

Planning and Development Committee Agenda

18 April 2019

Urban and Services Plan Changes

Attachments 2 & 3

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

Urban Plan Changes: Technical Introduction

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Purpose of the report

1. This report is in relation to proposed changes to the Operative Whangarei District Plan (**WDP**) seeking to review and update zoning of urban land (inside Whangarei City, the surrounding suburbs and the Ruakaka urban area), as part of the WDP rolling review. The report has been prepared in accordance with the requirements of Schedule 1 of the Resource Management Act 1991 (**RMA**) and incorporates an evaluation under section 32 (**s32**). S32 evaluations are iterative, and therefore the evaluation in this report constitutes the initial evaluation, with further revision throughout the plan change process.
2. For consistency of reporting the review and rezoning of urban land, a package of plan changes will run consecutively. These consist of Plan Changes 88A – J (**PC88A – J**) ('the Urban Plan Changes'). The s32 evaluation report has been compiled together for all of these Urban Plan Changes. The report has been structured into 11 parts:
 - Part 1: Introduction, General Overview, Technical Matters
 - Part 2: PC88A City Centre Zone (**CC**)
 - Part 3: PC88B Mixed-use Zone (**MU**)
 - Part 4: PC88C Waterfront Zone (**WFZ**)
 - Part 5: PC88D Commercial Zone (**COM**)
 - Part 6: PC88E Local Commercial Zone (**LC**) and Neighbourhood Commercial Zone (**NC**)
 - Part 7: PC88F Shopping Centre Zone (**SCZ**)
 - Part 8: PC88G Light Industrial Zone (**LI**)
 - Part 9: PC88H Heavy Industrial Zone (**HI**)
 - Part 10: PC88I Living Zones
 - Part 11: PC88J Precincts
3. This part of the report, **Part 1**, provides background material to the Urban Plan Changes. It outlines the statutory considerations relating to the preparation and consideration of plan changes generally, and sets out the strategy and policy frameworks within which the Urban Plan Changes fit in the planning hierarchy. It also provides an overview of the events and circumstances leading up to the promulgation of the Urban Plan Changes, and the considerations made by Council through the process up until now. This part of the report deals with the overarching approach to the Urban Plan Changes and performance standards of a general nature which are common to all the Urban Plan Changes, or relate to the approach or process followed by the Council in formulating them.
4. **Parts 2 – 11** of the report are separate s32 evaluations of the proposed zoning/precinct locations and proposed provisions.

5. PC88A - J are part of a comprehensive package of plan changes encompassing area specific zoning matters and district wide matters for Whangarei District. As a collective package the plan changes will introduce new zone chapters, with objectives, policies and rules; new district wide chapters, with objectives, policies and rules; changes to the Planning Maps; new definitions and consequential changes to the WDP. PC88A - J have been drafted to be consistent with the overall approach and format of the plan change package. The proposed plan changes are listed below and a s32 report has been prepared for each plan change to evaluate the matters relevant to that topic.

Proposed zoning plan changes

- Plan Change 88 – Urban Plan Changes Technical Introduction
- Plan Change 88A – City Centre Zone (PC88A)
- Plan Change 88B – Mixed-use Zone (PC88B)
- Plan Change 88C – Waterfront Zone (PC88C)
- Plan Change 88D – Commercial Zone (PC88D)
- Plan Change 88E – Local Commercial Zone and Neighbourhood Commercial Zone (PC88E)
- Plan Change 88F – Shopping Centre Zone (PC88F)
- Plan Change 88G – Light Industrial Zone (PC88G)
- Plan Change 88H – Heavy Industrial Zone (PC88H)
- Plan Change 88I – Living Zones (PC88I)
- Plan Change 88J – Precincts (PC88J)
- Plan Change 115 – Green Space Zones (PC115)
- Plan Change 143 – Airport Zone (PC143)
- Plan Change 144 – Port Zone (PC144)
- Plan Change 145 – Hospital Zone (PC145)

Proposed district wide plan changes

- Plan Change 148 – Strategic Direction and Subdivision (PC148)
- Plan Change 109 – Transport (PC109)
- Plan Change 136 – Three Waters Management (PC136)
- Plan Change 147 – Earthworks (PC147)
- Plan Change 82A – Signs (PC82A)

- Plan Change 82B – Lighting (PC82B)

1.2 Description of the Urban Plan Changes

6. The proposed plan changes introduce the following zones/precincts:

- PC88A City Centre Zone – PC88A seeks to replace portions of the existing Business 1 Environment with the City Centre Zone (**CC**).
- PC88B Mixed-use Zone – PC88B seeks to introduce a new zone into the WDP to replace portions of the existing Business and Living Environments adjacent to the City Centre with the Mixed-use Zone (**MU**).
- PC88C Waterfront Zone – PC88C seeks to replace and extend the existing Town Basin Environment with the Waterfront Zone (**WZ**).
- PC88D Commercial Zone – PC88D seeks to introduce a new zone into the WDP to replace portions of the existing Business and Living Environments in proximity to the City Centre with the Commercial Zone (**COM**).
- PC88E Local Commercial Zone and Neighbourhood Commercial Zone – PC88E seeks to introduce two new zones into the WDP to replace areas of the existing Business 3 and 2 Environments, Kamo Activity Precinct and Living Environments throughout the Urban Area (**UA**) with the Local Commercial Zone (**LC**) and the Neighbourhood Commercial Zone (**NC**).
- PC88F Shopping Centre Zone – PC88F seeks to introduce a new zone into the WDP to replace portions of the existing Business and Open Space Environments where there are established large format shopping centres with the Shopping Centre Zone (**SCZ**).
- PC88G Light Industrial Zone – PC88G seeks to introduce a new zone into the WDP to replace portions of the existing Business Environments outside of the central city with the Light Industrial Zone (**LI**).
- PC88H Heavy Industrial Zone – PC88H seeks to introduce a new zone into the WDP to replace portions of the existing Business Environments with the Heavy Industrial Zone (**HI**).
- PC88I Living Zones – PC88I seeks to replace the existing Living Environments and the Kamo Medium Density Living and Low Density Living Precincts in the UA with the Residential Zone (**RES**), the Medium-density Residential Zone (**MDR**) and the High-density Residential Zone (**HDR**). PC88I also seeks to replace the existing Urban Transition Environment with the Low-density Residential Zone (**LDR**).
- PC88J Precincts – PC88J seeks to introduce three new precincts to replace the operative Port Nikau Environment and Scheduled Activity 13 in the WDP and to provide for certain activities within the Hīhītau Peninsula.

7. Collectively the above zones are referred to as the 'Urban Zones'. Each proposed plan change proposes new zone/precinct chapters with objectives, policies and rules for the zones/precincts. The plan changes also propose changes to the WDP maps to denote the zones/precincts.

2. Statutory Considerations

8. The WDP sits within a layered policy framework, which incorporates the RMA, National Policy Statements, National Environmental Standards, Iwi Management Plans, the Regional Policy Statement, Regional Plans, Structure Plans and Long Term Plans. Each of these policy documents and plans has been considered in accordance with the RMA. The relevant policy documents were taken into consideration when preparing the Urban Plan Changes are discussed below.

2.1 The Resource Management Act 1991

9. The RMA provides the statutory framework for the sustainable management of natural and physical resources. The RMA defines sustainable management as:

'managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural well being and for their health and safety'

10. Under the RMA it is mandatory for a territorial authority to prepare a district plan, which manages land use and development within its territorial boundaries. The RMA requires district plans, and thereby changes to district plans whether private or Council initiated to meet the purpose and principles of the RMA. Consideration has been given to the extent to which the Urban Plan Changes achieve the purpose and principles of Part 2 of the RMA.
11. The statutory context for the preparation and evaluation of plan changes under the RMA is summarised as follows:

Section 31 - One of the functions of the Council is to review the WDP to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district.

Section 74 - Matters that the plan change must "accord with" and "have regard to" are set out in this section.

Section 75 - Higher order plans that the plan changes must "give effect to" are set out in this section.

Section 32 - The manner in which an evaluation of a plan change must be carried out is set out in this section.

12. S79 of the RMA sets Councils the requirement to review district plans. Councils must complete a review of all district plan provisions within any 10 year time period. The WDP became operative on 3 May 2007, after eight years of formulation. The data that the WDP was based upon are therefore over ten years old. Monitoring of the WDP has identified areas of inconsistency and ineffectiveness.
13. S79 of the RMA provides the opportunity for Councils to undertake rolling reviews of district plan provisions. Using this opportunity to improve the integrity of the WDP, a rolling review process has been

implemented. To remedy some of the missing links between WDP sections, a new structure has been adopted. The WDP structure will evolve and the chapter format will be adjusted through the rolling review to be more consistent with the manner in which the provisions are applied in practice (assessment of activities and resource consent applications and enforcement of rules).

14. The rolling review provides an opportunity to include further objectives and policies on a zone by zone basis. A policy heavy approach to the WDP has been introduced. The new structure provides opportunity for policy at a district wide, geographical, locality or neighbourhood context. The scope and degree of specification in the objectives and policies will be proportional to the level of context and relevance to ensure objectives and policies at each level do not overlap or contradict each other.

2.2 National Policy

National Policy Statements

15. Section 55 of the RMA requires local authorities to recognise National Policy Statements (**NPS**) and Section 75 requires local authorities to give effect to them in their plans. There are currently five National Policy Statements:
 - National Policy Statement on Urban Development Capacity
 - New Zealand Coastal Policy Statement
 - National Policy Statement for Freshwater Management
 - National Policy Statement for Renewable Electricity Generation
 - National Policy Statement on Electricity Transmission
16. The NPS on Urban Development Capacity (**NPS:UDC**) directs local authorities to provide sufficient development capacity for housing and business growth to meet demand. Therefore, the implications of the NPS:UDC are fundamental to the proposed Urban Plan Changes.
17. Under the NPS:UDC, development capacity refers to the amount of development allowed by zoning and regulations in plans that is supported by infrastructure. Sufficient development capacity is necessary for urban land and development markets to function efficiently in order to meet community needs. In well-functioning markets, the supply of land, housing and business space matches demand at efficient (more affordable) prices. This development can be “outwards” (on greenfield sites) and/or “upwards” (by intensifying existing urban environments). The WDP promotes both approaches, but generally provides more emphasis on greenfield development. Council’s strategic planning approaches encourage a reconfiguration of this approach, to promote greater opportunity for urban intensification.
18. The requirements of the NPS:UDC vary depending on whether a Council is defined as High Growth, Medium Growth or Low Growth. The Whangarei District is defined as High Growth by the NPS:UDC. MRCagney has prepared an assessment of housing and business land development capacity for Whangarei District Council (**Attachment 1**). The report has been prepared to help Council meet the requirements of the NPS:UDC and to inform Council’s activities to plan for future growth. Demand and capacity in the UA is further discussed in section 5 below. In summary, it is considered that the Urban

Plan Changes give effect to the NPS:UDC as sufficient plan enabled and feasible capacity for residential and business activities will be provided for in the UA over the life of the District Plan.

19. With regard to the New Zealand Coastal Policy Statement (**NZCPS**), urban areas and urban land uses of the Whangarei District extend into the coastal environment (e.g. the Oil Refinery) and there is potential for urban activities to be occurring in the coastal environment, and so it is necessary to consider the NZCPS.
20. The purpose of the NZCPS is to state policies regarding the management of natural and physical resources in the coastal environment, to achieve the purpose of the RMA in relation to the coastal environment of New Zealand. Local authorities are required by the RMA to give effect to the NZCPS through their plans and policy statements.
21. The NZCPS emphasises 'appropriate' use of the coastal environment. Objectives focus on, for example, the protection of natural character, management of the coastal environment from inappropriate subdivision, use and development. NZCPS Objective 6 recognises the need to enable people and communities to provide for their social, economic and cultural wellbeing and their health and safety, through subdivision, use and development of the coastal environment. The following policies also have relevance to commercial and industrial land use:
 - Policy 6 recognises that urban areas should be consolidated within the Coastal Environment, and that some activities have a functional need to locate in the CMA.
 - Policy 9 recognises a safe and efficient port network.
22. It is considered that the proposed Urban Plan Changes give effect to the NZCPS.
23. The NPSs for Freshwater Management, Renewable Electricity Generation and Electricity Transmission do not specifically relate to the Urban Plan Changes.

National Environmental Standards

24. National Environmental Standards are regulations issued under the RMA. They prescribe technical standards, methods and other requirements for environmental matters. Local and regional councils must enforce these standards (or if the standards allow, councils can enforce stricter standards). In this way, National Environmental Standards ensure that consistent minimum standards are maintained throughout all of New Zealand's regions and districts. The following standards are in force as regulations:
 - National Environmental Standards for Air Quality
 - National Environmental Standards for Sources of Drinking Water
 - National Environmental Standards for Telecommunication Facilities
 - National Environmental Standards for Electricity Transmission Activities

- National Environmental Standards for Assessing and Managing Contaminants in Soil to Protect Human Health
- National Environmental Standards for Plantation Forestry

25. The Urban Plan Changes have taken into account these standards to ensure consistency.

National Planning Standards

26. The draft National Planning Standards (the draft Standards) were released in June 2018 for public consultation and are scheduled to be gazetted in April 2019. The purpose of the National Planning Standards is to improve consistency in plan and policy statement structure, format and content. The Standards were introduced as part of the 2017 amendments to the RMA. Their development is enabled by sections 58B–58J of the RMA. They support implementation of other national direction such as national policy statements and help people to comply with the procedural principles of the RMA.
27. The draft Standards set requirements for different elements of plans including structure and form, e-plan functionality, definitions, zones, mapping symbology and noise and vibration metric standards.
28. The Urban Plan Changes take the Standards into account and are considered to be consistent with the draft version of the Standards. The new zones have been selected from the standardised suite of zoning options provided for in the Standards. Two additional special purpose zones (Waterfront Zone and Shopping Centre Zone) and two precincts (Port Nikau and Refinery) have been provided for in accordance with the Standards. The proposed chapters, provisions and mapping have been formatted to be consistent with the draft Standards.
29. It is intended that following the gazettal of the National Planning Standards subsequent plan changes may be required to amend the WDP, and the proposed plan changes to ensure consistency.

2.3 Iwi and Hapu Management Plans

30. According to s74(2A) of the RMA, Council must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district. At present, there are five such documents: Te Iwi O Ngatiwai Environmental Policy Document (2007), Patuharakeke Te Iwi Trust Board Environmental Plan (2014), Ngati Hine Iwi Environmental Management Plan (2008), Ngati Hau Hapu Environmental Management Plan (2016) and Te Uriroi Hapu Environmental Management Plan and Whatatiri Environmental Plan.
31. Each management plan is comprehensive and covers a range of issues of importance to the respective iwi. The management plans contain statements of identity and whakapapa and identify the rohe over which mana whenua (and mana moana) are held. The cultural and spiritual values associated with the role of kaitiaki over resources within their rohe are articulated. The Urban Plan Changes have taken into account those matters of relevance to urban subdivision and land use.
32. Many of the identified issues, objectives, policies and methods relating to commercial and industrial development concern air and water quality. These are mainly the responsibility of Northland Regional

Council. However, the management of stormwater is a district council function and is addressed in the Urban Plan Changes through impervious surface controls.

