BEFORE THE HAMILTON CITY COUNCIL

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of a resource consent application lodged by Foodstuffs North Island Limited ("Applicant") to establish a new supermarket and a drive-through fueling facility ("Application") at 980 Te Rapa Road, Pukete, Hamilton ("Site")

STATEMENT OF EVIDENCE OF IAN PASSAU ON BEHALF OF THE BASE TE AWA LIMITED CORPORATE

1. INTRODUCTION

1.1 My name is Ian Passau and I am a General Manager of Development at Kiwi Property Group Limited ("Kiwi Property"). Kiwi Property jointly owns The Base with Tainui Group Holdings through The Base Te Awa Limited ("TBTA"). TBTA is the owner and operator of The Base, which has over 160 stores across 86,000m² GFA.

1.2 I am responsible for the planning and implementation of all development activities and major capital works programmes for Kiwi Property and for TBTA. My role includes leading the masterplanning for the future development of Kiwi Property's assets (including The Base), as well as the planning, design, procurement, and construction of all development activities and major capital works for Kiwi Property’s assets (including The Base).

1.3 Prior to joining Kiwi Property, I held similar roles at Foodstuffs North Island Limited, Auckland Airport, and Arrow International. Overall, I have over 30 years' experience in project design, construction, and property development roles.
2. SCOPE OF EVIDENCE

2.1 This short brief of evidence has been prepared to respond to comments made in the evidence of Nicholas Hanson and Tim Heath on behalf of the Applicant, in relation to Foodstuffs’ negotiations with The Base. While I do not wish to comment on the Applicant or Council’s assessment of the effects of the application on centres, I do consider it important that the Commissioners have accurate information before them when making their decision.

Pak’nSave and The Base negotiations

2.2 In relation to the Applicant’s decision not to locate Pak’nSave within The Base, Mr Hanson states that:\footnote{Evidence of Nicholas Hanson dated 20 September 2019 at [6.8].}

Foodstuffs and the Base entered into a lengthy and detailed discussions through 2017 in an attempt to reach agreement on how a PAK’nSAVE store could be developed at the Base and integrated with both current and anticipated future forms of development. The discussion anticipated staged development at the Base through which the existing mall would be extended to the north and would eventually envelope a PAK’nSAVE supermarket.

2.3 As per Mr Hanson’s evidence,\footnote{At [6.5].} the Applicant and TBTA entered discussions on the location of the Pak’nSave which continued throughout 2016 and 2017 with the Applicant eventually purchasing the Site across the road and deciding not to locate within The Base complex.

2.4 In 2017, TBTA proposed to the Applicant that a Pak’nSave could be located to the north of the existing mall (the Te Awa Mall). This would be in a stand-alone location, with dedicated parking immediately alongside the supermarket.

2.5 TBTA’s proposed location for the Pak’nSave included for two retail tenancies located either side of the supermarket’s customer entry. Foodstuffs advised at that time that it was comfortable with this layout. Other than this, the Pak’nSave would be separate from the mall. The construction of the supermarket in this way was to form Stage 1 of the development.
2.6 I attach to this evidence as Appendix 1 the concept plans for Stage 1 of the proposed Pak'nSave supermarket. The Stage 1 concept plans show the stand-alone supermarket (in yellow), the two adjacent retail tenancies (in pale red), and the dedicated Pak'nSave carpark. This is clearly separate from the rest of the shopping centre.

2.7 Stage 2 of the proposed Pak'nSave supermarket indicated the existing Te Awa Mall could at some point extend north to meet the southern edge of the Pak'nSave. The Pak'nSave would effectively have anchored the extended mall, but I do not consider it accurate to say that the mall would have "enveloped" the Pak'nSave.

2.8 I attach to this evidence as Appendix 2 the concept plans for Stage 2.

2.9 Mr Hanson continues:

The difficulty for Foodstuffs was that, given the desire to incorporate any store into an extended mall, the proposals (at all stages) all involved unworkable compromises in terms of obscured store visibility, convoluted vehicular access, and insufficiently proximate and visible car parking. I can provide greater detail on these issues at the hearing, if required. In simple terms, however, it became clear that the future development plans for the Base are incompatible with development on that site of a PAK'nSAVE store. I reserve the right to deal with this matter in more detail if this is raised as an issue by an other parties.

2.10 As shown in the Stage 2 concept plans, the Pak'nSave is still clearly visible from Te Rapa Road. The mall connection would not have obscured store visibility by any means, with the entirety of the eastern wall of Pak'nSave visible from Te Rapa Road.

2.11 I also note that the Stage 2 concept plans were just that – a concept plan. Construction of Stage 2 as provided for in the concept plan would have involved the removal of the main The Base entrance at Te Rapa Road and The Base Parade. This was therefore unlikely to happen without the support of the tenants and in particular the Applicant, but also not least due to the significant cost associated with removing and relocating the main The Base road entrance.

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3 Evidence of Nicholas Hanson dated 20 September 2019 at [6.8].
Development planned for The Base

2.12 The evidence of Mr Heath provides that:

The Base / Te Awa centre does have some vacant land capacity at face value, but as identified earlier, the vast majority of this land is subject to an existing resource consent of nearly 50,000sqm containing a mix of commercial land uses. So, while in appearance it may appear vacant, a lot of the vacant land has already been allocated to a consented development. Also in my experience Pak’ N Save supermarkets work most efficiently and effectively in the market when customers have convenient access off major arterial roads, such as Te Rapa Road. Overall, this makes the 'vacant' business zoned land at The Base problematic and or largely accounted for.

2.13 TBTA holds existing resource consents over its vacant land for future development of its shopping complex. However, this land is by no means already "allocated" for particular development.

2.14 The Comprehensive Development Plan for The Base, consented by Hamilton City Council sets out what is currently consented, and what can be developed in accordance with the consents. This Plan however is not an indication of what will certainly be developed. It is essentially a statement of capability.

2.15 In my view, it is not accurate to say that the land is already allocated for development. Currently the only planned new development is a relatively small food and beverage development located in the greenspace between the Te Awa Mall and the large format retail area.

Ian Passau
27 September 2019

Evidence of Tim Heath dated 20 September 2019 at [15.2](a).