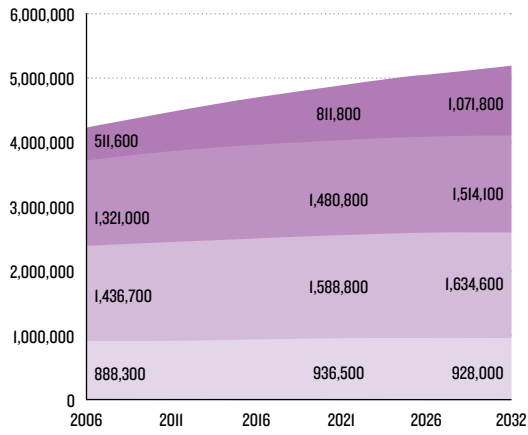
migration (the number of people coming into Hutt City versus the number of people leaving) and this trend is expected to continue in the long-term. Negative net migration persists across almost all age groups except 30-34 year olds, and is particularly severe among 20-30 year olds.

- **Declining births** - A decline in the number of births and an increase in the annual number of deaths means there will be little natural population increase in the city.
- **An ageing population** - The number of younger people within the population will fall, while at the same time the number of over 65 year olds will grow. While children outnumber over 65s by a ratio of 2:1 at present, by 2032, the number of over 65s will in fact outnumber children. The aging population means a big shift toward one and two person households and a fall in the average household size from around 2.7 people per home today to around 2.4 in 2032. 62% of households in 2032 in Hutt City are forecast to be one person households, or couples without children – up from 53% today. This means that any given number of homes will house fewer people in 2032 than is the case today.
- **Falling employment base** - Particularly concerning for Hutt City is that between 2006-2032 there is an expected fall of around 5,000 working-age

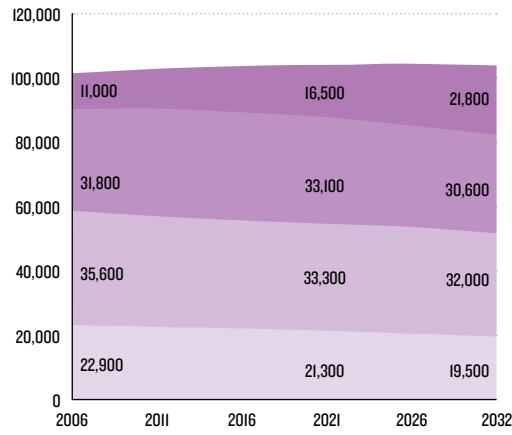
people from the population of the city. This does not reflect the trend expected for New Zealand or the region as a whole for this age group, which is expected to grow slightly. This fall means that our young and older residents will be dependent on a smaller working population base than will be the case for New Zealand, or the region as a whole. The accompanying graphs show these trends and compare Hutt City's median population forecast with the national and regional forecasts.

¹ These sub-trends are based on Statistics NZ median projections as the more detailed tables are not available at this stage.

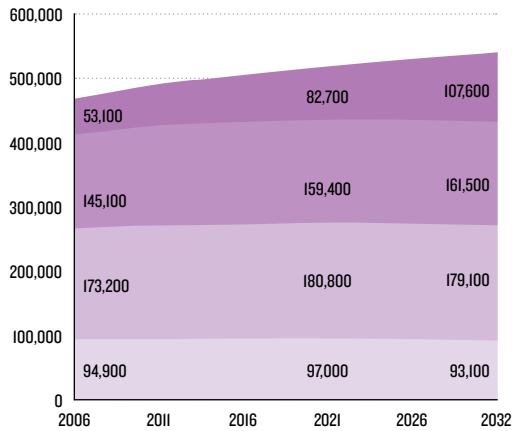
National median population forecast



Hutt City median population forecast



Regional median population forecast



- 65 years and over
- 40-64 years
- 15-39 years
- 0-14 years



INSUFFICIENT HOUSING GROWTH

While population growth is low, considerably greater household growth is projected – around 4,400 households between 2011 and 2032 (220 per annum). Over two thirds of this housing will be to accommodate the existing population base as a result of population ageing and the associated increase in smaller households. This means that around 3,400 new homes, or 170 new homes per annum, are needed just to maintain Hutt City’s population. However, at present, only around 150 homes per year are built in Hutt City. If this trend continues, there will be an insufficient number of homes to accommodate even the existing population, and Hutt City’s population will fall. The graphs on the right demonstrate this trend.

As new residential building rates in Hutt City fell, home prices in Hutt City rose from around \$170,000 in 2002, to around \$340,000 today. This is a whopping 100% increase, around three times the rate of general inflation over the same time. The market, by itself, has not responded to the massive increase in price and without some other kind of change in supply, prices may escalate further. While this may benefit some home owners, particularly baby boomers, it increasingly comes at the expense of housing affordability for working-age families.

A LAGGING ECONOMY

Over the five year period to March 2011, Hutt City has suffered declines in GDP, GDP per capita, employment and labour productivity, with the only areas of growth being in the number of businesses. Much of this can be attributed to the ongoing global financial crisis. Prior to the recent economic downturn, Hutt City had been improving its economic performance in

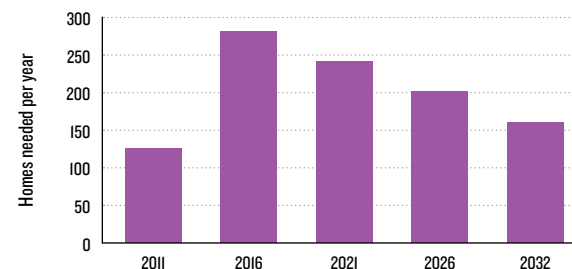


the middle of the 2000s and had been closing the gap with its target growth on most indicators. 2011 saw improved performance for Hutt City – GDP growth of 2.2% compared to 1.6% nationally. However, 2012 saw Hutt City’s GDP fall by 0.99% while nationally GDP grew 2.04%, and declined by 1.4% in the Wellington Region.

While retail activity has grown in recent years, much of this growth has been concentrated in a few large format retail developments. Our suburban shopping centres and some parts of the CBD are struggling to remain desirable retail destinations. This has a major impact on an area’s sense of vibrancy and our perception of our neighbourhoods and wider city.

PERSISTENT DEPRIVATION IN OUR NORTHERN SUBURBS

A number of neighbourhoods in Hutt City, particularly the northern and eastern wards, suffer from persistent



poverty. All these communities have passionate people and strengths and, in addition to investment by a range of organisations, there is considerable energy, creativity, expertise and potential on which to build a positive future. However, evidence shows that these areas face serious challenges, including poor health and wellbeing, low educational attainment, higher unemployment, low incomes and, in some areas particularly, higher vulnerability to crime.

Extensive literature shows that poverty, particularly persistent childhood poverty, is a determinant of health, wellbeing and life chances. As well as the direct effects on individuals and families, there are also broader economic and social impacts, in terms of the costs of child poverty, greater spending on health, welfare and criminal justice, and lost economic opportunities and productivity driven by poor skills and educational attainment.



OUR WORLD IN 2032

OUR WORLD IN 2032

When thinking about how the city should develop in the future, it helps to consider the wider trends happening in New Zealand and globally that will be shaping our world.

Below are brief summaries of some of the key trends anticipated, and their possible implications for urban development and growth.

Ageing population

The increasing number and percentage of people over 65 will cause a rise in dependency ratios in New Zealand, and in other developed nations. (The dependency ratio is the number of under 18 year olds and over 65 year olds compared to the number of working age people.) This will increase the competition between cities and between nations for talented working-age people. The ageing population will pose new challenges for housing and our economy, and for public services like health care and transport.

Agglomeration, urbanisation and global mobility

The changing nature of economies in the developed world, increasing prosperity in developing nations, and changing preferences means urbanisation is a growing force worldwide. While half of the world lives in cities today, by 2040, two thirds of the world's population will live in urban areas. A globally mobile workforce (especially the world's skilled workforce) will see themselves as citizens of the world, able to choose

from a vast array of possible living and employment opportunities. They will have the mobility to live in the city of their choice, based on the lifestyle offered. Cities that are not perceived as offering a quality environment with great lifestyle will struggle to attract talent and investment.

Innovation and growing importance of the service sector

Cities will compete with each other in the development of new science and technology and the support they provide for innovative businesses. The rapidity of technological innovation and on-going internationalisation of national economies will intensify competition between firms. Competitive advantages may be short-lived, and the pressure to innovate constantly will be intense. In 2032, sound infrastructure and a regulatory environment supportive of business may be insufficient to drive growth. Cities will need to focus on those aspects that help grow a city's pool of skilled and creative workers to ensure local companies have access to resources that will help provide them an edge.