33. Of particular significance to the Urban Plan Changes are the following provisions:

Ngati Hine Iwi Environmental Management Plan (2008)

28. Urban Design

4. *Te Runanga o Ngati Hine supports low impact urban design and innovative solutions which improve the quality of our urban centres.*
5. *Te Runanga o Ngati Hine believes that urban centres should be designed around people and not cars.*

Patuharakeke Te Iwi Trust Board Environmental Plan (2014)

4.2.3 Policies

- c) *PBT support the reduction of emissions as a response to climate change, including but not limited to:*
 - i. *Urban planning to reduce transport emissions.*

34. In addition to the above provisions, the Patuharakeke plan states that large industrial land uses such as NZ Refining, Northport and Carter Holt Harvey LVL plant are established on land which was illegally taken from Patuharakeke and is subject to a Waitangi Tribunal claim. The Patuharakeke plan states that these industrial activities have had an adverse impact on the mauri and cultural health of Whangarei Terenga Paraoa and cultural landscapes and seascapes, and seeks that these are not further compromised (9.6.1, 9.6.2, 9.6.3, 9.6.4). Further discussion of the Patuharakeke plan is provided in the s32 Report for Plan Change 144 – Port Zone.
35. The management plans also identify the need to ensure adequate infrastructure is in place before development occurs and that the true costs of this infrastructure are borne by those profiting from the development. These issues are dealt with in WDC's Long Term Plan and the infrastructure planning that feeds into it. Ultimately WDC's Development Contributions Policy 2015 is the tool to ensure the developer pays for the relevant infrastructure costs of the development.
36. The Urban Plan Changes have taken into account these management plans to the extent that their content has a bearing on the UA.

2.4 Regional policy

2.4.1 Regional Policy Statement for Northland 2016 (NRPS)

37. The policies and methods contained in the NRPS contain guidance for territorial authorities for plan making. Section 1.6 provides a statement of responsibilities between regional and district councils. The NRPS has a more economic focus than the previous NRPS and also provides more guidance as to what should be included in district plans to manage land use and development. Objective 3.5 of the RPS states:

Northland's natural and physical resources are sustainably managed in a way that is attractive for business and investment that will improve the economic wellbeing of Northland and its communities.

38. It is considered that this objective is key to the Urban Plan Changes as they seek to enable and provide for appropriate economic growth and activity within Whangarei's UA.
39. The sections below assess the Urban Plan Changes against relevant policies of the NRPS. Several recent plan changes such as Plan Change 124 (Built Heritage), Plan Change 87 (Coastal Area) and Plan Change 114 (Landscapes) have already addressed several provisions of the NRPS. Several proposed Plan Changes such as Plan Change 109 (Transport) and Plan Change 136 (Three Waters) will address other remaining matters covered by the NRPS.

Land, Water and Common Resources (Part 4)

40. Part 4 of the NRPS focuses upon integrated catchment management, improving overall water quality, water quantity management, maintaining and enhancing indigenous ecosystems and species, identifying and managing effects to the coastal environment, natural character, outstanding landscapes and features and historic heritage resources, and efficient use of coastal water space. Table 1 provides a summary of the relevance of Part 4 of the NRPS to the Urban Plan Changes.

TABLE 1: EVALUATION OF PART 4 OF THE NRPS		
NRPS Policy	NRPS Method	Relevance
4.2.1 Improving overall water quality	4.2.2(2) manage effects of subdivision and development, requiring esplanade strips, promoting vegetated riparian buffers, consider the adoption of low impact urban design techniques.	<ul style="list-style-type: none"> The Urban Plan Changes do not include any changes to the WDP in relation to esplanade reserves. Existing WDP requirements to provide esplanade reserves and strips are consistent with the RMA.
4.6.1 Managing effects on the characteristics and qualities natural character, natural features and landscapes: outside the coastal environment avoid significant adverse effects and avoid remedy or mitigate other adverse effects on the characteristics and qualities	4.6.3 Amend the DP to the extent necessary to include objectives, policies and methods (and rules where necessary) to give effect to Policy 4.6.2.	<ul style="list-style-type: none"> The Urban Plan Changes seek to introduce provisions relating to minimum building setbacks from waterbodies, and subdivision must provide esplanade reserves consistent with the Resource Area requirements and the RMA. Plan Change 87 was recently made operative and implements provisions to manage the Coastal Area, some of which is located within the UA.
4.7.1 Promote active management. Plan provisions recognise and promote the positive effects of activities (listed) that contribute to active management	4.7.4 Include objectives, policies and methods to promote activities identified in policy 4.7.1	<ul style="list-style-type: none"> The Urban Plan Changes recognise and promote positive effects.

Regional Form and Infrastructure (Part 5)

41. Part 5 of the NRPS focuses on regional form, effective and efficient infrastructure, regionally significant infrastructure and renewable energy. Table 2 provides a summary of the relevance of Part 5 of the NRPS to the Urban Plan Changes.

TABLE 2: EVALUATION OF PART 5 OF THE NRPS		
NRPS Policy	NRPS Method	Relevance
5.1.1 Planned and coordinated development which, (a) is guided by the Regional Form and	5.1.5 Give effect to Policy 5.1 when developing objectives, policies and methods for plan changes.	<ul style="list-style-type: none"> The Urban Plan Changes take into consideration those matters listed in the RFDG when identifying suitable locations for rezoning.

Development Guidelines (RFDG)...; (b) is guided by the Regional Urban Design Guidelines (RUDG)...; (c) recognises and addresses potential adverse cumulative effects...; (d) is integrated with the development, funding, implementation and operation of transport, energy, water, wastewater...; (e) should not result in incompatible land uses...; (f) do not materially reduce the potential for soils-based primary production on land with highly versatile soils...; (g) maintains or enhances the sense of place and character...; (h) is or will be serviced by necessary infrastructure.	Require consultation with relevant infrastructure providers and owners of regionally significant infrastructure/minerals	<ul style="list-style-type: none"> It is considered that the Urban Plan Changes introduce provisions sufficient to implement the RUDG. The Urban Plan Changes seek to rezone land to give effect to the direction set by the Whangarei District Growth Strategy, Sustainable Futures 30/50 (30/50). Asset management of all infrastructures is planned within Asset Management Plans for a 30 year timeframe; these plans incorporate growth projections consistent with 30/50. Therefore, the Urban Plan Changes give effect to 5.1.1(d) and (h). The Urban Plan Changes have taken a targeted approach to rezoning limiting the potential for sprawling residential subdivision and commercial and industrial activities beyond the UA to give effect 5.1.1(c). The Urban Plan Changes seek to introduce greater reverse sensitivity controls including the introduction of separation distances between incompatible land uses to give effect to 5.1.1(e). The Urban Plan Changes have been established to give effect to 5.1.1(f) by limiting sprawl into productive rural land. The Urban Plan Changes propose provisions to protect character and manage adverse effects to give effect to 5.1.1(g).
5.1.2 Enable development that: (a) consolidates urban development within or adjacent to existing coastal settlements..., (b) ensures sufficient development setbacks..., (c) takes into account values of adjoining land and established activities..., (d) ensures adequate infrastructure...		<ul style="list-style-type: none"> The Urban Plan Changes have been established to give effect to 5.1.2(a) by limiting sprawl along the coast. The Urban Plan Changes provide setbacks from Mean High Water Springs giving effect to 5.1.2(b). The Urban Plan Changes have been established to give effect to 5.1.2(c) through the zoning criteria and provisions, which includes assessment of adjoining and established activities. The Urban Plan Changes seek to rezone land to give effect to the direction set by 30/50. Asset management of all infrastructures is planned within Asset Management Plans for a 30 year timeframe; these plans incorporate growth projections consistent with 30/50. Therefore, the Urban Plan Changes gives effect to 5.1.2(d).
5.1.3 Avoid the adverse effects, including reverse sensitivity effects, of new subdivision, use and development, on (b) commercial and industrial activities..., (c) ...regionally significant infrastructure..., (d) regionally significant mineral resources		<ul style="list-style-type: none"> The Urban Plan Changes propose controls on residential development to limit reverse sensitivity and trigger consent requirements.
5.2.1 Encourage development and activities to efficiently use resources	5.2.4 Ensure in plan change that weight is given to (a) the extent to which infrastructure can be operated, maintained and upgraded efficiently with minimal adverse effects	<ul style="list-style-type: none"> The Urban Plan Changes do not directly propose any new infrastructure but do propose to consolidate development within Whangarei's UA and limit
5.2.2 Encourage the development of infrastructure that is		

flexible, resilient and adaptable		<ul style="list-style-type: none"> sprawling development to efficiently and effectively utilise existing infrastructure. The proposed zoning has considered the capacities of existing infrastructure to ensure development can be serviced.
5.2.3 Promote the provision of infrastructure as a mean to shape economic growth and development		
5.3.1 Recognise regionally significant infrastructure identified in Appendix 3.	5.3.4 Include provisions to implement; reduce constraints on the operation, maintenance and upgrading of regionally significant infrastructure.	<ul style="list-style-type: none"> Regionally significant infrastructure is provided for through land use and subdivision rules in the Urban Plan Changes. Site specific zones/precincts have been proposed to recognise regionally significant infrastructure.
5.3.2 Particular regard to benefits of regionally significant infrastructure.		
5.3.3 Managing adverse effects arising from regionally significant infrastructure.		
5.4.1 Recognising and providing for the benefits of renewable electricity generation activities and supporting the sustainable use and development of...	5.4.3 Include objectives, policies and methods to achieve (1)(a) – (h) and (2) - (4).	<ul style="list-style-type: none"> Renewable Energy is a district wide topic scheduled in the WDP rolling review for future plan changes.
5.4.2 Encourage and provide for community and small scale renewable electricity generation		

Efficient and Effective Planning (Part 6)

42. Part 6 of the NRPS focuses on providing efficient and effective statutory and non-statutory plans and strategies. Table 3 provides a summary of the relevance of Part 6 of the NRPS to the Urban Plan Changes.

TABLE 3: EVALUATION OF PART 6 OF THE NRPS		
NRPS Policy	NRPS Method	Relevance
6.1.1 District plans shall (a) only contain efficient and effective regulation (b) be consistent (c) be simple (d) support good management practices (e) minimise compliance costs (f) enable activities that comply with the NRPS (g) focus on effects and suitable performance standards	6.1.4 When reviewing plans district councils shall (a) give effect to Policy 6.1.1 (b) streamline regulation	<ul style="list-style-type: none"> The Urban Plan Changes propose to replace the operative Living and Business Environments in the UA and provide a much clearer policy direction within each zone. This will provide more clarity to plan users as to what the anticipated outcomes are in particular areas. The WDP rolling review has updated the format of the district plan to consolidate provisions in district wide and resource area chapters. This removes duplicated provisions and streamlines the provisions. As stated in the s32 evaluations of Parts 2 – 11 consideration has been given to the costs and benefits of the proposed provisions to ensure that they are appropriate and necessary. The plan changes have been drafted to be consistent with the draft Standards which aim to simplify and streamline RMA plans and policies.

Natural Hazards (Part 7)

43. Part 7 of the NRPS focuses on development in hazard-prone areas and general risk reduction. Table 4 provides a summary of the relevance of Part 7 of the NRPS to the Urban Plan Changes.

TABLE 4: EVALUATION OF PART 7 OF THE NRPS		
NRPS Policy	NRPS Method	Relevance
7.1.1 Subdivision, use and development of land will be managed to minimise risks from natural hazards by...(b) minimising any increase in vulnerability	7.1.7 (2) District Plans shall provide provisions to give effect to Policy 7.1.1... (6) Assess natural hazard risks when zoning new areas.	<ul style="list-style-type: none"> The Urban Plan Changes have used available hazard mapping as criteria when considering rezoning proposals, including shifting the City Centre Zone to less flood susceptible areas and not enabling higher density residential development in identified hazard areas.
7.1.6 Climate Change and development		

Tangata Whenua (Part 8)

44. Part 8 of the NRPS focuses on participation in decision-making, plans, consents and monitoring, iwi and hapu management plans, and Maori land and returned Treaty settlement assets. Table 5 provides a summary of the relevance of Part 8 of the NRPS to the Urban Plan Changes.

TABLE 5: EVALUATION OF PART 8 OF THE NRPS		
NRPS Policy	NRPS Method	Relevance
8.1.1 Tangata whenua participation	8.1.5 Engage with iwi authorities at the earliest possible stage.	<ul style="list-style-type: none"> Draft plan changes have been circulated to iwi and hapu for initial feedback and comment as part of pre-notification. The draft plan changes have been presented to Council/iwi and hapu working groups Te Karearea and Te Huinga.
8.1.2 The regional and district council statutory responsibilities		
8.1.3 Use of Mātauranga Māori		
8.1.4 Māori concepts, values and practices		

2.4.2 Regional Plans

45. There are a number of Regional Plans for Northland that have been developed under the RMA. These include the Regional Water and Soil Plan, Air Quality Plan and the Coastal Plan. The Regional Coastal Plan implements policies from the NZCPS, including the provision for port facilities at Whangarei Port and Northport. Having reviewed each document and taking into account all of the provisions it is considered that the proposed objectives for the Urban Plan Changes are consistent with the Regional Plans.
46. The Proposed Regional Plan (**PRP**) combines the operative Regional Plans into one combined plan. It is considered that the proposed objectives for the Urban Plan Changes are consistent with the PRP.

2.5 District policy

Operative Whangarei District Plan 2007 (WDP)

47. The preparation of the first Whangarei District Plan under the RMA commenced in 1993. Council initially commenced preparation of the new Plan in territorial sections – with an Urban section for the Whangarei City area, Rural and Coastal sections for the County area, and a Hikurangi section – reflecting the Transitional County and City plan structures. A District Plan Review Committee was established to be responsible for the preparation of the Plan. In 1995 the initial approach was revised and one Plan covering the whole district was commenced. The Review Committee held a series of workshops and formal meetings over the next six years to formulate the Proposed District Plan (**PDP**). Various sections and revisions of the PDP were adopted as it advanced through the subsequent stages of Plan development. Various reports were commissioned to address significant issues identified for the PDP.

48. The draft PDP was released for public comment on 12 December 1997. The draft PDP was then revised by the District Plan Review Committee, based upon decisions made on public comments received and additional policy development work by staff, adding and deleting sections where necessary. The PDP was approved by Council for notification on 13 September 1998. The PDP became Operative as the WDP on 3 May 2007 following the submission, hearing, and appeal processes.
49. On 1 October 2009 the Resource Management Amendment Act introduced changes to s79 of the RMA, which prescribes the review requirements for district plans. Council must now ensure that each provision of a district plan has been reviewed within any 10 year time period. In response to this requirement the Council adopted a 'rolling review' approach. To implement this decision Council undertook Plan Change 106, which amended the introduction to the WDP to set out an explanation of the rolling review process, future district plan structure, and set expectations of future Council and private plan change applications.
50. Monitoring of the WDP has identified a need to clarify some processes, and update objectives, policies and methods. As part of the rolling review procedure, provisions will be moved towards a stronger effects-based plan with a policy driven approach. A new district plan structure and layout has been introduced to simplify the use of the WDP by mimicking the logic and flow of a typical planning application, moving from high-level policy to low-level detail, methods and requirements.
51. In August 2012 Council completed the 5 year efficiency and effectiveness review of the WDP which has informed the consideration of alternatives in the Urban Plan Changes.
52. A number of plan changes have been proposed as a part of the rolling review of the WDP. The Urban Plan Changes have been drafted to be consistent and compatible with these plan changes. However, any amendments to the plan changes above resulting from submissions, decisions or appeals may need to be considered. Consequential changes may be required to ensure the interface between the Urban Plan Changes and the plan changes above remain appropriate.
53. The National Planning Standards also have an impact on the integration of the Urban Plan Changes with the WDP. The draft Standards provide a structure for district plans as well as chapter layouts, zone names, mapping conventions, etc. The Urban Plan changes have been drafted to be consistent with the draft Standards.

Whangarei District Growth Strategy – Sustainable Futures 30/50 2010 (30/50)

54. The Whangarei District experienced significant growth over the period 2001 to 2008. Future growth for the district is projected to continue and in some parts of the district, particularly in the Marsden Point/Ruakaka area, has the potential to be substantial. This growth presents both challenges and opportunities to the district and its communities, individuals and families, businesses and governing bodies.
55. To manage the projected growth sustainably, Council has formulated 30/50 as a long term Sub-regional Growth Strategy. 30/50 identified economic drivers of development, assessed future growth potential, determined existing and potential land use patterns, and assessed and planned for infrastructural requirements for the district over a 30-50 year time frame.

56. The environmental, social and cultural constraints on, and the consequences of, the anticipated development has been identified and assessed. This research and analysis enables a long term, integrated, strategic planning programme to be developed, based upon sustainability principles, which will assist the sustainable development of the district over the next 50 years.
57. 30/50 was adopted by Council 22 September 2010. Following the completion of 30/50, there has been an extensive implementation phase together with an on-going review of the Strategy itself. 30/50 identified a preferred future development path that was chosen around which further analysis can be undertaken. Future Three represents a managed, consolidated development path based upon a structured five tier settlement pattern. This hierarchical arrangement is as follows:
- Whangarei City as the primary district and regional urban centre with a strong, protected and enduring CBD;
 - A satellite town at Marsden Point/Ruakaka which complements (but does not compete with) Whangarei City;
 - Five urban villages within greater Whangarei;
 - One rural (Hikurangi) and two coastal growth nodes at Parua Bay and Waipu; and
 - Two rural villages along with eight coastal villages located along the coastline from Waipu Cove in the south to Oakura in the north.
58. The 30/50 Implementation Plan 2013 specifies actions to be implemented within the WDP to achieve the strategic direction of 30/50. These actions are given priority timing. The Urban Plan Changes seek to implement only the relevant actions within the 10 year life of the WDP. Of particular relevance to the Urban Plan Changes is Action 4.7:
- Strengthen provisions in the District Plan to ensure that activities locate in the appropriate zones, in particular, industrial and commercial activities locate in Business Environments and do not incrementally creep into existing Residential Environments*
59. Another key action identified in 30/50 for each of the Urban Villages (Kamo, Tikipunga, Maunu, Otaika, Onerahi) and the Satellite Town (Marsden/Ruakaka) is to make changes to the WDP to implement the existing structure plans in a staged and orderly manner. This action requires the Urban Plan Changes to assess the proposed zonings in existing structure plans, and consider the appropriate new zonings.
60. A tracking review of 30/50 was received by Council in April 2016. The tracking review examined how and when the Strategy and Implementation Plan have been monitored and the effectiveness after the first five years of implementation. The review concluded that the majority of the District is tracking along the projections proposed in 2010.
61. The Urban Plan Changes seek to provide for growth and development in and around Whangarei City and Ruakaka, where capacity is needed and infrastructure is available, consistent with the consolidation pattern of 30/50. Recognising the outcomes of 30/50, the Urban Plan Changes promote a strong and

consolidated City Centre and place a strong emphasis upon sense of place, and place-making in the Urban Area.

62. At present Whangarei has a limited weekend and night time economy. 30/50 recognises opportunities for increased socially-inclusive leisure and evening/late night/weekend uses such as cafes, restaurants, bars, entertainment places, music venues and street markets in central Whangarei and the Town Basin. 30/50 also identifies revitalisation of the City Centre and associated business areas as the most pressing issue. As part of revitalising the area, emphasis is placed on improving pedestrian connectivity within the UA, and particularly between the City Centre and Town Basin. The Urban Plan Changes seek to achieve these outcomes.

Whangarei District Council Long Term Plan 2018 – 2028 (LTP)

63. The Local Government Act 2002 (**LGA**) requires every council to produce a Long Term Plan every three years. The LTP outlines Council's activities and priorities for the next ten years, providing a long-term focus for decision-making. It also explains how work will be scheduled and funded. The LTP was adopted by Council in June 2018 and covers the period 1 July 2018 to 30 June 2028.
64. Key to Council activities is the provision of infrastructure. Because development and settlement patterns have effects on both the timing and costing of core infrastructure, the LTP, the Infrastructure Strategy and the supporting Asset Management Plans (**AMPs**) have been developed with regard to 30/50.
65. The Urban Plan Changes seek to achieve consolidation of growth and development in and around the UA consistent with the direction of 30/50. The development capacity created by the Urban Plan Changes has been structured to remain within the ability of infrastructure to provide appropriate services in accordance with the LTP and AMPs.
66. It is considered that the Urban Plan Changes are consistent with, and support the outcomes identified in the LTP.

Whangarei Urban Growth Strategy 2003 (UGS)

67. Preceding 30/50 was the UGS (adopted October 2003), which provides a medium term (20 year) vision for the future urban areas of Whangarei. It identified issues associated with existing urban areas and associated future growth, and provided means of addressing these issues so that the vision may be achieved. The UGS is a vital tool for better understanding the needs and constraints for development in the urban areas of Whangarei over the next 20 years.
68. The demographic, economic and social indicators for the Whangarei District raise important issues in regard to how the city should grow to best provide for the diverse needs of the district's population. The future capacity of residential and business land is an important gauge as to the ability of the city to grow and to allow business to locate in Whangarei and expand. The UGS examines the future capacity of these existing areas as well as exploring the potential for development in other areas. Implementation of the UGS relied on various changes to Council documents, both statutory (e.g. the WDP), and non-statutory (e.g. asset management plans). Preparation of Structure Plans for particular areas was identified as a priority.

69. The UGS divides urban area of Whangarei City into the following 11 distinct areas that were known as “Structure Plan Study Areas” each of which was to have its own detailed study for planning purposes:
- City Centre
 - City Port
 - Morningside, Avenues and Riverside
 - Kensington, Mairtown, Otangarei and Regent
 - Portland
 - Otaika, Raumanga and Toe Toe
 - Maunu and Hora Hora
 - Tikipunga, Glenbervie and Vinegar Hill Road
 - Onerahi, Sherwood Rise, Awaroa Creek and Parihaka
 - Kamo, Three Mile Bush, Whau Valley and Springs Flat
 - Hikurangi
70. In several of these study areas public meetings were held with local residents and interest groups to discuss specific planning proposals. These proposals were developed into Urban Structure Plans which were subsequently adopted as official Council policy documents on 11 February 2009. The Urban Structure Plans have a medium term planning horizon (20 years) and their implementation depends on their subsequent incorporation into statutory planning documents such as the District Plan and the LTP.
71. As part of preparing the Urban Plan Changes, the Urban Structure Plans have been evaluated and considered in the development of the proposed zones/precincts and their provisions. These are covered in more detail in **Parts 2 – 11** of the s32 evaluation of each proposed zone/precinct.
72. The growth philosophy supported in the UGS is characterised by a ‘CBD’ with a strong centre and periphery which provides for the majority of business commerce and retailing for the District, with suburban nodes that provide for some important local services and businesses. The fragmentation of the city was highlighted early on in consultation on the UGS as a primary issue. It was considered that if the city was consolidated the economic viability and vitality of the City Centre would improve.
73. Having reviewed the UGS and the key issues identified within the UGS, it is considered that the Urban Plan Changes are consistent with the vision of the UGS.

WDC Parking Management Strategy 2011 (Parking Strategy)

74. The Parking Strategy shifts the focus of the District’s current parking requirements away from the ‘predict and provide’ method to a market-determined structure coupled with better management of existing parking resources. A crucial recommendation of the Parking Strategy that is integral to this new philosophy is to remove minimum parking requirements from the WDP to allow greater flexibility for

redevelopment. This issue has primarily been addressed in Plan Change 109 (Transport); however, the Urban Plan Changes support this by promoting a shift towards lower car dependency in the UA.

20/20 Plus Whangarei CBD Development Guide 2006 (20/20 Plus)

75. 20/20 Plus is a City Centre development plan, founded on a 'precinct approach'. The guide was adopted by Council on 5 July 2006 as a guideline document for the development of the CBD and provides a co-ordinated approach for the larger CBD area.
76. 20/20 Plus creates a conceptual framework based on a series of six pedestrian scale character precincts, each with at least one catalyst project site for development. The six precincts proposed within the Whangarei City area include Forum North/Gateway, City Core, Town Basin, Waiarohia District, Marine Village and Railside/Okara Harbourside. Figure 5 below details the high level 20/20 Plus land use master plan:

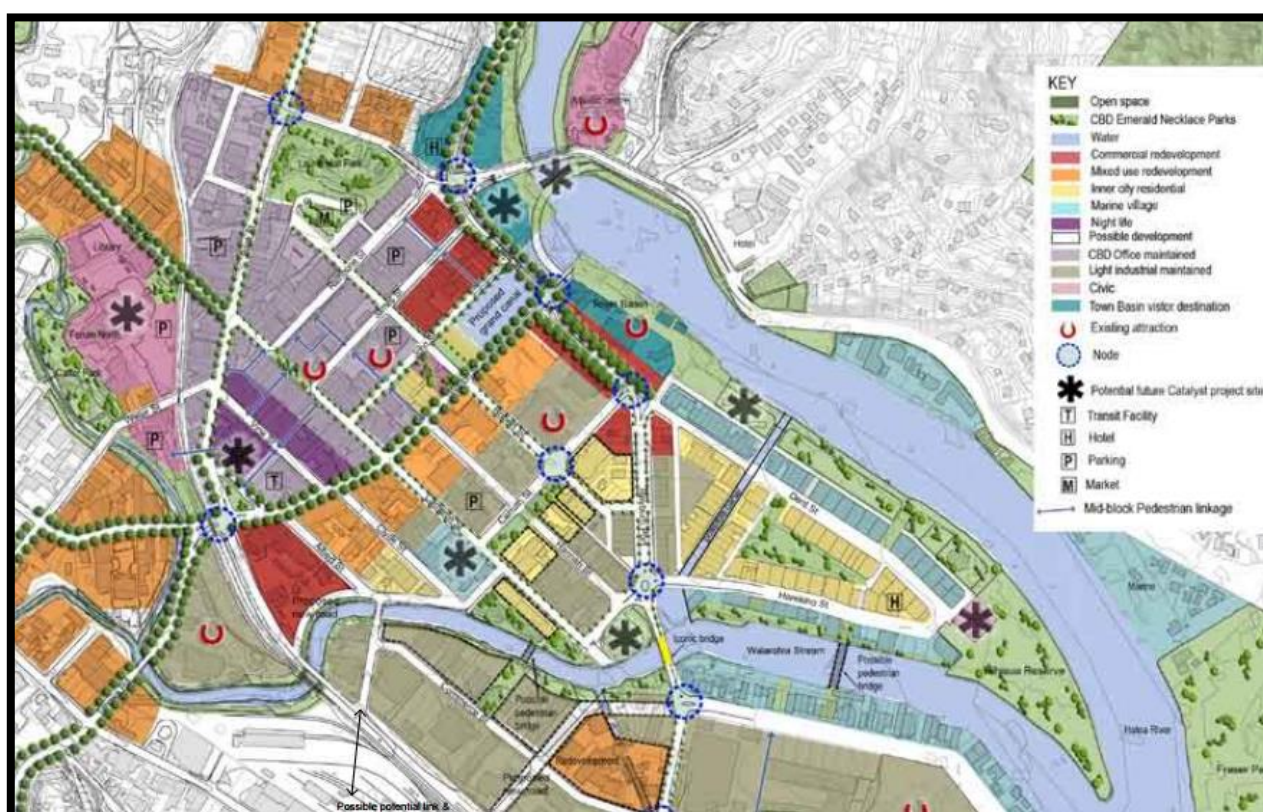


Figure 1: 20/20 Plus Concept Framework Master Plan

77. Since adoption there has been a more recent Whangarei City Centre Plan developed (discussed below), which reviews the medium to long term plan for the city area. However, having reviewed 20/20 Plus it is considered that the Urban Plan Changes are consistent with the overall vision of 20/20 Plus.

Whangarei City Centre Plan 2017 (WCCP)

78. The WCCP was adopted by Council in December 2017 and aims to inform future land use planning through the District Plan. It identifies future projects and outlines where more detailed design thinking is required. The WCCP presents a common vision for the City Centre over the next 30 years.

79. The WCCP is structured around key outcomes and identifies transformational moves which are the fundamental changes that assist in delivering the key outcomes. The key outcomes and transformational moves are supported through a design-led process using the knowledge of the business community and building owners, as well as expertise from Council. The key outcomes and transformation moves include:

Key Outcomes over the next 30 Years

- Experience – The City Centre will be busy and vibrant with a range of retail, entertainment, arts and cultural facilities that offer a unique and authentic experience.
- Connectivity – The City Centre will be easily accessible and safe and well connected to surrounding district centres.
- Living – The City Centre will be a vibrant community with a choice of homes, services and amenities to meet resident's changing needs.
- Employment and Education – The City Centre will be dynamic and innovative which will attract success through job creation, knowledge and economic transactions.
- Design – The City Centre will be renowned for its exciting, unique and well-designed buildings and spaces for work and relaxation.

Transformational Moves

- City Core – Develop an experience focused and pedestrian friendly city core.
 - Movement Network – Create a balanced movement network for pedestrians, cyclists and vehicles along Walton Street, Cameron Street and Dent Street.
 - Strategic Sites – Identify strategic development sites to be catalysts for change.
 - Inner City Living – Enable inner city living to create a vibrant urban community.
 - Quality Design – Ensure quality design is delivered across all our public spaces and private development.
 - Waterfront – Maximise the use of our waterfront as a key destination and focus for redevelopment.
 - Entranceways – Create attractive entranceways at key locations to promote the city centre and its identity.
80. The WCCP and the Urban Plan Changes have been developed concurrently and collaboratively to ensure consistency. The Urban Plan Changes have a shorter time frame than the WCCP and as such seek to make incremental progress towards achieving the long-term outcomes sought under the WCCP while at the same time ensuring that the overall vision is not compromised. It is considered that the proposed Urban Plan Changes are consistent with the WCCP.

Whangarei 20/20 Momentum 2016 (20/20 Momentum)

81. 20/20 Momentum brings together a number of projects from the LTP, private projects and possible future projects. The document outlines 'big picture' projects and developments in the Whangarei city area which have either been completed, are planned, or are conceived as being critical to the future success of Whangarei.
82. Many of the proposed initiatives and projects are largely driven by mechanisms beyond the District Plan and RMA processes, though several completed and planned projects are relevant to the Urban Plan Changes, such as the Bank Street Revitalisation, the Civic Centre, the Arts, Culture and Conference/Expo Precinct, Cameron and James Street, Central City Car Park, the Transit Centre Gateway, and Park Hill Hotel.
83. It is important that the Urban Plan Changes acknowledge and provide for the completed and planned projects under 20/20 Momentum. Having reviewed 20/20 Momentum, it is considered that the Urban Plan Changes are consistent with the proposed initiatives.

Weekend and Night Time Economy Strategy 2014 (WNTES)

84. Adopted in 2014, the WNTES was created to address issues with the vitality of the City Centre outside of normal business hours. The Strategy provides the following recommendations relevant to the Urban Plan Changes regarding future development that will ensure that the City remains vibrant in the evening and on weekends:
- When undertaking planning initiative for Whangarei City ensure that effects on, and requirements of, the weekend and night time economy are taken into account.
 - When identifying mixed use and/or residential intensification areas in Whangarei City, take into account effects on, and requirements of, the weekend and night time economy.
 - Improve connections between the entertainment and recreational precincts, particularly the Forum North/Cafler Gardens Arts, Culture and Civic Precinct, Central Business District Retail and Entertainment Precinct, and Town Basin Arts, Culture, Heritage and Recreational Precinct.
 - Improve public safety and public perception of safety through improved lighting and CPTED initiatives.
85. It is considered that proposed Urban Plan Changes have had regard to the WNTES and are consistent with the above recommendations.