Energy

Reliance on energy will be as important in 2032 as it is today, yet there may be more competition for that energy, and particularly of oil to power transport. Whether this results in major changes to transport and urban development patterns is unclear as there are many promising technologies around the corner that could reduce or eliminate the impact of oil scarcity, such as electric cars.

Sea level rise

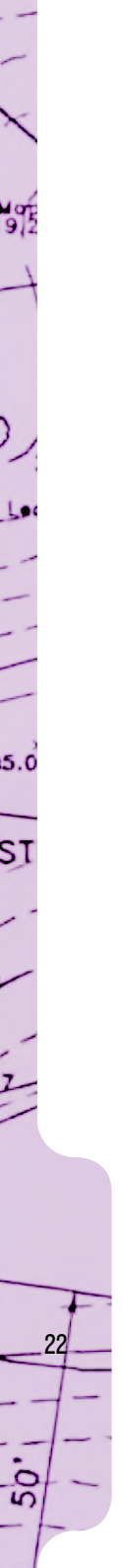
Sea level rise and increasing flood risks associated with climate change will start affecting many cities worldwide and almost all coastal cities, including Hutt City. The response to these risks takes many forms, from raising coastal defences and pumping stations, dune restoration, planning restrictions, through to planning for a managed retreat in areas where no economically viable solution is possible. Investors in 2032 will want to ensure any new developments and vital infrastructure is not subject to foreseeable threats from sea level rise. Cities that pro-actively plan for managing this risk will have an edge in attracting investment over cities that do not.

Increasing ethnic diversity

In New Zealand, there will be a continuing decline in the European population and increases in the proportion of Maori, Asian and Pacific populations. The Asian and Pacific populations in particular are expected to grow, together rising from around one in six people today to around one in four by 2032.

The possible impact on the city of sea level rises has not been addressed in this strategy. Council first needs to undertake hydrological modelling that incorporates the combined impacts of sea level rise, subsidence, storm tide and river flooding to assess what the long-term impact on the city could be. Council plans to complete this work in time for the next Urban Growth Strategy. The city will then have much better information regarding how significant the risk to the city is and how we should respond.







HUTT LIVING

HUTT LIVING

Greenfield land has been in short supply in the city and Council will help to address this by partnering with developers to help provide the infrastructure needed to bring over 74 hectares of land onto the market in Kelson and Wainuiomata. This will help provide sufficient land for at least 1,100 homes.

The community made it clear to Council that it prefers a moderate approach to housing intensification and this Strategy reflects that preference. Intensification will be guided by the current District Plan rules and consist mainly of infill housing and growth in apartments. It will result in an equal balance of intensification and Greenfield development and total growth of around 3,950 homes by 2032.

Council will make new housing development in the city more attractive and affordable to developers and new home buyers by lowering up-front costs. We will take a longer-term view of the impact new development has on Council's rating base and the wider economic benefits to the community at large. The economic impact of the new homes planned for significantly outweighs the costs foregone. Every new home provides revenue to Council of around \$2,000 per year and helps raise the city's GDP by as much as \$30,000 per year. Every four new households help provide the equivalent of one job in Hutt City. The construction of a \$400,000 new home can add as much as \$200,000 to local GDP, along with the employment it creates.

THE WAY FORWARD

Council recognises that a change is needed from the hands-off approach that has dominated development in Hutt City in recent decades if we are going to attract investment and make Hutt City's housing more affordable, especially for working-age families and older residents. We intend to:

- Increase the range of intensification opportunities available
- Increase the supply of land available for Greenfield development
- Improve the attractiveness and affordability of both intensification and Greenfield developments

AFFORDABLE HOUSING

The Productivity Commission's report into housing affordability has made it clear that more needs to be done at local government level to ensure enough homes are built to meet population growth and that homes stay affordable.

To achieve this, Council intends to:

- Expand the range of intensification opportunities available and the supply of Greenfield land available for development.
- Maintain incentives to undertake intensive developments in Hutt City.
- Partner with developers to provide key infrastructure for Greenfield developments and limit our up-front cost recovery through development contributions to 50%.

INTENSIFICATION

Intensification means providing for new homes within existing urban boundaries. Intensification allows greater use of existing assets and services, reduces the amount and cost of land needed for an individual home, helps reduce sprawl and travel times, and can play a critical role in neighbourhood rejuvenation. For these reasons, intensification plays a key role in Hutt City's Urban Growth Strategy.

However, intensification does not come without costs. There can be a major change to the "sense of place" brought about by a reduction in the amount of open space and increase in scale, along with changes in the design and the materials used that often accompanies intensification. Shading and sense of privacy for the surrounding properties are other factors that need to be carefully managed.

For these reasons, Council proposes to ensure that all medium and high density developments:

- Are subject to design guides. Design guides will reinforce quality design and materials that enhance the impact new development has on the surrounding neighbourhood and mitigate or eliminate the negative impacts on surrounding properties, such as loss of a sense of privacy.
- Go hand-in-hand with improvements to public open space to compensate for the loss of private open space.

Many strategies also try to encourage intensification by restricting the growth of Greenfield development. However, such practices distort the housing market and inflate the price of land, and have been identified as a major cause of the crises in housing affordability. For this reason, Council will not be restricting land supply through the District Plan to force intensification.

A more detailed discussion about the issues and opportunities around infill housing, multi-unit developments, and apartments follows.

KEY POINTS FROM THE PRODUCTIVITY COMMISSION'S HOUSING AFFORDABILITY INQUIRY

- **Pressure on land prices needs to be reduced and the Commission has recommended there be an immediate release of new land for residential development.**
- **Councils should also ensure they are not putting up barriers to development and should take a less constrained approach to urban planning.**
- **There is no need for our homes to be expensive - we can construct quality, affordable homes. But, it will take councils and developers to work together so that sections can come to market quickly at a price that allows the building of homes at an affordable price.**

Commission Chair, Murray Sherwin



Infill housing

Infill housing is the main form of intensification in New Zealand. Existing residential sections are subdivided into one or more additional lots for further residential development. While a popular choice for many, the potential for infill to provide all of the land for additional growth is limited by the range of sections available, District Plan requirements, and the economic feasibility of construction given the surrounding property prices.

Our research indicates infill can only provide for around a third of the city's housing growth over the next 20 years under current economic and District Plan parameters, although there is potential to increase this. In addition, old school sites also provide an opportunity to provide land for up to 10% of our expected housing growth.

An assessment of the economically feasible supply of infill within the city indicated infill can contribute a third of the land supply needed for new housing to meet

forecast growth over the next 20 years. This increases by another 10% when old school sites are included, adding an additional 18 hectares of land that can be developed within the city – potentially contributing space for upwards of 450 homes.

Council considered two possible approaches to expanding the available supply of infill land in Hutt City; either enabling it across the whole city or taking a targeted approach. Feedback from the community indicated a preference for a targeted approach that focuses on those areas that have the greatest potential for increasing the economically feasible infill supply, and are located close to shops and services, employment hubs and transport. While this will provide fewer opportunities for development, it responds to the community's preferences and will have less impact on the character of the city.

The table below indicates that Waterloo and Epuni have the greatest potential for increasing the available infill supply in the city associated with any minimum lot size

reduction. Together, these two suburbs provide nearly 40% of the overall potential for increasing infill lot supply in the city. These two suburbs also have distinct advantages as areas for intensification:

- They are centrally located, being close to the CBD and convenience shopping at Waterloo;
- They sit on or around the main public transport corridors and the second busiest rail station in the region, as well as key arterial roads.

For these reasons, while other areas are not excluded, Waterloo and Epuni are the key suburbs for any further intensification through infill housing under this Strategy.

DISTRICT PLAN

Several of the proposals in this strategy will require changes to the District Plan, such as the rezoning of rural residential land to allow general residential development. The purpose of this strategy is not to replace this process, but to provide guidance about what should be considered when the District Plan is being reviewed. The specific details of any proposed plan changes will be dealt with as part of the process for making changes to the District Plan under the Resource Management Act 1992 – including detailed assessments of the benefits and costs of plan changes and full public notification and consultation.

	TOTAL INFILL POTENTIAL 2013			INFILL POTENTIAL INCREASE	
	NOW	50 M ² REDUCTION	100 M ² REDUCTION	50 M ² REDUCTION	100 M ² REDUCTION
WATERLOO	170	270	500	100	330
EPUNI	70	140	350	70	280
REST OF CITY	310	410	610	100	300
ALL	1370	1870	2980	500	1610

Multi-unit developments (one and two storey)

Multi-unit developments provide the opportunity to make greater use of the available land supply within the city than infill housing. Well-designed multi-unit developments can provide attractive, suitable lower-cost accommodation for a wide range of people, including the growing sector of older residents who will increasingly seek smaller and lower-maintenance properties. One and two person households are expected to make up around 62% of households in 2032, up from 53% now – a 17% increase.