Whangarei Urban Design Strategy 2011 (UDS)

86. The UDS was adopted in March 2011 and provides strategic direction for the design and development of the UA in a manner that will contribute to the sustainable future and success of the whole District. It is anticipated the UDS will assist development to address the urban design needs of Whangarei, including the City Centre by promoting urban development that is compact, connected, distinctive, diverse, attractive, appropriate, sustainable and safe. The UDS identified the formulation of urban design guidelines as a high priority.

87. The Urban Plan Changes propose managing built form through several provisions in accordance with the UDS. As a separate process from the Urban Plan Changes, Council is drafting urban design guidelines which will operate as a standalone document providing support from an urban design perspective for developers.

Blue/Green Network Strategy 2016 (BGN)

88. The BGN was adopted by Council in August 2016 and aims to create an attractive and environmentally sustainable urban environment that also addresses threats from flooding and future climate change. The four main themes of the BGN are:
- Enhancing and connecting our communities
 - Enhancing ecosystem services and ecological connectivity
 - Providing opportunities for economic development
 - Protecting our communities from natural hazards
89. The BGN identifies three main waterways as primary corridors providing the greatest opportunity for recreational and commuter pathways and economic development. They are the Hatea River, Raumanga Stream and Waiarohia Stream. Work around minor waterways will focus on creating ecological corridors that support biodiversity and increase public amenity throughout the city. Cross city connections will link suburbs located away from waterways with greenspace, schools and other facilities.
90. Implementing the BGN will reduce the problems caused by flooding, enhance and help to restore ecological corridors and stream edges, improve water quality, increase “sense of place”, and connect people and places together. It will also seek to respect and provide acknowledgement of Māori cultural and spiritual values and may also lead to economic development and an increase in tourism opportunities.
91. Having reviewed the BGN, it is considered that the Urban Plan Changes are consistent with the outcomes sought.

Hīhīāua Precinct Plan 2015 (HPP)

92. The HPP was adopted by Council on 8 April 2015 and outlines Council's direction to manage growth and development in the Hīhīāua Peninsula area for the next 20-30 years. The Hīhīāua Peninsula has previously been recognised by Council as suitable residential and mixed use development. The HPP is intended to assist with the efficient delivery of key infrastructure, land use planning and community services for the area. The HPP will also provide a framework for introducing residential and mixed use activities in the area.
93. The Hīhīāua Peninsula is bounded by two waterways, the Hātea River and Waiarohia Stream, and Reyburn Street. At present the Precinct is predominantly light industrial in nature, but was selected for redevelopment to accommodate some of Whangarei's growth and transform the area into an attractive residential/mixed use area as:

- It is located close to the City Centre, and within walking distance to employment, amenities and services.
- The area has been identified as a strategic location for residential/mixed use development.
- It is a large consolidated area of land in local government ownership.
- Changes in land use are already occurring as there are several residential units on the Peninsula.
- The area is adjacent to Whangarei's waterways and high amenity areas.
- Potential high impact catalyst projects may be located in the vicinity, e.g. Hīhīāua Cultural Centre.

94. The Urban Plan Changes have taken into consideration the outcomes identified in the HPP and seek to assist implementation of the HPP.

Upper North Island Industrial Land Demand 2015 (UNIILD)

95. The UNIILD report was prepared by Business and Economic Research Limited for the Upper North Island Strategic Alliance (**UNISA**) in February 2015. It looks at the trends that determine industrial land needs and the key factors that influence industry decisions on where they locate. Part of the report is a Northland case study determining current supply of industrial land and likely future demand.

96. The report notes that land use planning has significant impacts on the location and uptake of land for industrial activities with the following key points:

- *Land use planning is the most significant regulatory and policy influence affecting the supply and uptake of industrial land for industrial purposes.*
- *In situations where growth pressures are absent, permissive zoning of land for industrial purposes can be an advantage, providing flexibility for developers and firms.*
- *However, where growth pressures exist the widely observed effect of permissive zoning is that other types of land use emerge in areas intended for industrial activity. Industrial activity is crowded out as land values respond to the higher value opportunities afforded by retail and commercial development, making industrial developments uneconomic and reducing the effective supply of industrial land. It is important to recognise that in many cases this increase in land value (pricing effect) is likely to be significantly higher and much more influential in promoting unintended patterns of development than regulatory costs.*
- *Regulatory costs matter the most where zoning is permissive, as additional costs on top of higher land prices make industrial land uses less economic*
- *The use of more precise zoning would protect and support the more efficient uptake of industrial land within the UNISA area.*

97. Using results of an industry survey, the report compares the different requirements, such as site area, employee numbers, and building coverage, of industrial land uses. For example, it concludes that heavy industry requires large site areas, a small number of employees per hectare, large buildings, a low percentage of site coverage and an adequate separation distance from non-industrial areas. This

information is helpful for determining zoning and relevant zone provisions to address potential adverse effects without unduly constraining industry.

98. The report notes that:

At a broad level, key factors that influence where an industry/business locates include:

- *Land use zoning*
- *Market, including suppliers and customers*
- *Transport infrastructure, especially roads*
- *A skilled workforce*
- *Telecommunications.*

99. The Northland case study notes that the Whangarei District has the largest amount of heavy and noxious industrial land in Northland. This land is situated in four Statistics NZ census area units: Springs Flat, Whangarei Central, Marsden Point, and Port Limeburners. Whangarei District also has the largest area of vacant industrial land in Northland. This land is at Marsden-Ruakaka (468 hectares), Waiotira-Springfield (198 hectares), and Port Limeburners (101 hectares). The report notes that a large part of this vacant land is 300 hectares at Marsden Point that was set aside in the 1960s for strategic development, such as the relocation of a major facility that becomes commercially unviable in Auckland due to high land prices. Further the report states:

...that the continuing existence of 300 hectares of vacant land in this area does not indicate an over-investment in infrastructure for industrial land, but instead keeps this land available to attract a significant activity to Northland in the future (page 60).

100. Two scenarios for future industrial land demand in Whangarei District are modelled in the report. The first (Business as Usual) estimates an oversupply of industrial land by 2031 of 268 hectares. The second (Growth) estimates that no more (or less) industrial land is required by 2031. This report has been considered in the preparation of the Urban Plan Changes to ensure that a sufficient supply of industrial land is provided. As discussed in section 5 below, it is considered that the proposed Urban Plan Changes provide sufficient industry capacity over the life of the district plan.

3. Consultation

101. Prior to the notification of the Urban Plan Changes, consultation regarding the development of Whangarei's UA has been undertaken with the implementation of 30/50, the UGS, 20/20 Momentum and the WCCP. This consultation has informed the resource management issues in the UA and the plan change options to address these issues.

102. The draft Urban Plan Changes were advertised to all plan holders, practitioners and iwi contacts, as well as being publicly available for pre-notification feedback, from June 2018 through August 2018. Feedback was received in the form of written comments, individual meetings, public meetings and hui with hapu representatives.

103. A consultation website was also developed for the Urban Plan Changes which included an interactive map with draft mapping and an online survey with targeted questions. Throughout the consultation phase, additional questions were posted on Council's Facebook page to promote further discussion and engagement.
104. There were 673 comments/forms received in total between survey responses, formal feedback and Facebook comments.
105. Some of the key changes made in response to consultation include:
- Reduced building heights in the City Centre Zone as the public expressed a strong interest in retaining sunlight access in the City Centre.
 - Site specific or activity specific amendments in response to specific comments.
 - Up-zoning some areas of proposed Residential Zone to Medium-density Residential Zone.
 - Amendments to the scale of industrial activities provided for in the Light Industrial and Heavy Industrial Zones.
 - Amendments to the LC to provide for community activities.
 - Amendments to clarify the difference between suburban centres and groups of shops, and an improved separation between LC and NC.
 - Minor corrections and clarifications.
106. The draft Urban Plan Changes were presented and work-shopped with Te Karearea and Te Huinga, Council's iwi and hapu leaders' committees.
107. Feedback was summarised and presented back to the Council's Planning Committee to inform the plan change drafting. Following this, two additional Council briefing meeting were held to discuss the draft plan changes. Some of the key changes made in response to these meetings include:
- Amendments to the policies of the Shopping Centre Zone relating to noise and traffic during day time hours.
 - Inclusion of ecological values in the policies and objectives of the Waterfront Zone.
 - Reduction of the permitted building height for the Waterfront Zone.

4. Approach to the new District Plan Structure

4.1 Objective and policy hierarchy

108. The WDP objectives and policies are separated into chapters organised around resource management issues. The objectives and policies do not have a hierarchy order in terms of importance or implementation. The WDP lacks guidance on 'outcomes' at a local level and lacks description to provide

sufficient delineation between Environments (zones). The new WDP structure, implemented through PC106, was devised to provide for a hierarchy of objectives and policies.

109. The new structure provides opportunity for policy at a district wide, geographical, locality or neighbourhood context. The scope and degree of specification in the objectives and policies will be proportional to the level of context and relevance to ensure objectives and policies at each level do not overlap or contradict each other.
110. The structure of the proposed Urban Plan Changes has also been influenced by the draft National Planning Standards. The proposed chapters and provisions are considered to be consistent with the format and structure prescribed in the draft National Planning Standards. In some instances, chapters have been created as 'placeholders' and are intended to be relocated into a different chapter that is more consistent with the draft National Planning Standards. This will be done as part of a future plan change and is a symptom of the rolling review.

4.2 Hybrid approach to 'Activities' and 'Effects' based district plan

111. The WDP takes a very clear approach to planning on an effects basis. It provides very limited listing of activities, instead providing limitations to activities based upon control of potential effects. As a consequence of moving towards a prescriptive policy driven approach in the district plan, the need to use more descriptions of specific activities has resulted. The Urban Plan Changes therefore propose a shift towards a more activity based approach while also retaining key effects based rules. This matter is discussed in more detail in section 6 below and in **Parts 2 – 11** of this s32 Report.

5. Approach to the Proposed Rezoning of the Urban Area

112. The zones within the UA work in an interconnected manner and must be balanced with one another to provide for a comprehensive and appropriate zoning pattern across the UA. Therefore, the appropriateness of one zone and its provisions must be considered within the context of the suite of proposed zones. For example, the appropriateness of prohibiting landfill activities in the City Centre Zone cannot be assessed in a vacuum as it depends on another zone providing capacity for landfill activities. Similarly, the appropriateness of requiring consent for general retail in the Light Industrial Zone must be supported by the objectives of the City Centre Zone to encourage and consolidate general retail in the City Centre Zone.
113. The zoning proposed in PC88A - J was developed through the following stages:
 - Stage 1 – Consideration of high level zones and zoning patterns to be consistent with higher order policies and strategic direction, and with a focus on addressing the key resource management issues within each zone/area. The individual resource management issues for each zone/area are discussed in more detail in **Parts 2 – 11** of this report. The issues considered during Stage 1 mainly focused on planning/effects based issues rather than capacity, which was considered under Stage 3.

- Stage 2 – Implementation of the National Planning Standards. The draft Standards were released after Stage 1 was completed, and subsequent changes to the zones and zone names proposed under PC88A – J were required to ensure consistency.
- Stage 3 – Revision of zone provisions to ensure sufficient plan enabled and feasible capacity is provided for business and residential development to meet projected demand over the life of the district plan in accordance with the NPS:UDC. A detailed assessment was undertaken to consider the capacity provided through an early draft version of PC88 – see **Attachment 1**. Changes were made to the draft provisions to address any capacity issues while also ensuring the planning principals under Stage 1 were not compromised.

114. Stages 1 – 2 are discussed in the relevant sections of **Parts 2 – 11** of this s32 Report for each zone. Stage 3 assessments for residential and business capacity assessments are discussed below.

Residential

115. The analysis of residential capacity assessed the ‘plan-enabled capacity’ and the ‘feasible capacity’. The plan-enabled capacity assessment factored in the zone mapping and the most relevant plan provisions for development (e.g. minimum site size, maximum residential unit density, maximum building heights and impervious surface limits). The feasible capacity assessment refined the plan-enabled capacity based on which areas had sufficient servicing to be developed and what would be feasible in today’s market conditions (i.e. taking into account both house sales prices and the costs of development). The results include greenfield, infill and redevelopment capacity and are shown in Table 5 below:

TABLE 5: SUFFICIENCY OF HOUSING CAPACITY TO MEET DEMAND BASED ON DRAFT VERSION			
Time period	Short term (2018-21)	Medium term (2021-28)	Long term (2028-48)
Demand			
Projected dwelling growth	1,750	5,370	11,120
Growth + NPS margin	2,100	6,440	13,050
Proposed District Plan			
Plan-enabled capacity	29,520		
Feasible capacity	13,050		
Sufficient to meet demand?	Yes	Yes	Yes

116. The housing model adopted a conservative approach in calculating capacity and did not include the following factors:

- Residential development that may occur within the Port Nikau Environment (or the Port Nikau Precinct).
- Residential development within the newly operative Rural (Urban Expansion) Environment that may connect to reticulated three waters networks (this would increase the density from 1 principal residential unit per hectare to 1 principal residential unit per 500m² net site area).
- Capacity enabled within the newly operative Rural Production and Rural Living Environments.

117. As shown in Table 5 above, the initial assessment of residential capacity projected that sufficient capacity was provided in the draft zoning and provisions. Therefore, changes were not required at Stage 3 to provide more capacity.

Business

118. The assessment of business capacity compared projected business sector demand to the plan-enabled capacity within each proposed zone. Within some proposed zones there are very few permitted activities and it is reasonable to expect that restricted discretionary or discretionary activities may establish within the zone. This was addressed by testing the following two scenarios for what might be enabled in each zone:

- A “Permitted only” scenario, which assumes that activities are plan-enabled only if they have a permitted activity status
- A “Permitted and discretionary” scenario, which assumes that activities are plan-enabled if they have permitted, restricted discretionary, or discretionary activity status, and if there is a policy direction that is generally enabling of the activity. This results in more capacity for some activities, assuming that case-by-case assessments through resource consents enables opportunities for these activities.

119. The model used a linear programming method to ensure that land was not over-allocated in zones where multiple competing activities are permitted. The results are shown in Table 6 below.

TABLE 6: SUFFICIENCY OF BUSINESS CAPACITY TO MEET DEMAND BASED ON DRAFT VERSION			
Time period	Short term (2018-21)	Medium term (by 2028)	Long term (by 2048)
Land demand by sector (in hectares, including NPS-UDC margins)			
Industry	55.6	121.0	209.5
Retail and personal services	0.9	15.8	32.4
Office based activities	0.6	2.4	4.3
Health, education, and community services	2.7	6.9	11.6
Total demand	59.8	146.1	257.8
Proposed District Plan			
Total vacant plan-enabled capacity (hectares)	540.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	No	No

120. Similar to the housing model, the business model adopted a conservative approach in calculating capacity and did not include the following factors:

- Capacity enabled in the Port Nikau and Marsden Primary Centre Environments.
- Capacity available in the newly operative Strategic Rural Industries Environment and the Rural Village Commercial and Industry Sub-Environments.
- Commercial development which may occur within Residential Zones by way of resource consent (e.g. visitor accommodation and ancillary activities).

- Capacity provided through potential redevelopment opportunities.
- Latent capacity in existing vacant buildings within Business Environments (or zones).

121. The business model projected that the draft zoning and provisions would result in shortfalls over the medium term for the following business sectors:

TABLE 7: MEDIUM TERM BUSINESS SECTOR SHORTFALLS IDENTIFIED IN DRAFT PROVISIONS		
Business Sector	Shortfall under the Permitted Only Scenario	Shortfall under the Permitted and Discretionary Scenario
Small scale trade retail	2.82ha	1.89ha
Medium scale grocery stores	0.78ha	Nil
Large scale grocery stores	0.52ha	0.04ha
Department stores	0.24ha	Nil
Visitor accommodation	2.31ha	2.36ha
Health, education and community services	7.27ha	6.05ha

122. To address these deficiencies the following changes were made to the draft provisions at Stage 3:

- Some sites that had been proposed as a Residential Zone were amended to Local Commercial or Neighbourhood Commercial Zone.
- The Hospital Zone was created and included in the model to provide additional capacity for health care type commercial services.
- Amendments to the Light Industrial (**LI**) and Heavy industrial (**HI**) Zone provisions to prioritise noxious and heavy industrial activities to be allocated to the HI rather than the LI.
- Providing for department stores, smaller-scale trade retail and larger grocery stores in the City Centre Zone as a discretionary activity.
- Providing for smaller-scale trade retail as permitted and larger-scale trade retail as discretionary in the Mixed-use Zone.
- Providing for health, education and community services as permitted in the Mixed-use Zone.
- Removing the GFA threshold for grocery stores in the Commercial Zone.
- Removing the GFA threshold for trade retail activities in the Light Industrial Zone.
- Providing for grocery stores as a discretionary activity in the Light Industrial Zone.
- Providing for a discretionary tier of office-based activities in the Light Industrial Zone.
- Amending industrial activities from discretionary to non-complying in the Local Commercial Zone.
- Providing for visitor accommodation as a discretionary activity, and for health, education and community services as permitted, in the Neighbourhood Commercial Zone.

123. After making the above changes, the draft provisions were re-tested with the business model. Table 8 shows the business capacity based on the second draft version of PC88.

TABLE 8: SUFFICIENCY OF BUSINESS CAPACITY TO MEET DEMAND (SECOND DRAFT)			
Time period	Short term (2018-21)	Medium term (by 2028)	Long term (by 2048)
Land demand by sector (in hectares, including NPS-UDC margins)			
Industry	55.6	121.0	209.5
Retail and personal services	0.9	15.8	32.4
Office based activities	0.6	2.4	4.3
Health, education, and community services	2.7	6.9	11.6
Total demand	59.8	146.1	257.8
Proposed District Plan			
Total vacant plan-enabled capacity (hectares)	446.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	No	No

124. It is noted that there is still a shortfall over the medium term in the second draft zoning and provisions under the 'permitted only scenario'. However, the shortfall is significantly reduced as shown in Table 9. There is no identified shortfall over the medium term under the 'permitted and discretionary scenario'.

TABLE 9: MEDIUM TERM BUSINESS SECTOR SHORTFALLS IDENTIFIED IN DRAFT PROVISIONS	
Business Sector	Shortfall under the Permitted Only Scenario
Department stores	0.2ha
Visitor accommodation	1.33ha

125. As a result of the changes made to the proposed zoning to address the business sector shortfalls the feasible residential capacity has been slightly affected. Over the long-term (by 2048) the feasible residential capacity has been reduced by 159 dwellings. However, the feasible capacity is still easily sufficient over the medium term, and when considering the additional capacity that is not factored into the model, it is considered that there is likely sufficient feasible capacity over the long-term as well.
126. Given the above, it is considered that the proposed Urban Plan Changes provide sufficient residential and business capacity over the life of the district plan. While there are identified shortfalls for department stores and visitor accommodation over the medium term under the 'permitted only' scenario, it is considered that these shortfalls are relatively minor and can be addressed under the 'permitted and discretionary' scenario, or by the factors that were not considered in the conservative approach adopted by the model. These capacity assessments project that the range of activities proposed within each zone are appropriate from a capacity perspective. Therefore, **Parts 2 – 11** of this report assess the appropriateness of each zone and its provisions within that zone but do not address capacity at a higher level across the UA as this has been assessed within this section.

6. Section 32 Analysis for Matters Consistent Across all Zones

127. Where methods are consistent across all proposed zones/precincts, a single s32 evaluation has been completed once to avoid repetition. For ease of evaluation the provisions have been packaged by issue topic.

6.1 Appropriateness of Proposed Provisions

New Definitions

128. As part of the Urban Plan Changes, several new definitions are proposed along with amendments to operative definitions. **Appendix 1** provides a comprehensive list of all the new definitions proposed under the Urban Plan Changes as well as any amendments to operative definitions that are proposed. Many of the proposed definitions and amendments are in response to the definitions listed in the draft Standards. Definitions that are listed in the draft Standards have been highlighted in yellow in **Appendix 1**. It is anticipated that changes may be required to these definitions through submission depending on the final version of the National Planning Standards to ensure consistency.
129. Many of the definitions proposed are intended to provide clarity to the interpretation of plan provisions. It is considered that amending operative definitions and introducing new definitions to improve clarity is more efficient and effective than the status quo as it will assist plan users in interpreting rules and better understanding the planning provisions.
130. Some of the proposed definitions relate to specific activities. The WDP being primarily an effects based plan specifies a limited range of definitions (e.g. residential, commercial and industrial activities). Feedback from internal and public consultation was that a wider range of activities need to be specified so that certain types of activities can be permitted and others managed in the UA, and that the generic definitions of the WDP do not allow specificity in rules. The zones proposed in the Urban Plan Changes seek to provide greater clarity as to which activities may occur in certain locations. To achieve this, new activity definitions have been considered.
131. Introducing new definitions to the district plan presents the risk of adding complexity to the Definitions chapter and its interpretation. 'Nesting tables' are a method of organising definitions into categories to help simplify interpretation and streamline rules. This method was recently used in the Auckland Unitary Plan which describes the nesting tables in Chapter J – Definitions:

J1.1.1. Using Nesting Tables

There are five nesting tables which gather specific land use activities into general groups: Commerce, Community, Industry, Residential and Rural. Within each table, activities are listed with the more general on the left and the more specific on the right. For example, in the Commerce nesting table, retail is the more general activity which includes food and beverage, large format retail and trade suppliers as more specific activities. Those more specific components may also include more specific activities.

Where an activity table for an overlay, zone, Auckland-wide or precinct lists a general activity in a nesting table, that general activity includes all of the nested specific activities unless otherwise specified in that activity table.

J1.1.2. Application of Nesting Tables

- (1) Where an activity is included in a nesting table, the class or activity status of that activity in any activity table also applies to the nested activities set out to the right of that activity in the nesting table, unless an activity table expressly provides otherwise for a particular overlay, zone, Auckland-wide or precinct.
- (2) Where a specific activity is nested under a general activity, then:
 - (a) any standard in an overlay, zone, Auckland-wide or precinct for that specific activity will apply despite the class or activity status of the general activity; and
 - (b) any standard for the general activity will also apply to the specific activity where there is no corresponding standard for the specific activity.

132. An example of the Auckland Unitary Plan's commercial activities nesting table is shown below:

Commercial activities	Offices		
	Retail	Food and beverage	Bars and taverns
			Restaurants and cafes
			Drive through restaurant
		Dairies	
		Show home	
		Large format retail	Supermarket
			Department store
		Trade supplier	

133. PC88 proposes to introduce a new suite of activity based definitions and to group them into nesting tables similar to the Auckland Unitary Plan approach. However, based on feedback from Council briefing meetings the term "Definitions Groupings" is proposed to be used rather than "Nesting Tables" as this is considered to be clearer.

134. Alternatives considered to the implementation of new definitions were:

Option 1: Status Quo: Maintain existing generic definitions within Chapter 4 Definitions.

Option 2: Establish new definitions and 'definition groupings' in the Definitions chapter to provide a larger range of activities. (Plan change option).

135. Evaluation of these alternative options have been summarised in Table 10:

TABLE 10: EVALUATION OF ALTERNATIVES – NEW ACTIVITY DEFINITIONS		
	Costs	Benefits
Option 1: Status Quo	<p><u>Environmental</u> Relying on effects based rules with a limited range of activities defined has resulted in perverse outcomes in some locations as unanticipated activities are able to comply with the effects based rules and can have adverse environmental effects.</p> <p><u>Economic</u> Uncertainty in rules and lack of flexibility results in additional development and consenting costs.</p> <p><u>Social and Cultural</u> None identified.</p>	<p><u>Environmental and Cultural</u> None identified.</p> <p><u>Economic</u> May result in reduced consenting costs for certain activities that are not directly managed by a specific definition and are able to comply with the effects based rules.</p> <p><u>Social</u> No change to the current provisions for landowners, investors and residents.</p>
Option 2: Establish new definitions and definition groupings	<p><u>Environmental</u> Removes some of the effects based rules which can help manage targeted environmental effects.</p> <p><u>Economic</u> Potential for increased consenting costs as activities that have never been defined before will be managed and may result in consent requirements.</p> <p><u>Social</u> Definition groupings is a new approach to adjust to.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> Certainty is provided within the rule framework allowing appropriate types of activities to occur.</p> <p><u>Economic</u> Certainty in rules results in the ability to undertake appropriate activities without additional development and consenting costs. Removes some blanket effects based rules that can be arbitrary and increase consenting costs. Provides greater certainty for activities like Hospitals as a specific definition is provided.</p> <p><u>Social</u> Provides more certainty for community about the types of development that can be anticipated in certain locations. Definition groupings help simplify and streamline the District Plan provisions.</p> <p><u>Cultural</u> None identified.</p>
	Efficiency	Effectiveness
Option 1:	Option 1 is inefficient. The existing definitions are too broad resulting in interpretation and enforcement issues.	Option 1 is ineffective. Lack of specificity in definitions results in the inability to provide direct provisions to manage effects of activities.
Option 2:	Providing clearer definitions will provide improved assessment and interpretation of the WDP increasing the efficiency of the provisions.	Providing a wider range of activity definitions enables rules to be more targeted which is considered to be more effective at managing issues such as commercial sprawl and reverse sensitivity.
Economic Growth and Employment Opportunities		
These options have low impacts in terms of economic growth and employment. Definitions will help to provide clarity for the WDP interpretation and consenting process, but will not have significant implications for economic growth and employment opportunities as this depends more so on the actual rules within each zone.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information.		

136. Option 2 is considered to be the most appropriate method. When considering alternatives, it was found that the status quo definitions were not specific enough to support the outcomes sought in the objectives proposed through the Urban Plan Changes. The appropriateness of the rules around each of these activity definitions has been assessed in **Parts 2 – 11** of this s32 Report.

Scheduled Activities

137. The WDP has a number of site specific overlays in which provisions have been established as “scheduled activities”. These sites have an underlying zone, provisions of which are also applicable. Many of these scheduled activities were created via the appeal process of the WDP. 10 years has elapsed since these scheduled activities were created, and some provisions have been given effect to. As part of the streamlining approach to the district plan rolling review, Council has been systematically removing the scheduled activities. There are 16 separate locations within the UA annotated as scheduled activities within the WDP which are detailed in Table 11 below. Each scheduled activity is discussed in further detail in Appendix 2.

TABLE 11: LIST OF WDP SCHEDULED ACTIVITIES WITHIN THE UA		
Scheduled Activity No.	Location	Control
4	Riverside Road	Exemption from building setback from Mean High Water Springs rule (40.4.3 & 43.4.3).
5	Cameron Street	Exemption from building setback from Mean High Water Springs rule (40.4.3).
7	McEwan Road	Requirement for landscaping area along western boundary of the site.
8	McEwan Road	Requirement for landscaping and buffer area between Business 4 Environment and Countryside Environment.
9	One Tree Point Road	Exceptions to the Countryside Environment regarding parking, noise, places of assembly and residential units.
10	Beach Road	Site specific building coverage, setbacks, height in relation to boundary and landscaping requirements.
13	Marsden Point Oil Refinery	Exemptions from the Business 4 Environment to provide for oil refinery activities.
17	Dip Road	Consent required as a restricted discretionary activity to undertake any subdivision with discretion restricted to landscape matters.
18	Sime Road	Exemptions from the Business 2 Environment to provide for a Power Station Service Corridor.
19	St Francis Xavier School, Percy Street	Exemption from Living 1 Environment traffic movement rules to permit traffic movements where they are associated with the primary school activities of St Francis Xavier School.
20	Pompallier College, State Highway 14	Exemption from traffic movement rules to permit traffic movements where they are associated with intermediate or secondary school activities.
21	High Street	Exceptions to the Business 2 Environment rules to provide a site-specific package of rules for retail, industrial and office activities, and includes financial contribution and notification requirements and specific noise, landscaping and subdivision conditions.

22	One Tree Point Road	Exceptions to the Business 3 Environment requiring a Comprehensive Centre Development Plan as a restricted discretionary activity.
27	Marsden Point Road	Exceptions to the Business 2 and 4 Environment rules regarding the building setbacks, outdoor areas of storage, stockpiles of materials and equipment and ancillary retail activities.
28	Maunu Road	Restrictions on vehicle access from Maunu Road.
29	Pipiwai Road	Requirement for a landscaped buffer area on the northern boundary.

138. Alternatives considered to address scheduled activities:

Option 1: Maintain status quo and keep listed scheduled activities within the WDP over an underlying zone.

Option 2: Delete all scheduled activities and rely upon existing use rights, zoning the sites consistent with the proposed surrounding zoning. (Plan change option).

Option 3: Identify each location as a spot zone creating specific rules as necessary to cater for the proposed land use.

139. Evaluation of these alternative options have been summarised in Table 12:

TABLE 12: EVALUATION OF ALTERNATIVES – SCHEDULED ACTIVITIES		
	Costs	Benefits
Option 1: Status Quo	<u>Environmental and Cultural</u> None identified. <u>Economic</u> On-going costs of having to review, monitor and update site specific rules in the WDP. <u>Social</u> Does not streamline the scheduled activity rules that may be more suited to resource consent conditions.	<u>Environmental and Cultural</u> None identified. <u>Economic</u> Reduces potential consenting costs for some scheduled activity sites. <u>Social</u> No change to the current provisions for landowners, investors and residents. Certainty is provided for the landowners.
Option 2: Delete scheduled activities and apply surrounding zoning	<u>Environmental</u> Loss of site specific detailed provisions which may have an improved outcome in terms of development potential from those of a more generic zone. <u>Economic</u> Potential increase in consenting costs for landowners as exemptions currently contained within scheduled activity provisions will no longer exist. <u>Social and Cultural</u> None identified.	<u>Environmental</u> Consistent application of zone provisions without the exemptions provided within the scheduled activity provisions which enables more consistent environmental outcomes. <u>Economic</u> Avoids the need for on-going costs of having to review, monitor and update repetitive rules in the WDP. <u>Social</u> The WDP is streamlined and simplified. <u>Cultural</u> None identified.
Option 3: Spot zone the separate locations	<u>Environmental and Cultural</u> None identified. <u>Economic</u> On-going costs of having to review, monitor and update site specific rules in the WDP.	<u>Environmental and Cultural</u> None identified. <u>Economic</u> Reduces potential consenting costs for some of the sites with site-specific zoning. <u>Social</u>

	Expensive in terms of plan change requirements to establish, justify and evaluate under s32, with ongoing costs to review numerous spot zones. This approach is not considered consistent with the draft Standards which could result in further costs if future plan changes are required. <u>Social</u> Does not streamline the WDP provisions that may be more suited to resource consent conditions.	Certainty is provided for the landowners.
	Efficiency	Effectiveness
	Option 1 maintains the existing scheduled activity provisions resulting in inefficiencies through unnecessary provisions being included in the WDP to provide for individual activities. Existing activities should rely upon s10 of the RMA which makes provision for existing use rights. New activities are often more appropriately assessed and managed through the resource consent process once a complete application is provided. Options 2 and 3 both provide efficient means of achieving the WDP objectives. Option 3 would only be efficient if multiple sites are spot zoned for similar purposes.	Option 1 is effective for the specific landowners as it provides them with certainty in terms of existing rules. Option 1 is difficult to manage from a WDP monitoring and implementation perspective as individual sites require particular treatments, and the existing scheduled activities have several issues making them difficult to interpret and enforce. Options 2 and 3 introduce more generic zone provisions and provide a more effective method to achieve the objectives of the WDP.
Economic Growth and Employment Opportunities		
These options have low impacts in terms of economic growth and employment.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information.		