When land is expensive (as it typically is in already developed areas) there is greater incentive to undertake larger developments to recoup costs. Where land use rules favour standalone homes, this means there is greater incentive to develop larger, more expensive individual homes.

This was identified by the Productivity Commission as a key driver behind increasingly unaffordable housing in New Zealand. In Hutt City, around 50% of all new homes are built for the top quarter of the housing market, up from 25% in the 1960s and 1970s. Conversely, homes in the lower price quarter now make up only 5% of new homes, down from 30% in the same time period.

However, if land use rules allow greater flexibility around the form of housing permitted, multi-unit developments will often be a more attractive development option. Consequently, multi-unit developments present a major opportunity to help address housing affordability and attract growth.

Under the moderate intensification approach proposed, the current rules around multi-unit developments remain unchanged. These allow multi-unit developments in the medium density areas identified in the District Plan and in other locations that have good proximity to shops and key transport routes. This helps ensure denser living

is concentrated around our main centres and is closer to public transport. Multi-unit developments must also comply with rules intended to ensure good design, and limit negative impacts of more intensive developments on the surrounding residential areas.

APARTMENT LIVING

Apartment living offers the opportunity to break free of land constraints. However, while often thought of as affordable housing, this is not necessarily the case. There are two types of apartments and they have markedly different construction costs:

- High-rise apartments of 4-5 storeys or more are usually made using steel and concrete construction and are considerably more expensive to develop than timber-framed homes. As a result, they typically retail for \$6,000-\$7,000 per square metre. This limits their market to higher income households and only when they offer amenity, view and locational advantages over other high quality housing options.
- Low-rise apartments of up to 3-4 storeys can be timber-framed and consequently, can be built for costs closer to stand-alone timber-framed homes. These offer a much better opportunity to offer a wider range of city living at affordable rates.

High-rise apartments (more than four storeys)

Apartments have been a feature of the city's planning for the CBD and the western area of Petone for several years. The District Plan permits residential development in the CBD, and Plan Change 29 allows residential development in Petone West. There have been several recent low-rise apartment developments in Petone and a number of large apartment developments were planned for the CBD, but have not progressed



to construction due to the 2008 financial crisis and subsequent economic recession. An economic assessment of the apartment market potential for high-rise apartments indicates that at present, the city could expect 2-4 high rise apartments (60 – 120 units) per decade. Consequently, Council is confident high-rise apartment developments in the city will progress.

The potential for apartment developments rests strongly on the amenity, view and locational advantages they offer over other housing options. Council sees an opportunity to lift the longer-term apartment growth potential in the city by investing in making the CBD and area of western Petone a highly attractive environment for apartment dwellers. This will involve:

- Investing in the Making Places project, such as beautification of the CBD, developing the riverfront promenade, redevelopment of the CBD's parks and ensuring a vibrant and active street life by bringing non-retail activity to the CBD.
- Developing and investing in an urban upgrade programme for Petone West to form the basis of future streetscape upgrades, beautification and parks provision.

For further information on Making Places, a plan to transform the CBD by 2030, go to huttcity.govt.nz/makingplaces



AN EXAMPLE OF WHAT LOW-RISE APARTMENTS COULD LOOK LIKE, IN THIS CASE, ALONG THE ESPLANADE, PETONE

Low-rise apartments (up to four storeys)

Low-rise apartments and terraced housing of 3-4 storeys (or 12-15 metres) can be timber-framed and consequently built for costs closer to stand-alone timber-framed homes. These offer a much better opportunity to offer a wider range of city living at affordable rates than high-rise apartments. Currently the only places such developments can be provided for are in the CBD and the western area of Petone. In the CBD, the land is likely to have higher value uses as construction to 30 metres (10 storeys) is provided for. In Petone following the decision for District Plan Change 29, construction up to 20 metres will be provided for in the western area of Petone. As always any new development is subject to District Plan rules.

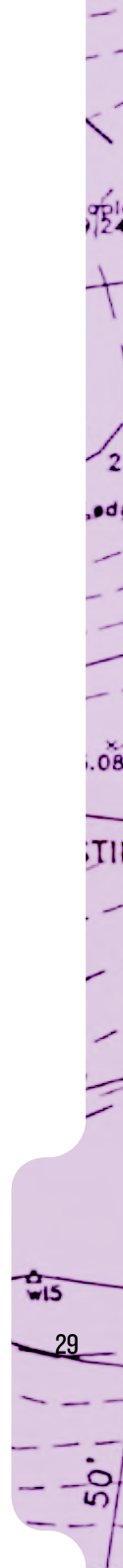
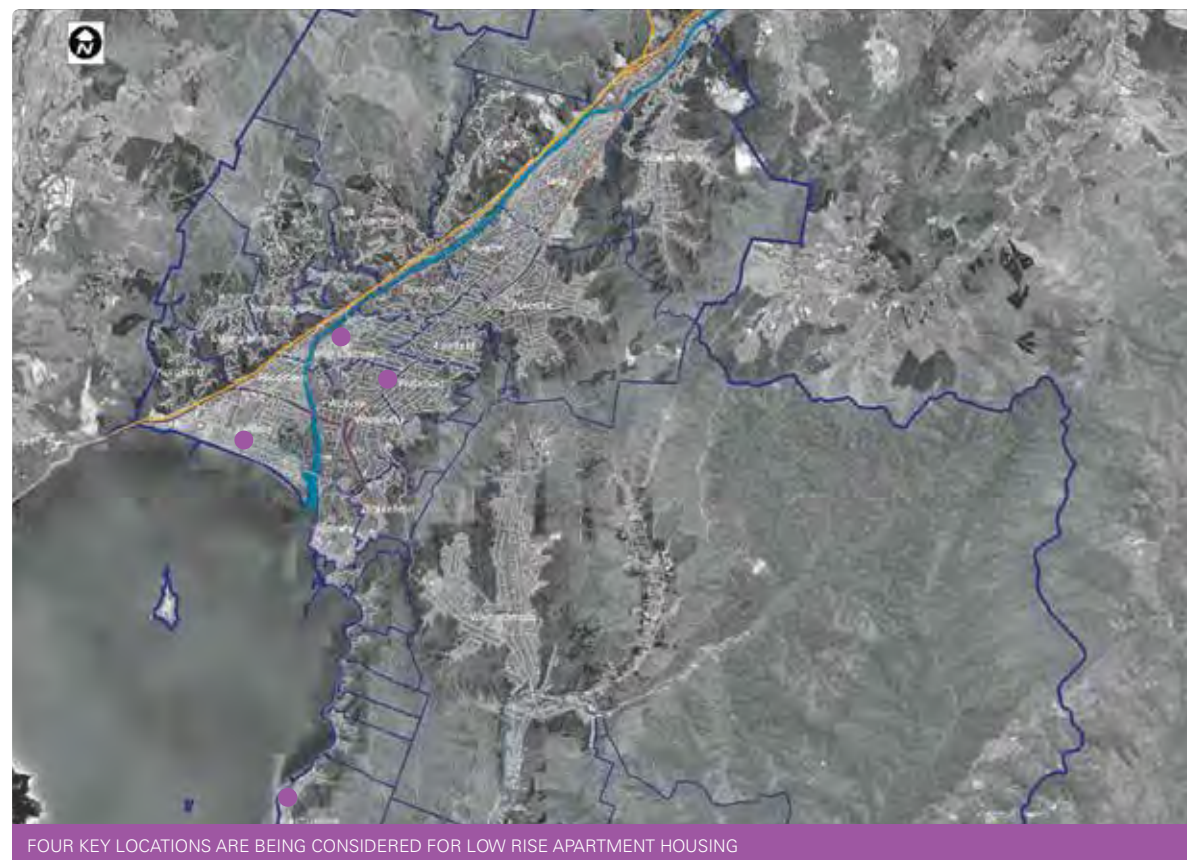
It is very likely that low-rise apartments will not be able to compete with these larger scale developments and will be crowded out. To help address this, Council will allow low-rise apartments in a limited number of sites in the city. In general, these sites have been chosen because they are close to main centres, key public transport routes, and/or high levels of public or environmental amenity. The sites and the reasons for their inclusion are outlined in the table below. The boundaries of these sites are not specified – this will be determined once proposed changes progress to the District Plan change stage.