140. Option 2 is considered to be the most appropriate method.

Traffic Movements

141. Traffic movements have the potential to reduce amenity levels, particularly those anticipated by residential activities. The WDP has limitations with regard to the number of traffic movements within the operative Environments in the UA (typically 200 within Business Environments and 30 within Living Environments). Several issues have been raised regarding the effectiveness of the existing rules. One issue being that the WDP rule does not address cumulative effects of multiple activities occurring on a road, being focused upon activities on individual sites. Also, the traffic movement limits that have been established are arbitrary and are blunt effects based rules that can be difficult to monitor and enforce.

142. The Urban Plan Changes propose to remove traffic movement rules, and to manage potential adverse effects by implementing a wider range of defined activities with more targeted activity based rules.

143. Alternatives considered were:

Option 1: Status Quo: Maintain existing traffic movement limits.

Option 2: Remove traffic movement rules and instead rely on activity based rules (Plan change option).

144. Evaluation of these alternative options have been summarised in Table 13:

TABLE 13: ALTERNATIVES EVALUATION – TRAFFIC MOVEMENTS		
	Costs	Benefits

Option 1: Status Quo	<u>Environmental</u> Current provisions do not fully manage adverse effects as determining the level of traffic movements can often be difficult and activities are therefore able to comply with the operative rules. <u>Economic</u> Potential to require resource consent application for activities gaining access from roads that have the capacity to accommodate additional traffic, resulting in an unnecessary cost to applicants. Places economic pressure on Council to upgrade roads based on arbitrary traffic movement limits. <u>Social and Cultural</u> None identified.	<u>Environmental</u> Traffic movements are a method of managing the scale of effects and helping to avoid, remedy or mitigate adverse effects on the transport network. <u>Economic</u> Reduces the potential for increased pressure on road capacity due to increased traffic movements. Continued flexibility for landowners and investors in terms of land use and development options. <u>Social</u> No change to the current provisions for landowners, investors and residents. <u>Cultural</u> None identified.
Option 2: Remove traffic movement rules and instead use activity based rules (Plan change option)	<u>Environmental</u> No specific traffic rule to manage transport effects. <u>Economic</u> Potential to require resource consent application for activities based on activity definitions when traffic impacts may be minimal. <u>Social and Cultural</u> None identified.	<u>Environmental</u> More targeted approach to managing activities provides better control of environmental effects. <u>Economic</u> Fewer activities that are considered appropriate for a zone will require resource consent when compared to the status quo. <u>Social</u> Provides more certainty for community about the anticipated types of development in certain areas rather than relying on an arbitrary traffic movement rule. <u>Cultural</u> None identified.
	Efficiency	Effectiveness
Option 1:	Option 1 has been identified as inefficient in respect of the relationship between traffic movement limitations and the need to manage road design and capacity.	The status quo option has been identified as being ineffective and resulting in unnecessary consent considerations and places restrictions on activities that may otherwise be appropriate for the zone.
Option 2:	Option 2 is considered to be efficient in respect of managing the types of activities and their potential effects to amenity and the transport network.	Option 2 would increase the effectiveness of the status quo provisions by relying on targeted activity based rules instead of arbitrary traffic movement limits.
Economic Growth and Employment Opportunities		
Control of traffic movements is one method to manage the scale of activities and the potential effects on the transport network. The proposed provisions seek to promote economic growth and improve employment opportunities by ensuring that appropriate activities can locate in appropriate areas. Limiting the scale of activities as proposed in Option 1 may result in arbitrary control of activities. Option 2 provides opportunity for economic activities while maintaining an appropriate level of amenity and traffic safety by applying targeted activity based rules.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information.		

145. Option 2 is considered to be the most appropriate method. While Option 1 has merits, Option 2 is more appropriate as it removes arbitrary traffic movement limits and would implement rules that manage adverse effects including those on amenity, character and the transport network.

Noise and Vibration Consequential Amendments

146. Noise (and to a lesser extent vibration) are important components of character and amenity values within the UA. To adequately provide for the range of amenity values in the various UA zones, consideration needs to be given to appropriate noise and vibration controls.
147. Council has recently undertaken a review of the Noise and Vibration provisions within the District Plan as part of Plan Change 110 (**PC110**). PC110 reviewed the appropriate provisions relating to noise and vibration for the various WDP zones and introduced a Noise and Vibration (**NAV**) chapter to the district plan. As part of the Urban Plan Changes consequential amendments to the NAV chapter are needed to update the NAV provisions to apply to the proposed suite of zones proposed under PC88 as well as Plan Changes 115 (Green Space Zones), Plan Change 143 (Airport Zone), Plan Change 144 (Port Zone) and Plan Change 145 (Hospital Zone). The consequential amendments proposed are summarised below:
- The Business 4 and Marsden Point Port Environments rules should be applied to the proposed Heavy Industrial and Port Zones.
 - The Business 3 Environment rules should be applied to the proposed Mixed-use and Local Commercial Zones.
 - The Business 2 Environment rules should be applied to the proposed Light Industrial, Commercial, Hospital and Sport and Active Recreation Zones.
 - The Business 1 Environment rules should be applied to the proposed City Centre Zone.
 - The Living 1, 2 and 3 Environment rules should be applied to the proposed Neighbourhood Commercial, Residential, Medium-density Residential and High-density Residential Zones.
 - The Open Space Environment rules should be applied to the proposed Open Space and Conservation Zones.
 - The Town Basin Environment rules should be applied to the proposed Waterfront Zone.
 - The Bulk Format Retail Environment rules should be applied to the proposed Shopping Centre Zone.
 - The Urban Transition Environment rules should be applied to the proposed Low-density Residential Zone.
 - The Airport Environment rules should be applied to the proposed Airport Zone.
148. The NAV chapter was recently made operative in May 2016. As such it is not considered appropriate to consider removing or amending the NAV standards. Instead the most appropriate option is considered to be implementing the above consequential amendments to apply the appropriate NAV standard to each proposed new zone.

Home Occupations

149. As part of the Urban Plan Changes, it is proposed to delete the WDP definition of “home occupation”. The definition of home occupation requires the activity to be ancillary to the residential use of the site and lists several activity criteria (e.g. hours of operations, storage of materials, the nature of the activity, etc.). The draft Standards propose a suite of definitions under the guiding theory that definitions should define and activity criteria should be contained within rules. It is considered that the operative definition of Home Occupation is not consistent with this approach.

150. It is proposed to introduce a definition of “ancillary activity” which is to be defined as:

Ancillary activity

means an activity that either provides support to, or is incidental and subsidiary to, the primary activity on the same site.

151. As a result of the proposed deletion of “home occupation”, the Urban Plan Changes propose to utilise the new Ancillary Activity defined term instead to capture the same concept. For example, rather than stating rules for home occupations where certain criteria are met, the Urban Plan Changes propose to state rules for activities such as retail, commercial services, places of assembly, etc. and provide for them where they are ancillary to a residential activity on the site.

152. The proposed approach enables more streamlined and simplified provisions as it avoids the use of the concept of home occupations and enables more targeted provisions. The home occupation definition enables a range of activities such as industrial, rural production, etc. as long as they are ancillary to a residential activity. These activities, no matter their scale, may have adverse effects on adjacent properties due to their nature. The proposed approach enables certain activities to be enabled where they are ancillary to a residential activity (e.g. retail and commercial services) while other activities may not be enabled even if they are ancillary to a residential activity (e.g. industrial activities).

153. The proposed approach may have some negative impacts on economic growth and employment opportunities as certain ancillary activities are no longer provided for as permitted activities. However, this approach is considered to have environmental and social benefits by protecting residential amenity and managing noxious activities in proximity to residential properties. In addition, by discouraging some activities from Living Zones it is considered that these activities will need to locate in more appropriate zones, thereby encouraging more economic growth and activity in more appropriate zones.

154. It is proposed to amend the operative Rural Zones to be consistent with the proposed changes to the approach to home occupations. The Rural Living, Rural Village and Rural (Urban Expansion) Environments all have home occupation rules. These rules are proposed to be amended to apply only to commercial activities and to include additional performance standards to reflect the operative definition of home occupations. The Rural Production Environment does not have a home occupation rule and instead provides for home occupations as a permitted activity pursuant to rule RPE.2.1.4. It is considered appropriate to introduce a new rule to manage commercial activities where they are ancillary to a residential activity on the site and to manage the scale of effects that may be generated by these activities.

Default to Permitted Activity Status

155. It is proposed within each zone of the Urban Plan Changes to provide a permitted activity rule whereby any activity which is not otherwise listed in the chapter defaults to a permitted activity provided that all relevant rules within the Zone and any Overlay and District Wide rules are complied with.
156. Reasonably practicable options for activities that are not stated in each chapter are as follows:
- **Option 1:** Proposed Plan Change – Include default to permitted activity.
 - **Option 2:** Default to discretionary or non-complying activity for any activity that is not stated in the chapter as having a specified activity status.
157. It is considered that Option 1 represents the most appropriate option for the following reasons:
- The approach taken with the Urban Plan Changes is to introduce a new set of activity definitions and have rules for each activity in every chapter. Under this approach, it is considered that all relevant activities have been considered and have been listed in the chapters. This avoids the risk of having unforeseen activities not being listed in the chapter and thereby defaulting to permitted. In addition, there are Overlay and District Wide chapters which cover topics such as noise and signs to ensure that these activities are managed even though they are not listed in each zone chapter.
 - Option 2 would require a much more extensive list of activities to be provided in each chapter. For instance, there would need to be permitted activity thresholds for vegetation clearance, temporary activities, aerals, traffic movements, etc. in all of the urban plan change chapters. It is considered that Option 2 presents a greater risk of omitting activities which may be entirely acceptable in a particular zone and thereby requiring discretionary or non-complying consent for the activity with a limited policy framework to support any application.
 - Option 1 provides for a higher level of economic growth and employment opportunities as it does not require consent for every activity that has not been stated in each chapter.
 - There is risk associated with Option 1 if activities are unintentionally not stated in a chapter thereby enabling the activity as permitted; however, care has been taken to ensure that all appropriate activities have been covered within each chapter to minimise the risk of Option 1.

Hazardous Substances

158. The WDP contains provisions relating to hazardous substances to manage potential adverse effects. The WDP provisions refer to WDP Appendix 8 which contains the performance standards for hazardous substances and the method of calculating the levels of hazardous substances. The Urban Plan Changes propose to retain the operative provisions and Appendix 8 but to relocate the provisions into a single “Hazardous Substances” Chapter. This approach will retain the status quo but will remove the repetitiveness of restating the hazardous substances rules within each zone chapter. This is consistent with the draft Standards.

159. A full review of the hazardous substances provisions is intended as part of a separate plan change in the rolling review, which will enable the provisions to be reviewed comprehensively. The current restructuring is proposed as an interim measure to simplify and streamline the district plan.

Radioactive Material

160. The WDP prohibits the use, storage or disposal of radioactive material with an activity exceeding 1000 terabecquerels. The level of radioactivity stated as a prohibited activity allows for use of household smoke detectors and use of radioactive materials in medical laboratories and hospitals, but does not allow large installations such as nuclear power stations.
161. Council considered retaining the operative provisions as a means of avoiding risk. However, radioactive materials are controlled under the Radiation Safety Act 2016 and the Radiation Safety Regulations 2016 by the Ministry of Health's Office of Radiation Safety. It is therefore considered redundant to manage radioactive materials within the district plan.
162. The Urban Plan Changes propose to delete all rules relating to radioactive materials. By defaulting to permitted activity status the plan will enable appropriate, smaller scale activities, and the Ministry of Health will manage activities exceeding the levels established in the Radiation Safety Act 2016. It is considered that this will simplify and streamline the district plan and will avoid duplicating other legislation. As the Ministry of Health manages radioactive material it is considered that there is minimal risk associated with deleting the provisions from the district plan.

Building and Structure Definitions

163. The WDP contains definitions of both 'building' and 'structure'. Rules within the WDP refer to either building or structure depending on the purpose of the rule. Typically, the bulk and location provisions refer to buildings. The WDP definition of 'building' does not include smaller scale buildings which exempts them from the setback, height, etc. provisions.
164. The draft Standards state definitions for both "building" and "structure", and require these definitions to be included within the District Plan.
165. After reviewing the draft Standards definitions, it became clear that these terms would result in significant changes to the effect of the WDP provisions as the "building" definition would include a much wider range of features. At this time, it is not considered appropriate to update the definitions in accordance with the draft Standards due to the scale of impacts this will have on the WDP and proposed provisions. It is considered more appropriate to wait for the National Planning Standards to be gazetted to determine what the final definitions of "building" and "structure" will be before making any changes.
166. It is proposed to amend clause (b) of the operative definition of building so that aerials and aerial support structures are no longer exempt from the definition of building. It is considered appropriate to apply the building bulk and location provisions of the underlying zone to aerials and aerial support structures so that adverse effects on adjacent sites and the surrounding environment are better managed. This is currently a gap in the WDP whereby there are no rules managing aerials or aerial support structures in the Rural Zones.

Residential Unit Definitions

167. The draft Standards include definitions for 'Residential Activity', 'Residential Unit' and 'Minor Residential Unit' as listed below:

Residential Activity

means the use of land and buildings by people for the purpose of living accommodation.

Residential Unit

means a building or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities.

Minor Residential Unit

means a self-contained residential unit that is ancillary to the principal residential unit and is held in common ownership with the principal residential unit on the same site, which can be attached to the principal building or be a detached stand-alone building.

168. It is proposed to implement these definitions. However, it is considered that based on the draft Standards definitions listed above, a minor residential unit is considered to be a subset of the residential unit definition. Therefore, it is considered that there is a need to define 'Principal Residential Unit' in order to have clear rules enabling minor residential units to be differentiated from principal residential units. It is proposed to define Principal Residential unit as:

means a residential unit that is not ancillary to any other residential unit.

169. It is also proposed to structure the "Residential Activities" Definition Grouping as follows to make the relationship between each defined term clear:

Residential activities	Supported Residential Care	
	Retirement Village Premises	
	Residential Unit	Principal Residential Unit
		Minor Residential Unit

170. An alternative option considered was to not include a definition for 'Principal Residential Units'. This would require every rule managing residential units to be written as "residential units (excluding minor residential units)". It is considered that the proposed approach helps simplify and streamline the proposed provisions.
171. In addition to the above there are also changes proposed to the nature of the rules for Minor Residential Units. The WDP definition of minor residential units includes limits on gross floor area and the distance from another residential unit. The draft Standards definition does not specify gross floor area limits or separation distances. These limits have been transferred into the rules managing minor residential units in order to comply with the draft Standards and manage any adverse effects associated with minor residential units. Consideration has been given to amending the limits relating to minor residential units as follows:

Gross Floor Area (GFA)

172. In the WDP, a minor residential unit must not exceed 70m² excluding the gross floor area used exclusively for the storage of motor vehicles in association with the minor residential unit. The draft

Standards neither include nor exclude the storage of motor vehicles within the definition. It is considered appropriate that a rule which controls GFA for a minor residential unit also considers an appropriate limit for a garage. The options for GFA limits have been assessed below:

- Option 1: (Status Quo) – Exclude garaging from the GFA limit for a minor residential unit
- Option 2 – Include garage within the GFA limit for a minor residential unit. Plan Change option.

TABLE 14: SECTION 32 ASSESSMENT OF MINOR RESIDENTIAL UNIT GFA OPTIONS		
	Costs	Benefits
Option 1: Status Quo	<u>Environmental</u> Excessive provision of garaging can compromise intended environmental outcomes due to very large buildings in inappropriate locations. <u>Economic, Social and Cultural</u> None identified.	<u>Environmental Social Economic and Cultural</u> None identified.
Option 2: Include garage within GFA	<u>Environmental, Economic, Social and Cultural</u> None identified.	<u>Environmental</u> Environmental effects arising from GFA generated by a minor residential unit are properly managed. <u>Economic, Social and Cultural</u> None identified.
	Efficiency	Effectiveness
Option 1	This is not an efficient method to manage effects of GFA given that it is excluded and GFA limits do not apply to garaging.	This option is not an effective method to manage effects of GFA given that it is excluded and GFA limits do not apply to garaging.
Option 2	This is an efficient method to manage effects of GFA given that clear GFA limits will apply to the minor residential unit as a whole.	This is an effective method to manage effects of GFA given that clear GFA limits will apply to the minor residential unit as a whole.
Economic Growth and Employment Opportunities		
Economic and employment opportunities are the same for Option 1 and Option 2. Although garaging is limited within the GFA of minor residential units for Option 2, additional garaging or parking can be provided as part of the primary residential unit, or as an accessory building if necessary.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information.		

173. Option 2 is considered the most appropriate option to manage the GFA of a minor residential unit. Accordingly, provision for garaging has been included within GFA limits for minor residential units.

Separation Distance

174. In the WDP a minor residential unit must be located no further than 15m from another residential unit on the same site. There is some ambiguity with respect to where exactly a residential unit is on a site (given current definitions in the WDP) where accessory buildings are already located on site which, consequently, have introduced some uncertainty about how the requirement should be measured. This has resulted in considerable debate about potential locations for minor residential units which represent

unintended and perverse environmental outcomes. Such debate is neither effective nor efficient and it is considered appropriate to provide certainty with respect to interpretation of how the provision is to be measured. The proposed rule to manage separation distances between minor residential unit provides certainty around measurement.

175. It is proposed to manage the separation distance and GFAs of minor residential units in the relevant proposed Urban Zones. It is also proposed to amend the operative Rural Zones to reflect the changes to the definition and to incorporate the above considerations.

Mineral Extraction

176. Plan Change 102 (**PC102**) was recently made operative and introduced a Minerals Chapter to the District Plan. As part of PC102 rules were included for “mineral extraction activities” in each zone. The activity status for the Rural Zones the were introduced through Plan Changes 85A-D and 86 was considered under s32 of the RMA. The activity status for all other operative zones that were not being reviewed at that time was set at discretionary to match the status quo. It was anticipated that the discretionary activity status for these zones would be reviewed at the same time the zones were reviewed.
177. It is proposed to amend the Mineral Chapter rules managing mineral extraction activities to prohibit them in all proposed urban zones. This is considered appropriate as mineral extraction activities are not anticipated within the Urban Zones and land should be retained for more appropriate activities. Mineral extraction activities are provided for in the Rural Production Environment as a discretionary activity and are a non-complying activity within the Rural Living Environment to ensure that there are locations where these activities may occur.

Rural Zone Activities and Subdivision

178. Consequential amendments are proposed to the Rural Zones to reflect the draft Standards and the new activity definitions proposed. The proposed definitions that are not explicitly managed within the Rural Zones include hospitals, recreational facilities, educational facilities, care centres and supported residential care. It is proposed to manage these activities based on their most similar activity that is currently managed within the Rural Zones as follows:
- Recreational facilities and educational facilities are proposed to be managed the same as places of assembly.
 - Care centres are proposed to be managed the same as health care facilities.
 - Supported residential care is proposed to be managed the same as retirement village premises.
179. Hospitals are not currently defined and there is not considered to be an operative definition that is similar in scale or nature to the proposed definition of hospitals. Therefore, it is considered necessary to include new rules to manage hospitals in the Rural Zones. It is considered appropriate to classify hospitals as non-complying activity in all Rural Zones as they are not an activity that is anticipated within Rural Zones, and if established, would need to be carefully designed, constructed and managed to ensure they are appropriate for the zone.

180. Currently there are no rules managing emergency services in the operative Rural Living and Rural (Urban Expansion) Environments. This is not considered appropriate as these Environments are intended to be primarily residential Environments with high amenity levels for residents. Emergency services could have significant adverse effects if established within these Environments and are therefore appropriate to manage through resource consent. It is proposed to classify emergency services as discretionary activities within the Rural Living and Rural (Urban Expansion) Environments.
181. It is proposed to amend operative rule RUEE.3.1.2 to provide more clarity to the link between the Rural (Urban Expansion) Environment subdivision rules. Currently the rule states that any subdivision that does not meet RUEE.3.3.1(a) or (e) is a non-complying activity. However, the intent of this rule is to state that any subdivision that does not meet RUEE.3.3.1(a) or (e) is a non-complying activity only where the allotments are not connected to Council reticulated three waters services. As the operative rule exists, it essentially overwrites rule RUEE.3.1.1 and undermines the purpose of the Environment. It is considered appropriate to provide more clarity by amending RUEE.3.1.2 as shown in the **Proposed Plan Changes Text and Maps**.

7. Conclusion

182. It is considered that the Urban Plan Changes include the most appropriate objectives, policies and methods to ensure consistency and maintain the integrity of the WDP. It is considered that the combination of options discussed in section 6 of this report is the most appropriate means of achieving the objectives proposed in the Urban Plan Changes.

Appendix 1: Proposed Definitions

- The following definitions are proposed through PC88A – J. Definitions highlighted in yellow are listed in the draft National Planning Standards and may be subject to change depending on the gazetted version of the National Planning Standards.

4.2 General Rules of Interpretation

- There are five “definition groupings” which gather specific land use activities into similar categories. These include: Rural Production Activities, Industrial Activities, Residential Activities, Commercial Activities and Community Activities. Within each grouping, activities are listed with the more general term on the left and the more specific term on the right. Where a District Plan rule manages a general activity, that general activity includes all of the specific activities listed in the definition grouping unless otherwise specified in the rules. The five definition groupings are listed below:

Rural Production Activities	Farming
	Plantation forestry
	Intensive livestock farming
	Farm quarrying
	Seasonal activity

Industrial Activities	General Industry
	Manufacturing and storage
	Repair and maintenance services
	Artisan industrial activities
	Marine industry
	Waste management facility
	Landfill

Residential activities	Supported Residential Care	
	Retirement Village Premises	
	Residential Unit	Principal Residential Unit
		Minor Residential Unit

Commercial Activities	Retail Activity	Motor Vehicle Sales
		Garden Centres
		Trade Suppliers
		Marine Retail
		Drive Through Facilities
		Grocery Store
		Hire Premise
		General Retail
	Commercial Services	
	Food and Beverage Activity	
	Entertainment Facilities	
	Visitor Accommodation	
	Service Stations	
	Funeral Home	

Community Activities	Place of Assembly
	Recreational Facilities
	Emergency Services
	Care Centre
	Educational Facilities
	Hospital

Active Frontage

means building frontages which are designed to have a connection to the road allowing visual interaction between pedestrians and people within buildings.

Ancillary activity

means an activity that either provides support to, or is incidental and subsidiary to, the primary activity on the same site.

Artisan Industrial Activities

means manufacture, repair, storage or maintenance associated with production of art, crafts or specialist foodstuffs. This definition is included within the Industrial Activities definition grouping.

Boundary Relocation

means a subdivision in the RPZ that relocates an existing boundary between adjacent allotments where a separate computer freehold register (record of title as per Land Transfer Act 2017) has been issued, without:

- a) Altering the number of allotments.
- b) Cancelling existing amalgamation conditions.
- c) Creating additional capacity to subdivide as a controlled activity in accordance with the relevant SUB rules.

For the purposes of this definition adjacent allotments means allotments that are:

- a) Part of a contiguous landholding; or
- b) Separated only by a road, access allotment, railway, stream or river.

Building Frontage

means a side of a building that is facing the frontage of the allotment.

Care Centre

means a facility used for any one or more of the following purposes:

- a) Children, in addition to the children of the person in charge, aged six years or younger are educated and cared for, and includes: childcare centres, crèches, kindergartens, kōhanga reo, playcentres and play groups;
- b) Early childhood education services;
- c) Children, in addition to the children of the person in charge, aged five years or older and are cared for out of school hours;
- d) Elderly people are cared for during the day; and
- e) People with disabilities (including mental health, addiction, illness or intellectual disabilities) are cared for during the day.

Excludes:

- a) Supported residential care.
- b) Care provided by family members within a residential activity.

This definition is included within the Community Activities definition grouping.

Commercial Services

means businesses that sell services rather than goods. For example: banks, real estate agents, travel agents, dry cleaners, health care facilities and hair dressers. Includes offices conducting activities within a building and focusing on business, government, professional, or financial services and includes the personal service elements of these activities offered to consumers or clients where visits by members of the public are accessory to the main use. This definition is included within the Commercial Activities definition grouping.

Communal Open Space

means a quantity of outdoor area freely available to all residents on the site, exclusive of driveways, buildings, and private outdoor space of individual residential units.

Community Activities

means the use of land or buildings for recreational, sporting, cultural, religious, educational or similar community and well-being purposes. Community activities may involve trading in goods, equipment or services.

Educational Facilities

a) means the use of land or buildings for the primary purpose of regular teaching or training in accordance with a pre-set syllabus by suitably qualified or experienced instructors; but

b) does not include any industrial activity.

This definition is included within the Community Activities definition grouping.

Entertainment Facilities

Facility used for leisure or entertainment. Includes:

- a) Nightclubs;
- b) Theatres;
- c) Cinemas;
- d) Concert venues.

This definition is included within the Commercial Activities definition grouping.

Food and Beverage Activity

means activities where the primary business is selling food or beverages. Includes:

- a) Restaurants and cafes;
- b) Food halls; and
- c) Takeaway food bars and bakeries.

Excludes:

- a) Retail shops; and
- b) Grocery Stores.

This definition is included within the Commercial Activities definition grouping.

Funeral Home

Facility used for holding funerals. Includes:

- a) mortuary facilities (excluding those ancillary to a hospital); and
- b) funeral chapels.

This definition is included within the Commercial Activities definition grouping.

Garage

means a building or part of a building that is principally used for the housing of vehicles and other miscellaneous residential items. Includes a carport/lean-to.

Note: Building rules apply to any garage as well.

Garden Centre

means a shop for the sale of plants, trees or shrubs. Provided that the sale of the following is accessory to the sale of plants, trees or shrubs, it also includes the sale of:

- a) Landscaping supplies

- b) Bark and compost
- c) Statues and ornamental garden features

This definition is included within the Commercial Activities definition grouping.

General Industry

means any industrial activity which is not manufacturing and storage, repair and maintenance services, artisan industrial activities, marine industry, waste management facilities, or a landfill. This definition is included within the Industrial Activities definition grouping.

General Retail

means any retail activity which is not motor vehicle sales, garden centres, trade suppliers, marine retail drive through facilities, grocery stores, or a hire premise. This definition is included within the Commercial Activities definition grouping.

Green Space Zones

means the Open Space, Conservation and Sport and Active Recreation Zones.

Grocery Store

a self-service store selling mainly food, beverages and small household goods. This definition is included within the Commercial Activities definition grouping.

Hire Premise

means any facility used for the hiring of machinery and equipment. Includes:

- a) Servicing and maintenance of hire equipment; and
- b) Storing hire equipment.

Excludes: premises for the hire or loan of books, videos, DVD, kayaks and other similar entertainment and tourist related items. This definition is included within the Commercial Activities definition grouping.

Hospital

means any regionally significant infrastructure that provides for the medical, surgical or psychiatric care and treatment of persons. Includes ancillary:

- a) Offices;
- b) Retail including pharmacies, food and beverage, and florists;
- c) Commercial services including banks and dry cleaners;
- d) Ambulance facilities and first aid training facilities;
- e) Conference facilities;
- f) Helicopter facilities;
- g) Hospices;
- h) Hospital maintenance and service facilities, including kitchens and laundries;
- i) Medical research and testing;
- j) Mortuaries;
- k) Rehabilitation facilities; and
- l) Training.

This definition is included within the Community Activities definition grouping.

LA90

has the same meaning as 'Background sound level' in New Zealand Standard 6801:2008 Measurement of Environmental Sound.

Land

has the same meaning as in section 2 of the RMA.

Landfill

means the use, or the previous use, of land for the primary purpose of the disposal of waste. This definition is included within the Industrial Activities definition grouping.

Landscaping

means land which is planted in lawns, trees, shrubs or gardens.

Living Areas

means a living room, lounge, family room or dining room.

Manufacturing, Servicing and Storage

Activities involving:

- a) Making items by physical labour or machinery.
- b) Facilities used for the receipt, storage, handling and distribution of materials, articles or goods destined for a retail outlet, trader or manufacturer.
- c) Business that provides facilities to the public for storing possessions.
- d) Facility used for receiving, despatching or consolidating goods in transit by road, rail, air or sea.

Includes:

- a) assembly of items.
- b) direct collection of materials;
- c) articles or goods by traders;
- d) carriers' depots;
- e) courier services;
- f) mail distribution centres; and
- g) trucking depots.

Excludes:

- a) retail;
- b) service stations;
- c) composting plants; and
- d) refuse transfer stations.

This definition is included within the Industrial Activities definition grouping.

Marine Industry

means manufacture, repair, storage or maintenance associated with production or processing of boats, accessory goods or seafood. This definition is included within the Industrial Activities definition grouping.

Marine Retail

means the sale or hire of boats, wholesale and retail sale of fish, and accessory goods and services. This definition is included within the Commercial Activities definition grouping.

Mixed use

means development that integrates compatible land uses such as commercial, residential and retail.

Motor Vehicle Sales

means the sale or hire of motor vehicles and caravans. This definition is included within the Commercial Activities definition grouping.

Net Floor Area

- a) Means the sum of any gross floor area designed for tenant occupancy and exclusive use; and
- b) Includes-
 - (i) Both freehold and leased areas; and
 - (ii) Any stock storage or preparation areas, whether exclusive or not; but
- c) Does not include-
 - (i) Liftwells and stair wells including landing areas:
 - (ii) Corridors and mall common spaces:
 - (iii) Building service rooms:
 - (iv) Required parking areas

Oil Refinery Activities

means the use of land and/or buildings within the Oil Refinery Precinct for refinery related activities, including:

- a) Operation of storage and fuel tanks;
- b) Process plants;
- c) Cogeneration plants and associated transmission lines;
- d) Offices;
- e) Support and community activities;
- f) Visitor centres;
- g) Canteens/cafes and residential dwellings associated with the refinery; and
- h) Facilities catering to the needs of staff and visitors.

Outdoor Living Space

means an area of open space for the use of the occupants of the residential unit or units to which the space is allocated.

Pedestrian Arcade

means an area with a minimum dimension of 5m and minimum area of 30m² between a building and a public space that provides visual and pedestrian access onto the site and can be used for activities such as outdoor dining or informal leisure or recreation space.