Council appreciates that most of these sites are attractive areas that offer a high degree of amenity because of the surrounding environment and high standard and character of existing homes. For Petone, as outlined in the Petone Vision Statement, change must be sympathetic to and reinforce the heritage look and feel, in particular around Jackson Street and adjoining streets.

For these reasons, low-rise apartments will be expected to be designed to a high standard with a particular focus on type and mix, lifestyle and

community amenity. Council intends to use design guides to help ensure these elements are incorporated into all such developments, helping protect and enhance the surrounding environment and property values. The map and diagram following show the advantages of encouraging low-rise apartment dwellings in the areas chosen.

	REASONS
WATERLOO	<ul style="list-style-type: none"> • Proximity to Waterloo interchange • Proximity to Waterloo shops and CBD • High economic intensification potential
CBD FRINGE	<ul style="list-style-type: none"> • Proximity to Waterloo interchange and Bunny Street interchanges • Proximity to CBD • High urban amenity
PETONE: ESPLANADE AND JACKSON ST	<ul style="list-style-type: none"> • Proximity to Petone commercial area • Proximity to key public transport routes • Jackson Street already key location for three storey apartment developments • High environmental amenity • High economic intensification potential
EASTBOURNE VILLAGE / FOOTHILLS	<ul style="list-style-type: none"> • Proximity to key public transport route • High environmental amenity • High economic intensification potential



GREENFIELD DEVELOPMENT

The Productivity Commission's report into housing affordability identifies land price escalation as a result of Greenfield scarcity as a key component of housing unaffordability, along with any urban planning practices that tightly limit land supply.

The cost of sections has been rising rapidly in all main centres, including Hutt City. Because section prices are so high, developers tend to build expensive homes. As noted earlier, the proportion of new homes being built to service the top end of the market has risen markedly in New Zealand and in Hutt City, while the proportion of lower-cost new homes has fallen dramatically.

The Productivity Commission determined that significantly more Greenfield land was needed as a matter of urgency, especially in the main centres, to provide the land needed for new housing and help improve housing affordability. The Commission identified that councils needed to play a key role in expanding that supply.

Hutt City Council intends to lead the way in driving new Greenfield development. While the city's remaining Greenfield capacity is modest, it can still potentially meet around half of the city's housing growth over the next 20 years.

Future residential Greenfield

When preparing the draft Urban Growth Strategy, Council reviewed all rural residential-zoned land and remaining undeveloped residential land within the city to assess its suitability for general residential development. Through this process, land around the lower Upper Fitzherbert Road and Wise Street area in Wainuiomata and at the end of Major Drive in Kelson was identified as suitable for moderate to large scale residential development.

Council's original intention was to enable all the land in the Upper Fitzherbert area to be available for Greenfield development – around 60 hectares of land with potential for around 1,500 new dwellings. Many of the existing lifestyle land owners objected to completely opening up the area. Council considered their submissions and consequently proposed to make only 27 hectares of land available for development at this stage.

Although a smaller area, the land nevertheless has the potential to be developed into mixed communities offering a range of housing and densities; from retirement housing and affordable housing for first home buyers through to premium housing with large sections, and nestled in and around the beautiful bush and wilderness surrounds. A small number of sites will also be set aside to accommodate local shops and services.

The land in Kelson could provide between 300-600 sections depending on the final development plan and how far the area extends towards and around Liverton Road.

The land in both the Kelson and lower Upper Fitzherbert areas is mainly zoned rural residential, although some of the area around Stockdale Street and Wise Street in Wainuiomata is already zoned general residential.

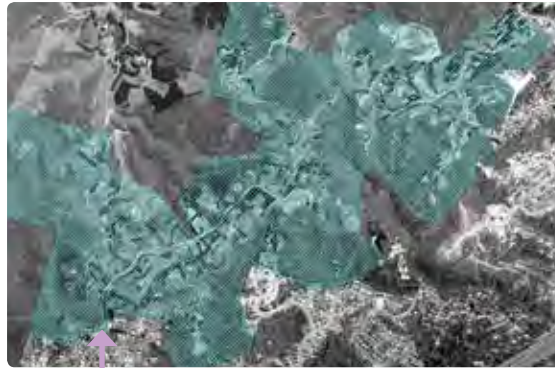


Lifestyle plus

Council has also identified a smaller number of Greenfield areas around Moores Valley Road (south), Normandale Road, Cottle Park Drive and Sweetacres Road that could support further development. These areas are currently zoned rural residential with minimum lot sizes of 20,000m² but are in close proximity to existing residential areas. Normandale Road, Cottle Park Drive and Sweetacres Road are adjacent to the CBD, being only two kilometres from the city as the crow flies, and around four kilometres by road. Moores Valley Nursery (the furthest extent of the area being considered) is around four kilometres by road to the centre of Wainuiomata – about the same as the end of Wellington Road.

General residential development in these areas would require substantial investment to improve roads and provide reticulated water and wastewater services. Given the small potential increase of additional sections in these areas, this would be uneconomic. Instead, their potential lies in offering very large sections in a very low density / semi-rural setting in premium locations – and are likely to attract premium, high-quality housing and high-income households.

With today's home water collection and wastewater systems, these allotments can be much smaller than the 20,000m² minimum set in the District Plan. Council will prepare the necessary District Plan changes and consult on a minimum lot size of 5,000m² (½ hectare) in these areas. Council will also investigate the feasibility of reducing frontage and driveway requirements and provide for the remaining rural residential areas to be 1.0ha lots.



AN EXAMPLE OF WHAT NEW RESIDENTIAL DEVELOPMENT IN KELSON COULD LOOK LIKE UNDER CURRENT DISTRICT PLAN REQUIREMENTS FOR GENERAL RESIDENTIAL DEVELOPMENT

Leading infrastructure development

While both the Kelson and lower Upper Fitzherbert Road/Wise St residential Greenfield sites have great potential for development, neither has good accessibility or the underlying water, wastewater, or stormwater infrastructure needed to support development:

- Wise Street needs to be upgraded to urban standard. (See the Hutt Transport section for an outline of the new road). The area is also serviced by undersized wastewater pipes that already discharge wastewater into Black Creek during storms. A solution to this problem will be in place before major development can progress.
- The Kelson area needs an extension of Major Drive and underlying water infrastructure (See the Hutt Transport section for a concept plan).

The private sector is unlikely to be able to adequately address these factors and this has inhibited development in these areas to date. To overcome these issues and open the areas for development, Council intends to partner with the private sector to build the necessary infrastructure in these areas, along with the proposed changes to the District Plan. Part of the cost of the expenditure will be recovered through development contributions, while the balance is recovered longer-term through rates revenue. This policy heralds a major break from the approach Council has had to development in recent decades. It recognises that Council can play a critical role in providing the core infrastructure needed to cater for growth.

In both cases, Council will undertake the works and zoning changes only on agreement with a developer or consortium that the land will be developed to a sufficient scale and within a reasonable timeframe. A key requirement for Council is that the revenue collected up front from development contributions, rates revenue from the additional development, and any targeted rates are at least cost neutral when considered over a 20 year period.

Housing older residents

Retirement age households are the largest growth sector in Hutt City and the country in general, and will play a key role in shaping new housing growth in Hutt City over the next 20 years. As a result, most of the housing growth in the city expected in the next 20 years will come from one and two person households. Providing for retirement housing (in any form) is important, not only because it provides alternative, cost effective and socially attractive living options for many older households, but because they can free up existing larger houses for families. To put this in perspective, 1,000 homes or units for retirees would free up a sufficient number of homes to accommodate the equivalent of four years of housing and population growth.

As retirement households age, their housing preferences shift toward lower-cost smaller homes with easy care sections. This means that smaller housing on smaller sections will become much more important as baby boomers increasingly “downsize” from the family home. Hutt City Council has tried to provide for this by reducing minimum lot sizes to 300m² in many parts of the city. In some of these areas, we have also provided for comprehensive developments where three or more homes are being built. In these cases, there are no minimum lot sizes and the focus for resource consents has instead shifted to design and layout of the properties.

However, as noted, this is unlikely to provide sufficient land to meet the city's growing aging population. Council intends to address this by providing more space in the city to grow - principally in Wainuiomata and Kelson. These areas present major opportunities for new housing to form, including providing housing for older residents. Within existing urban areas, Council also intends to explore further intensification in Waterloo and Epuni and the development of low-rise apartments in key locations.

In addition to stand-alone retirement housing in mixed communities, substantially more purpose built retirement

village housing also needs to be provided for in the city. It is estimated that as much as 30% of households with a member 70 years of age or more will choose to live in a retirement village given the option. This presents a particular challenge for Hutt City; the city has a shortage of land for development and most retirement villages require a large amount of land (usually a minimum of one hectare) close to amenities. Because of this, our research indicates that the city already has unmet demand for between 5-10 retirement villages (or around 1,000 retirement village units) and will face difficulty meeting expected demand for another 5-10 villages over the next 20 years.

Social housing

Social housing provides an important service to our community and makes up an integral part of the city's urban fabric.

State housing

The city hosts over 3,600 homes managed by the Housing Corporation of New Zealand. The focus of state housing has shifted over the decades from affordable homes for life for working families, to housing those with the greatest need, for the duration of their need. This shift means state housing is now targeted at those who have no other housing options. In addition to low incomes, these households often have other need factors. Without state housing, these households may find it difficult to afford adequate housing in the private rental market.

However, much of the state housing stock in Hutt City is highly concentrated and many are in a poor state of repair, which magnifies and reinforces the problems typically associated with areas of high deprivation – such as poor health, low educational achievement, crime and anti-social behaviour, and low social mobility.

International research indicates that these issues are worse in areas where there is a high concentration of social housing. Several neighbourhoods in Hutt City

have concentrations of state housing above 20%, and a few above 30%. This can be seen in the adjacent map.

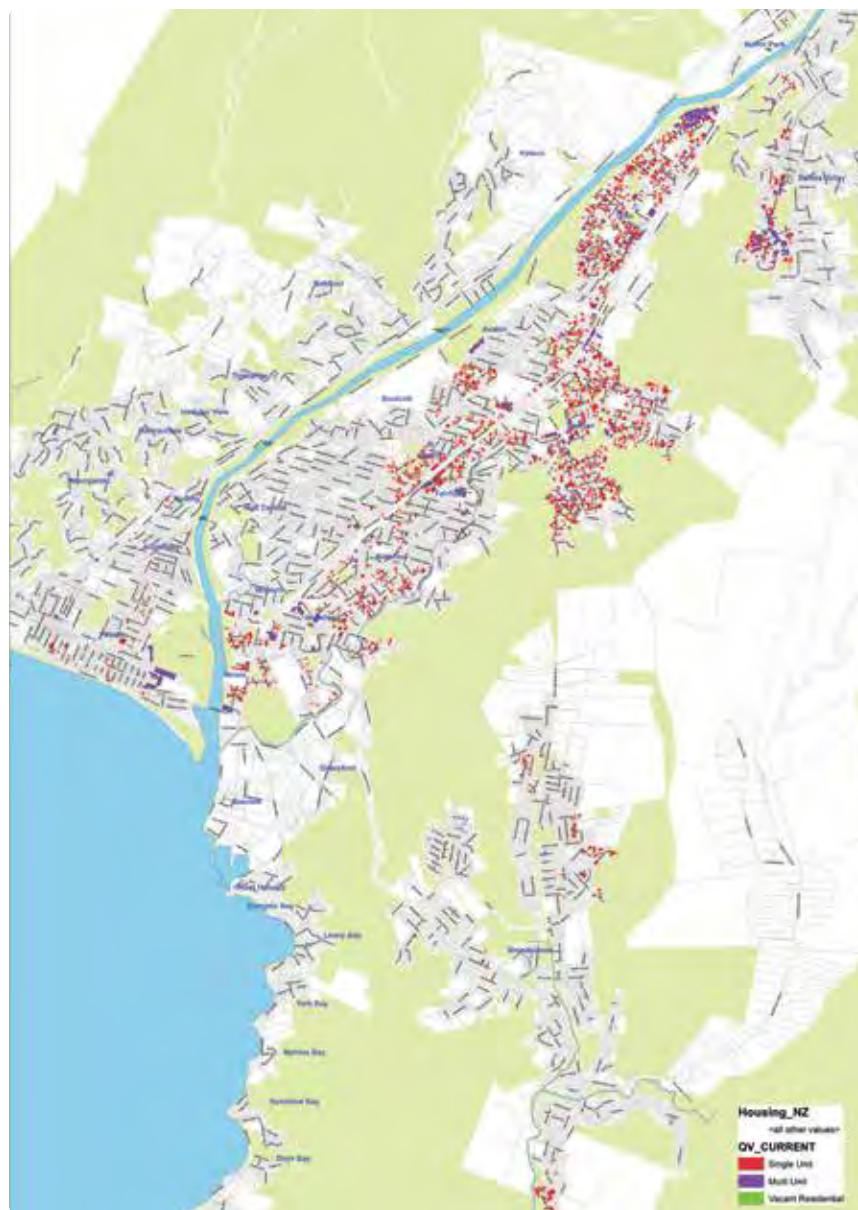
While these neighbourhoods exhibit a strong community spirit, they are also some of the most deprived areas in New Zealand and suffer some of the worst effects of concentrated poverty.

While the concentration of state housing is not the only issue facing these communities, both Hutt City Council and Housing New Zealand agree that reducing the concentration of state housing in these areas is part of the solution.

In some cases, this may mean reducing the number of properties operated by Housing New Zealand.

However, it may also mean taking advantage of the development opportunities presented by Housing New Zealand's larger land holdings and building more homes for the private market. Many of the properties held by Housing New Zealand have very low land utilisation, meaning the land could be used for further residential development. This would help address the concentration of state housing as well as contributing to the housing growth needed in Hutt City.

The poor state of repair of many Housing New Zealand homes impacts negatively on the health of their residents and the perception of the neighbourhoods they sit within. Housing New Zealand has made great strides in recent years to reverse this trend including refurbishing and installing efficient heating in many properties, as well as developing new properties to a high standard. While much remains to be done, Hutt City Council and Housing New Zealand are committed to seeing that progress is made on all substandard properties over time.



THE DISTRIBUTION OF HOUSING NEW ZEALAND CORPORATION HOMES IN HUTT CITY

Urban Plus Limited

Hutt City's company, Urban Plus Ltd (UPL), also provides social housing in Hutt City, mainly to the elderly. This will be an increasingly important role as the number of older resident grows over the next 20 years. Over the coming years, there may also be significant opportunities for UPL to partner with the Housing Corporation of New Zealand in housing redevelopment projects as Council works towards the shared outcomes outlined on the right.

Neighbourhood rejuvenation and the Northern and Eastern Magic Initiative

The Northern and Eastern Magic Initiative (NEMI) is an important initiative being led by Council, focusing on people and places, aiming to fulfil a vision of healthy, safe and prosperous communities.

Specifically, it aims to make positive changes for the people of Naenae, Taita, Waiwhetu North, Epuni East and Delaney, some parts of which are amongst the most deprived areas in New Zealand. This, in turn, helps achieve prosperity for the city as a whole. The initiative is a partnership between Hutt City Council, central government departments, health services, Police and local organisations. It has five long-term goals:

- Healthy people
- Educational excellence
- Economic prosperity
- Safe communities
- Equitable and engaged communities

With younger population profiles than the city overall and greater ethnic diversity, areas of these northern and eastern wards have considerable potential and strengths to be identified and built on.

The issue remains, they also face entrenched poverty and challenges including poor educational engagement and achievement, poor health, higher unemployment and low incomes, and pockets of high crime and reoffending. These issues are not only detrimental to the residents and specific communities, but are a cost to the wider community in respect to child poverty, health and welfare, criminal justice and lost economic opportunities and productivity. With a focus on improved housing and the physical environment, education, health and wellbeing, and employment, Hutt City, non-governmental organisations, businesses and residents will invest in physical and social infrastructure in these areas. Central government invests considerable resources in housing, health, education and criminal justice.

While still at a formative stage, NEMI is a crucial part of Council's long-term strategy for the city and a flagship project that demonstrates partnerships and commitment.

SHARED OUTCOMES

Hutt City Council and Housing New Zealand are committed to:

- Reducing the high concentration of state housing in parts of Hutt City Council
- Making greater use of Housing New Zealand's land to help meet the city's growing housing need.
- Improving the standard and health of Housing New Zealand homes
- Working together in good faith toward achieving the above outcomes.



HUTT BUSINESS

HUTT BUSINESS

Council will help foster new commercial development opportunities in the city, with a particular focus on our traditional strengths, creating export opportunities, and cementing our reputation as a science centre.

As with housing, Council will take a longer-term view of the benefits derived from non-residential developments and ensure Council's up-front costs are minimal. We will largely maintain the city's main retail, commercial, and industrial boundaries - although some changes are being proposed for sites at Korokoro/State Highway 2 entrance-way and Manor Park. The CBD and Petone will remain the city's main commercial and retail hubs and Council will continue to invest in maintaining these as interesting, thriving and vibrant centres of commerce and living.

Economic development in the region is guided by the Wellington Regional Strategy (WRS). The refreshed WRS is centred around six focus areas. Combined, they set out what councils and Grow Wellington propose to do to support economic growth, and to build a resilient and diverse economy in the Wellington region. These focus areas are:

- Commercialisation of innovation
- Investment mechanisms for growth
- Building world-class infrastructure
- Attracting business, investment and talent to the region
- Education and workforce development to service regional economy needs
- Open for business.

For Hutt City, building on our traditional strengths, building world-class infrastructure and facilities, and cementing our reputation as a science centre are important contributions to fulfilling the WRS vision of a resilient and diverse regional economy. Hutt City must be seen alongside other cities in the region as a place of new ideas, creativity and innovation, bringing together the best of the arts, industry and science.

From a development perspective, Council will mainly focus on breathing new life into some of the city's existing business areas – especially high value and high tech businesses. Alongside other initiatives in Council's Economic Development Strategy, the following initiatives will be crucial for driving a change of land use and the associated rise in economic activity:

- Offering financial incentives for new, large scale non-residential developments, such as waiving up-front costs imposed by Council.
- Making Places: As noted earlier in the Hutt Living section, this will involve investing in the beautification of the CBD, developing a river-front promenade, redevelopment of the CBD's parks and ensuring a vibrant and active street life by bringing non-retail activity to the CBD.

Significantly expanding the non-residential land supply does not form a major component of this strategy or Council's Economic Development Strategy. With a few exceptions, Council intends to largely retain the city's main commercial (office), industrial and retail boundaries. The reasons for this are outlined as follows.



COMMERCIAL AND INDUSTRIAL LAND SUPPLY

The city's commercial and industrial land supply is largely fixed by the extent of the existing development along with our topography and territorial authority boundaries, with only a few opportunities for expanding either. Three sites within the city that may be suitable for further development have been identified by Council – 12 hectares of land in Seaview, five hectares of land in Korokoro on either side of State Highway 2, and 15 hectares in Manor Park.

The Seaview land is owned by Centreport who currently use some of it as an inland port and plan to continue this use to accommodate the increasing volumes of logs moving through the port. The remainder of this land will be available for future developments. This land is bounded on all sides by industrial activities and consequently, has limited potential for any use other than industrial. Council has no plans to change the zoning for this site.

The land in Korokoro is zoned for general business use, which allows a wide range of non-residential uses, but limits development to a height of 12 metres. The area is located on the periphery of Petone and has excellent access to both Hutt City and Wellington via State highway 2 and high frequency public transport. For these reasons, Council considers that the site has wider commercial development potential than is permitted under its current zoning. To address this, Council proposes reconsidering the zoning for this area, including raising the height limit. Council is conscious of the role this area plays as a city gateway, and will ensure any proposals enable only those developments that enhance the amenity of the area.

The land in Manor Park is currently owned by the New Zealand Transport Agency and is zoned rural, limiting its uses to farming purposes. Much of the land is uncompacted fill and is subject to two hazards – the fault line and flooding from the Hutt River.

Consequently, it is not suitable for any intensive uses such as general business or residential. However, Council is interested in exploring the possibility of using this land for limited, light industrial purposes that are less at risk from these hazards, such as truck depots. Given the site is at the centre of the region and is at the junction of State Highway 2 and State Highway 58, the site could lend itself very well to such uses, especially once the Transmission Gully Motorway is built.





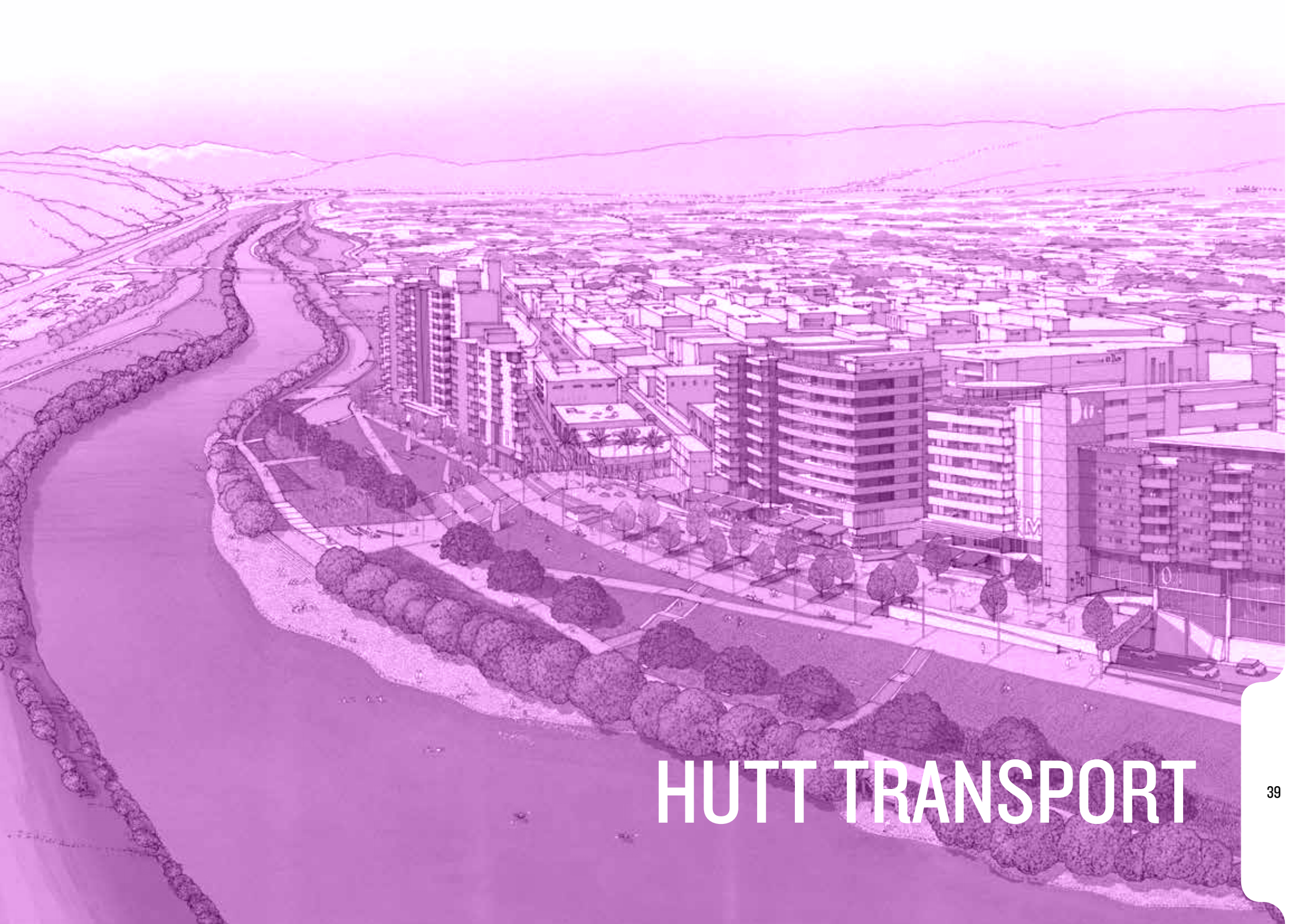
RETAIL LAND SUPPLY

Council does not propose expanding the city's retail boundaries over the next 20 years in either:

- The CBD
- Petone, beyond any changes outlined in District Plan Change 29
- Suburban shopping centres (such as Naenae, Wainuiomata or Eastbourne) or convenience centres (such as Moera), although modest provision for convenience shopping may form part of the structure plan for the lower Upper Fitzherbert Road/Wise St Greenfield residential development.

Changing consumer habits and willingness to travel for shopping has eroded the central role suburban shopping centres once played in their communities, while the rise of internet shopping now dominates trade in some goods markets and has slowed the growth of traditional retail shops in general. The last 15 years has also seen a major expansion of large format retail in the western area of Petone and in the CBD. The combined impact of this means many of the city's retail centres are struggling. A high number of vacancies are evident in the southern CBD and in some suburban shopping centres. Any future expansion would further weaken the integrity of these areas as viable retail areas.

Council does anticipate some growth in retail development, however, of no more than 116,000m² over the next 20 years. Council has assessed the land availability in the CBD and Petone and is confident that there is sufficient land in these areas to accommodate this level of growth.



HUTT TRANSPORT

HUTT TRANSPORT

Hutt City is fortunate to have a generally sound transportation network. The city has an extensive network of roading and for a city of our size, a high level of service from public transport.

There are, however, opportunities for improving the transport network that will help raise the city's development potential, help our residents and businesses get around easier, improve our resilience to natural disasters, and provide a more enjoyable city to live in. These opportunities lie with continued development of our cycling network, improving the city's connections to State Highway 2, better east-west connections across the southern half of the city, and providing Greenfield infrastructure to spur development.

STATE HIGHWAY 2

The Hutt Corridor Plan developed by the Wellington Regional Transport Committee outlines the region's aspirations for development of State Highway 2, which is managed by the New Zealand Transport Agency (NZTA). Four key projects for State Highway 2 are proposed in the plan – all of which involve grade separating all remaining intersections at Petone, Melling, Kennedy-Good and Haywards Hill and removing all minor direct connections from the city to State Highway 2. It is likely that raised rotaries design will be used for these intersections, similar to the Dowse interchange.

These projects will improve flow along State Highway 2, and safety, by reducing conflict between traffic coming



GRADE SEPARATED INTERCHANGES ALONG STATE HIGHWAY 2 ARE PROPOSED UNDER THE HUTT CORRIDOR PLAN

to and from the city and State Highway 2. They will also potentially reduce congestion along The Esplanade and at Melling in the CBD.

Council supports these projects and will work with NZTA to ensure these remain a priority for both NZTA and the region. Council intends to work with NZTA to ensure that any interchange designs incorporate good urban design principles, can maintain good provision for cyclists, and avoid worsening community separation, particularly for pedestrians and cyclists on the western hills.

THE ESPLANADE AND CROSS VALLEY LINK

The city has aspired to develop an efficient east-west route across the lower half of the city for several decades. This aspiration forms an important part of Hutt City's current vision statements for both Petone and for Seaview/Gracefield.

The Esplanade currently acts as the main east-west route in the lower half of the city, connecting the rest of the region with Petone and the Wellington region's largest industrial centres, Seaview and Gracefield.

However, there are a number of issues with this route that have driven the pursuit for a Cross Valley Link – namely heavy traffic volumes and the impact this has on congestion, economic development, and the amenity value of Petone Beach and the Esplanade. The Esplanade is also expected to be subject to subsidence in the event that the Wellington fault line experiences a major rupture.

At present, around 30,000 vehicles per day (vpd) use The Esplanade with 10% being heavy commercial vehicles. This is higher than many of the region's state highways. As a result, The Esplanade provides an "E" level of service, meaning conditions are characterised by significant intersection delays and travel speeds of 33% of free-flow speed or lower.

To address these issues, in 2011, Hutt City Council considered the potential for a cross valley link route that would run along Wakefield Street and through the rail corridor to Moera. This followed completion of a project feasibility study in 2010 which concluded the route had insufficient transport benefits to justify its estimated \$70m cost (2010 price levels). Consequently, while the cross valley link remained an aspiration for the longer-term, Council moved its attention to what improvement could be made to the Esplanade to reduce some of the above problems in the short-term.

However, following widespread support from the community for a cross valley link, as part of consultation on the Hutt Corridor Plan in 2012, the Regional Transport Committee called for further investigation into the wider economic benefits of it. As a result, the NZTA has agreed to participate in a study looking at the transport needs of the Seaview/Gracefield area, including the costs and benefits of different options.

Council hopes this study will provide better estimates of the traffic benefits and demonstrate the value that a cross valley link will provide to the regional economy. Council will revisit the feasibility of developing a cross valley link in 2014 following conclusion of the study.

OUTCOMES SOUGHT FROM A CROSS VALLEY LINK

The outcomes sought from a cross valley link are:

- Reduce costs imposed on the city's businesses, helping make it easier to grow, and more attractive for new businesses to establish
- Improve the amenity and recreation values of Petone beach and The Esplanade, and reduce community separation
- Raise the residential and commercial development potential of The Esplanade, Jackson Street and western area of Petone
- Improve walking and cycling facilities that are consistent with the Great Harbour Way concept.

GREENFIELD INFRASTRUCTURE

As noted earlier, both the Kelson and Upper Fitzherbert residential Greenfield sites have great potential for development, although neither has suitable roading or the underlying water, wastewater or stormwater infrastructure needed to support development. During the consultation phase of the Urban Growth Strategy, the community generally opposed the full rezoning of the Upper Fitzherbert area from rural to rural residential and also opposed the development of a second route to the city.

As a result, Council now intends making approximately 24-27 hectares in this area available for development just above the existing Wise Street to the paper road further up Upper Fitzherbert Road.

To help realise the development potential of these areas, Council will partner with developers to provide the necessary infrastructure, along with making any necessary changes to the District Plan.

Upper Wise Street/ lower Upper Fitzherbert Road

Council also intends to upgrade Wise Street to urban standard and extend this street through to lower Upper Fitzherbert and Wellington Roads. This will provide access to central Wainuiomata from a new access road and provide water, wastewater and stormwater services to some of the Upper Fitzherbert area. The combined cost of these improvements is estimated at \$6.5m (including 20% contingency).

Upper Kelson

Council proposes building a main thoroughfare connecting Major Drive to Liverton Road and providing access to the lower half of the site through a circular route. A concept design is illustrated on page 42. This would provide the basic road layout needed to drive residential development at the site. An ancillary benefit is it would also provide improved access to Kelson for Liverton Road properties. The cost of the road is estimated at \$13.2m (including 20% contingency).

Making it happen

The cost of the Greenfield infrastructure will be recovered partly through development contributions, while the balance will be recovered longer-term through rates revenue. In both cases, Council will undertake the works and zoning changes only on agreement with a developer or consortium that the land will be developed to a sufficient scale and within a reasonable timeframe. For this reason, the timeframe for seeing these projects to construction is uncertain, although Council hopes it will be within 10 years.



ONE POSSIBLE CONCEPT FOR NEW ROADING IN UPPER KELSON



CYCLE NETWORK

While it is principally being developed to cater for existing residents and cyclists, cycleway development is also an important aspect of making Hutt City an attractive place to prospective residents and is increasingly considered core infrastructure in many cities. Council intends developing a comprehensive cycling network that links all key population centres, provides access through the city, and is in alignment with the Great Harbour Way concept.

Key aspects of the network are already in place, such as the Hutt River Trail from Stokes Valley through to Petone. Council is investing heavily in developing the network further over the next 20 years, with over \$16m of works planned over the next 20 years. The investment will be used to develop the overall network and address key problem areas such as walking and cycling access to Wainuiomata and Eastbourne.



HUTT RECREATION, OPEN SPACE AND ENVIRONMENT

HUTT RECREATION, OPEN SPACE AND ENVIRONMENT

Hutt City is blessed with a generous quantity and range of public open space and recreational opportunities.

Around half of the land within the city boundary is managed as reserve and we have a varied array of recreation opportunities from the river, beach and hills, through to the wide range of Council-provided sports grounds, playgrounds and recreation and community facilities. These attributes are cherished by our residents and are critical to the quality of life the city provides.

While the bulk of our recreation, open space and community assets will serve us well into the future, we face some challenges that need to be addressed. Some of our built facilities are old, tired, increasingly expensive to maintain, and losing relevance. To ensure we maintain quality facilities that are relevant to the needs of today's and tomorrow's communities, and help to attract new families to Hutt City, Council plans to redevelop many of our facilities over the next 30 years with a particular focus on growing recreation and community facility hubs. Our ambitions for mixed use development in the CBD and western areas of Petone will also require investment in public open space and facilities to provide the level and quality desired by business and expected by apartment dwellers.

In addition to helping drive growth in the city, the growth anticipated in this strategy will also have an impact on our open space – particularly private open space. Council has anticipated some of these affects, as well as how we plan to respond so that our overall quality of life is not compromised.

A GREAT BASE WE INTEND TO PROTECT

Open spaces are important for the community's wellbeing, including human and non-human populations. Having "natural" environments in urban areas is critical and this Council and its predecessors have created a fantastic legacy. Our public open space network contains parks, neighbourhood reserves, sports grounds, beaches, streams, bush reserves, gardens, tracks and cemeteries.

The relationship between open spaces and health and wellbeing has strengthened over the last few years. Council is the major provider of public open spaces in residential areas of the city. The areas we provide and the recreational opportunities they bring to the community contribute to the range of activities on offer locally. These spaces allow our community to participate in formal recreation activities, for example, organised sports and they also open up opportunities for friends, families and children to create their own fun through casual recreation.

Council intends to protect and retain lands that are managed as public open space in accordance with Council's Reserves Strategic Directions plan to help ensure these benefits are not compromised as the city develops. Council recognises the key benefits of our

public open spaces are: habitat protection, landscape protection and recreation opportunities.

OPPORTUNITIES FOR GROWTH

The bulk of our recreation, open space and community assets will serve us well into the future and Council will continue to make improvements over time, as the city develops. However, Council has identified two important opportunities for improving our facilities that are particularly important for both the existing community and for helping to make the city a more attractive place to new households.



AN ILLUSTRATION OF THE PROPOSED TAITA SPORTS, RECREATION, AND COMMUNITY CENTRE – ONE OF THE INTEGRATED FACILITIES PROPOSED BY COUNCIL

Integrated facilities

As outlined, some of our built facilities are old, tired, expensive to maintain and losing relevance.

Combining the existing facilities into hubs or creating new hubs is an efficient and effective way of delivering a greater range of recreation experiences, to a much higher standard, in an inviting, convenient and modern way.

These hubs will provide multiple facilities at an appropriate level for the needs and size of the suburbs they serve. The city will provide several smaller community hubs in and around main centres such as Stokes Valley and Wainuiomata, and provide two regionally focused hubs at Fraser Park and Honiana Te Puni Reserve. A civic centre hub including Council administration and main culture facilities will also be located in the City Centre. The first such hub will be the Taita Community Facility which will house an indoor sports, exhibition and events space, community library, community services, and community centre.

These developments are important to our community, but will also help provide the kinds of facilities new households increasingly expect in their community. Consequently, they are seen as important aspects of making the city more attractive to prospective home owners and developers.

Providing for high density living

Our ambitions for mixed use development in the CBD and western areas of Petone, as well as low-rise apartments, will also require investment in public open space and facilities. Attractive local open spaces will influence prospective businesses and apartment dwellers. Council sees an opportunity to lift the longer-term apartment growth potential in the city by:

- Investing in the Making Places programme, such as beautification of the CBD, developing the riverfront promenade, redevelopment of the CBD's parks and ensuring a vibrant and active street life by bringing non-retail activity to the CBD.

- Developing and investing in an urban upgrade programme for Petone West (including Honiana Te Puni Reserve) to form the basis of future streetscape upgrades, beautification, and parks provision.

IMPACT ON THE ENVIRONMENT AND OPEN SPACE

All development has an impact on the environment and open space. The effects can range from minor changes to the use of the land, through to affecting the major changes that affect the life giving capability of the environment. The ability of our public open spaces to thrive, particularly the ones that have an important ecological function, is a key consideration, as is the affect development may have on the function of our open spaces and the public's ability to enjoy and benefit from them.

The growth anticipated in this strategy will have an impact on our open space and environment. Council has anticipated some of these effects and these are summarised below. This is not an exhaustive list however, and Council recognises that other impacts on the environment and on open space may come to light through any District Plan changes sought later.



AN ARTIST'S IMPRESSION OF WHAT THE CBD RIVERSIDE PROMENADE, PROPOSED UNDER MAKING PLACES, COULD LOOK LIKE

Buffer effect provided by rural properties

This strategy proposes general residential development in areas that are currently rural-residential areas. While providing the space needed for our city to grow, this will diminish the buffer function currently performed by these areas. In other words, the peri-urban area, which separates residential areas from rural areas or large open spaces such as Belmont Regional Park, will shrink. As a result, revegetating native cover, good native bird habitat and pastoral landscapes would be pushed further towards the edges of the city.

Private open space

The intensification proposed in this strategy will result in a decrease in lot size and private open space in some areas as infill occurs or apartments are developed.

Council intends to help offset the loss of private open space by improving local public open space provision. There may be some circumstances that justify new public open spaces. As noted, Council anticipates that central Hutt and parts of Petone will be particular areas of intensification. The initiatives proposed for the CBD and central Hutt and Petone to help attract investment will also help mitigate the loss of private open space in these areas.

Intensification will also have an impact on the extent of vegetation in some neighbourhoods and, for example, the ability to grow quality specimen trees on private property. Trees will have more limited access to space, water and nutrients. Large trees on smaller lots often constrain residents' ability to develop and enjoy their properties and homes and trees will be felled. Large specimen trees in parks and reserves plus quality street trees make an important contribution to the character of our city. Council will continue to prioritise large, magnificent specimen trees in parks and reserves. To some extent, this alleviates the anticipated loss of large trees from private properties as infill subdivisions proceed.



Street trees can help offset the lack of trees on private property, and Council will continue to plant and maintain street trees in accordance with the city's Urban Forest Plan. The Urban Forest Plan objective for street trees is to enhance the perception that Hutt City's suburbs and CBD are green and leafy. However, berm width, underground services, overhead services, vehicle crossing, climate and traffic considerations all influence Council's ability to provide street trees.

For more information on Council's Urban Forest plan, see huttcity.govt.nz/publications – click on “U”

Wastewater in lower Upper Fitzherbert Road

The lower Upper Fitzherbert Road area is serviced by undersized wastewater pipes that discharge wastewater into Black Creek during storms. Further residential development will exacerbate this problem, making discharges more common and intense. Council is looking into options to address this problem, which will need to be in place before development can progress.



HUTT FINANCES

HUTT FINANCES

The cost of the proposals in this strategy will have a significant and long-lasting impact on Council's Long Term Plan and Financial Strategy.

Council is confident however, that these projects can be undertaken on a long-term cost-neutral basis and without risking Council's short-term financial position. In the longer-term, new housing and commercial properties will provide millions of dollars per year in rate revenue that will benefit all residents and businesses.

IMPACT ON COUNCIL'S LONG TERM PLAN AND FINANCIAL STRATEGY

The cost of the proposals in this strategy will have a significant and long-lasting impact on Council's Long Term Plan and Financial Strategy. In particular, the following has not been accounted for:

- Additional spending on Making Places: This will add \$5.4m to total costs over a 10 year period.
- Continuation of the financial incentives scheme beyond 2014: This will add \$3m in total costs per year over a three year period.
- Roading and underlying water infrastructure associated with expanding Greenfield land supply. These are estimated to cost around \$20m (plus 20%

contingency) in capital expenditure, and may also impact debt levels, affecting Council's interest costs.

- Additional income from development contributions income and targeted rates.

Impact on expenditure and debt

The impact this expenditure could have on Council's borrowing is significant, and is mainly related to the proposed Greenfield infrastructure.

The timing and final cost of constructing a new road is uncertain, as is the net impact on debt. It will depend on:

- if and when Council can reach an agreement with a developer or consortium about residential development of the Upper Kelson and Upper Wise/Fitzherbert sites
- more thorough investigation of possible routes and typography
- how much other capital expenditure can be reprioritised to free capital for these roads
- the impact growth anticipated in this Strategy will have on future rates revenue

Council hopes it can reach an agreement with a developer or consortium in the next few years, and that the works will be able to proceed within

the next 10 years. For now, Council is making provision of \$5m in 2018/19 and \$8m in 2019/20 to account for the cost of the extension of Major Drive, and \$1.5m in 2014/15 and \$5m in 2020/21 for the Wise Street/Wellington Road link road.

RETURN ON INVESTMENT

As a responsible steward of public funds, Council is conscious that our proposals must demonstrate that they are a prudent use of Council's limited resources and offer a reasonable investment to Council and to the community.

Intensification and business development

The costs associated with Council's proposed intensification and business development initiatives relate mainly to the financial incentives package for encouraging high density housing and large non-residential developments. It is estimated that the financial incentives package will cost around \$1m per annum.

Council has previously assessed the costs and benefits of financial incentives for medium and high density residential developments and commercial development. When assessed against the economic benefits to Council and the economy, financial incentives were estimated to provide modest net benefits overall – especially from commercial developments. This is considered a conservative estimate of the benefits, as several benefits were not able to be "monetised" and included in the assessment.

Greenfield infrastructure

The costs associated with Council's proposed Greenfield initiatives relate principally to the cost of providing the infrastructure needed to lead the developments. Preliminary analysis of the estimated cost of providing infrastructure for these sites against the number of potential sections indicates that the initiatives will have a positive financial impact on Council over a 20 year period, after the revenue from rates (including targeted rate revenue) and development contributions are taken into account. The case for developing the lower Upper Fitzherbert area is particularly strong with an estimated net present value of between \$7-12m. These results confirm that there is a strong case for pursuing these initiatives further, even without considering the wider economic benefits to the community.

As noted earlier, Council will undertake the District Plan work only when there is agreement with a developer or consortium to develop the land, and that the terms of the agreements allows the impact on Council to be at least cost neutral over a 20 year horizon.









making our city a great place to live, work and play