Principal Residential Unit

means a residential unit that is not ancillary to any other residential unit. This definition is included within the Residential Activities definition grouping.

Raft

has the same meaning as section 2 of the RMA.

Recreational Facilities

means a facility where the primary purpose is to provide for sport and recreation activities. Includes:

- a) Recreation centres
- b) Aquatic facilities, swimming pools, both indoor and outdoor;
- c) Fitness centres and gymnasiums; and
- d) Indoor sports centres

This definition is included within the Community Activities definition grouping.

Regionally Significant Infrastructure

means the infrastructure listed in Appendix 3 of the Regionally Policy Statement for Northland 2016.

Repair and maintenance services

Servicing, testing or repairing vessels, vehicles or machinery. Includes:

- a) articles or goods by traders.
- b) automotive mechanics;

- c) panel beating; and
- d) devanning, storage and testing of LPG cylinders.

This definition is included within the Industrial Activities definition grouping.

Rural Area

means the area of the District comprising the Rural Zones.

Standalone Car Park Facility

means either indoor or outdoor on-site car parking which is not directly associated with any other activity within the site.

Supported Residential Care

means any facility used to provide accommodation and fulltime care for aged or disabled people, or people receiving health support (including mental health, addiction, illness or intellectual disabilities) certified under the Health and Disability Services (Safety) Act 2001 and comply with the Health and Disability Sector Standards 2001. Includes:

- a) A rest home defined in section 58(4) of the Health and Disability Services (Safety) Act 2001; and
- b) Accessory nursing and medical care.
- c) A residential activity where care, including meal delivery service, is provided to the residents on-site.

Excludes:

- a) Hospitals.

This definition is included within the Residential Activities definition grouping.

Through-site Link

means a defined pedestrian access which is continuous and clearly identifiable and is designed specifically to traverse a site to connect roads or other public places or other through-site links. A through-site link provides a shorter and more convenient public pedestrian route than the existing alternative.

Trade Suppliers

means a supplier in one or more of the categories below, engaged in sales to businesses and institutional customers but may also include sales to the general public:

- a) Automotive suppliers;
- b) Building suppliers;
- c) Catering equipment suppliers;
- d) Farming and agricultural suppliers;
- e) Industrial clothing and safety equipment suppliers;
- f) Landscape suppliers; and
- g) Office furniture, equipment and systems suppliers

This definition is included within the Commercial Activities definition grouping.

Urban Zones

means the Living and Business Zones and includes the Airport, Hospital, Port, Ruakaka Equine and Marsden Primary Centre Zones.

Waste Management Facility

Facility used for receiving waste for transfer, treatment, disposal, or temporary storage. Includes:

- a) refuse transfer stations; and
- b) recycling.

Excludes:

- a) landfills.

This definition is included within the Industrial Activities definition grouping.

2. It is also proposed that the following existing definitions in the Operative Whangarei District Plan are amended as shown below with underline and ~~strikethrough~~. Definitions **highlighted in yellow** are listed in the draft National Planning Standards and may be subject to change depending on the gazetted version of the National Planning Standards.

4.2 General Rules of Interpretation

a) ...

- d) ~~Headings do not affect the interpretation of the Plan;~~ Rule headings inform the interpretation of rules.

Allotment means:

1.

- a) Any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:
 - i. The subdivision shown on the survey plan has been allowed or subdivision approval has been granted, under another Act; or
 - ii. A subdivision consent for the subdivision shown on the survey plan has been granted under the Resource Management Act 1991; or
- b) Any parcel of land or building, or part of a building, that is shown or identified separately:
 - i. On a survey plan; or
 - ii. On a licence within the meaning of Part I of the Companies Amendment Act 1964; or
- c) Any unit on a unit plan; or
- d) Any parcel of land not subject to the Land Transfer Act 1952.

2. ~~For the purposes of the above, an allotment that is:~~

- a) ~~Subject to the Land Transfer Act 1952 and is comprised in one certificate of title or for which one certificate of title could be issued under that Act; or~~
- b) ~~Not subject to that Act and was acquired by its owner under one instrument of conveyance:~~
 - ~~shall be deemed to be a continuous area of land notwithstanding that part of it that is physically separated from any other part by a road or in any other manner whatsoever, unless the division of the allotment into such parts has been allowed by a subdivision consent granted under the Resource Management Act 1991, or by a subdivision approval under any former enactment relating to the subdivision of land.~~

3. ~~For the purposes of Section 1 of this definition, the balance of any land from which any allotment is being, or has been subdivided is deemed to be an allotment.~~

4. ~~For the purposes of the subdivision rules of this Plan, the terms 'allotment' and 'proposed allotment' shall mean an allotment either created by, or to be created by the subdivision, unless the context indicates otherwise.~~

Boundary

means the legal perimeter of a site.:

a) In relation to fee simple titles, the site boundary:

i. In relation to cross-lease titles, the boundary of any restrictive covenant area;

ii. In relation to unit titles, the boundary of the accessory unit associated with a particular principal unit.

Building

means any temporary or permanent, movable or immovable structure, including any place, vehicle or construction used as a place of residence or business or for assembly or storage purposes; but does not include:

- a) A network system owned or operated by a network utility operator whose purpose is to provide reticulation from a network system to and from individual properties and structures, including all structures and equipments owned or used by a network utility operator, provided that a system including any structure or equipment does not exceed 1.5m in height and has 3m² or less ground coverage; or
- b) Any ~~aerial or aerial support structure~~, clothesline or similar device; or
- c) Scaffolding or support work used in the course of the construction process; or
- d) A fence or wall, or combination of either, 2m or less in height and where such structures are constructed adjacent to each other a minimum separation distance of 1m shall apply; or
- e) Any tank or pool not exceeding 35,000 litres; or
- f) Any tent or marquee erected on a temporary basis; or
- g) Any temporary stack of goods or materials; or
- h) Any sign not attached to a building; or
- i) Any structure 300mm or less in height; or
- j) Any structure which is 2.2m or less in height and which has 9m² or less ground coverage. ,or
- k) Any artificial crop protection or support structure in the RPZCE.

Bulk Format Retail

Typically a collection of stand alone large retail stores (20 — 50,000 m² trading floor space in a cluster or retail node) specialising in comparison shopping (i.e. items not obtained on a frequent basis). Typical tenants of bulk format retail stores include trade suppliers (e.g. paint, catering, plumbing, hardware), yard based (e.g. building supplies, garden centres, car sales), bulky comparison goods (e.g. whiteware, furniture, office products, carpet, bedding), general merchandise (e.g. hypermarkets, discount stores, homewares, factory outlet clothing stores).

Business Environments Zones

means Business 1, 2, 3 and 4 and the Kamo Activity Precinct the City Centre, Mixed-use, Waterfront, Commercial, Shopping Centre, Local Commercial, Neighbourhood Commercial, Light Industrial and Heavy Industrial Zones.

Commercial Activity

means the use of land and buildings for the display, offering, provision, sale or hire of goods, equipment or services, and includes shops, markets, showrooms, restaurants, take-away food bars, professional, commercial, and administration offices, service stations, motor vehicle sales, visitor accommodation, the sale of liquor and parking areas associated with any of the above.

Excluding: Farming

means an activity with the primary purpose of trading in goods, equipment or services.

Comprehensive Development Plan (C.D.P)

A C.D.P. is a plan of proposed development, submitted by an applicant when making a consent application to utilise the rules of an Overlying Environment within a Future Environment. The

information to be included within a Comprehensive Development Plan is contained in Rule 48.7 of the District Plan.

Drive through Facilities

means any part of any fast food or restaurant activity where the product is sold directly to the customer while in their vehicle. This definition is included within the Commercial Activities definition grouping.

Emergency Services

means the activities of authorities who are responsible for the safety and welfare of people and property in the community and include fire, ambulance and police services. This definition is included within the Community Activities definition grouping.

Farming

means any agricultural or horticultural activity having as its primary purpose the commercial production of any livestock or vegetative matter for human or animal consumption. The production of livestock or vegetative matter utilises the in situ production capacity of the soil, water and air as a medium for production.

Farming includes:

- a) all types of livestock breeding, cropping, grazing, aquaculture
- b) horticulture, including covered cropping as in greenhouses
- c) apiaries
- d) normal rural practices including associated buildings and structures
- e) crop support structures and artificial crop protection
- f) airstrips.

But excludes:

- a) Plantation forestry and intensive livestock farming.
- b) Equine related activities.

This definition is included within the Rural Production Activities definition grouping.

Farm quarry(ies)

- means the extraction of minerals for uses accessory to farming, horticulture, or forestry, where:
- the quarried material is used only on the property of extraction;
- no extracted material, including any aggregate is removed from the property of origin; and
- there are no retail or other sales of quarried material.

This definition is included within the Rural Production Activities definition grouping.

Future Environments

~~These are areas set aside in the Plan to accommodate future growth. Each Future Environment contains Overlying and Underlying Environments. The Underlying Environment of a Future Environment is the current zoning of the land. The Overlying Environment(s) indicates potential future Environment(s). Applicants must make a discretionary resource consent application and provide a Comprehensive Development Plan of their proposed development (for either a land use or a subdivision) to enable the rules associated with the Overlying Environment to apply. The Future Marine Village Environment is a Future Environment, made up of the Environments shown in Figure 48.1.~~

Gross Floor Area (GFA)

means the sum of the total area of all floors of all areas of a building or buildings on the site (including any void areas in those floors, such as service shafts or lift or stairwells), including additional floors above ground level, measured from the exterior faces of the exterior walls or from the centre line of

walls separating two buildings and, in the absence of a wall on any side, measured to the exterior edge of the floor, but excluding covered parking areas and covered vehicle loading and unloading areas.

Ground Level

ground level shall be taken as the level of the ground existing when works associated with any prior subdivision of the land are completed, but before excavation for new buildings on the land has commenced.

means:

- a) the actual finished surface level of the ground after the most recent subdivision that created at least one additional allotment was completed (at the issue of the section 224c Certificate or the previous legislative requirement), but excludes any excavation or filling associated with the construction or alteration of a building;
- b) if the ground level cannot be identified under paragraph (a), the existing surface level of the ground, excluding areas of cut or fill associated with the construction or alteration of a building;
- c) if in any case under paragraph (a) or (b), a retaining wall or retaining structure is located on the boundary, the level on the front of the retaining wall or retaining structure where it intersects the boundary.

Habitable Room

means any room in a residential building unit, visitor accommodation, educational facility, commercial activity or healthcare facility which is or is likely to be, used for the purposes of teaching or respite care or used as a rumpus or games room, study, lounge, living room, bedroom, dining room, sitting room, bedroom or similarly occupied room kitchen or general amusement room.

Hazardous Substance

has the same meaning as in section 2 of the RMA.

means, unless expressly provided otherwise by regulations, any substance:

- a) With one or more of the following intrinsic properties:
 - i. Explosiveness;
 - ii. Flammability;
 - iii. A capacity to oxidise;
 - iv. Corrosiveness;
 - v. Toxicity (including chronic toxicity);
 - vi. Ecotoxicity, with or without bioaccumulation; or

Which on contact with air or water (other than air or water where the temperature or pressure has been artificially increased or decreased) generates a substance with any one or more of the properties specified in paragraph (a) of this definition; or

When discharged to surface water or groundwater, has the potential to deplete oxygen as a result of microbial decomposition of organic matter (for example, milk).

Health Care Facilities

means facilities relating to the physical and mental health, and the care and welfare of people.

Height

means the vertical distance between ground level at any point and the highest part of the structure immediately above that point, in relation to a building means one of the following:

- a) The vertical distance between the highest part of the building and the average ground level, being the level of the ground at the external foundations of the building (see Figure 4.A); or
- b) The vertical distance between ground level at any point and the highest part of the building immediately above that point (see Figure 4.B).

For the purpose of calculating height, account shall be taken of parapets, but not of:

- a) Aerials, provided that the maximum height of aerials normally permitted by the rules for the site are not exceeded; or

- b) Chimneys (not exceeding 1.1m in width); or finials, provided that the maximum height normally permitted by the rules for the Environment is not exceeded by more than 1.5m; or
- c) Steeples, turrets, spires or towers located upon Places of Assembly provided the height limit normally permitted by the rules for the Environment is not exceeded by more than 2.0m.

Figure 4A Above Ground Method

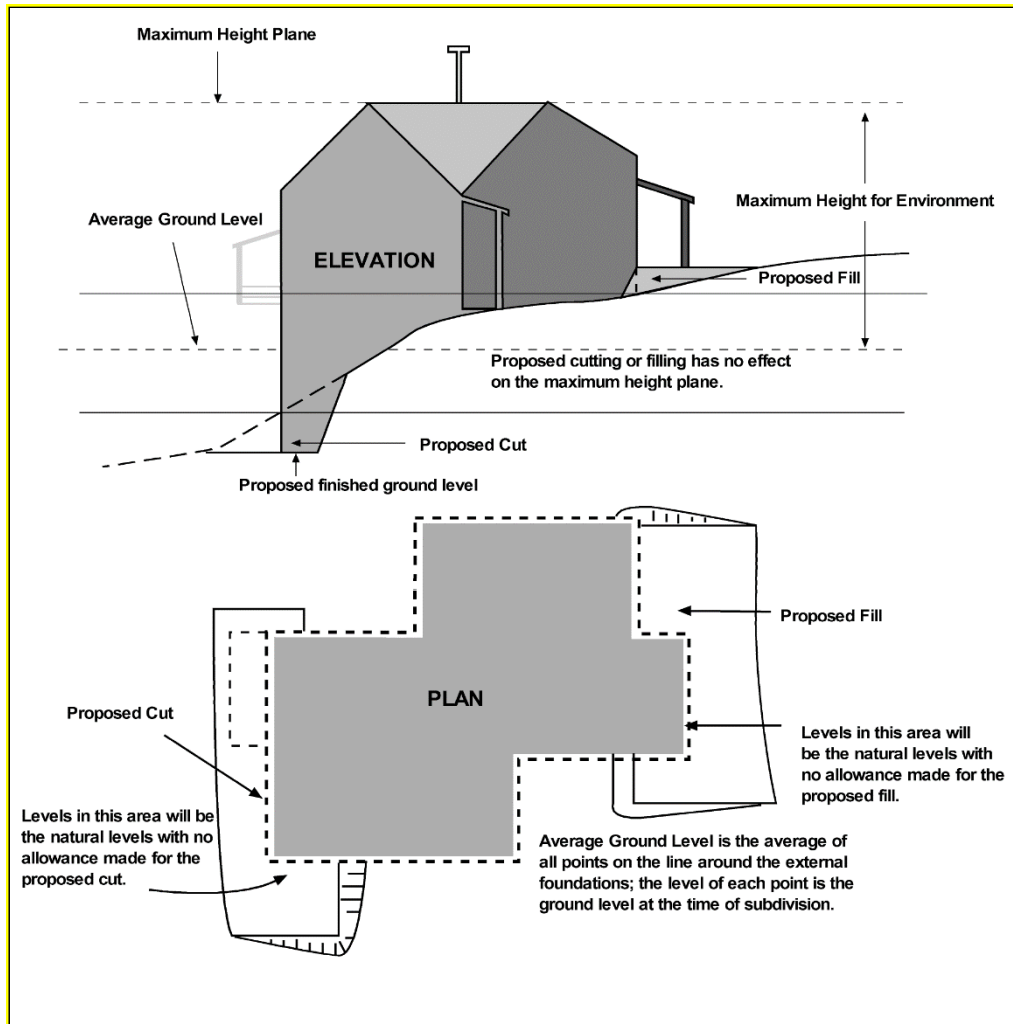
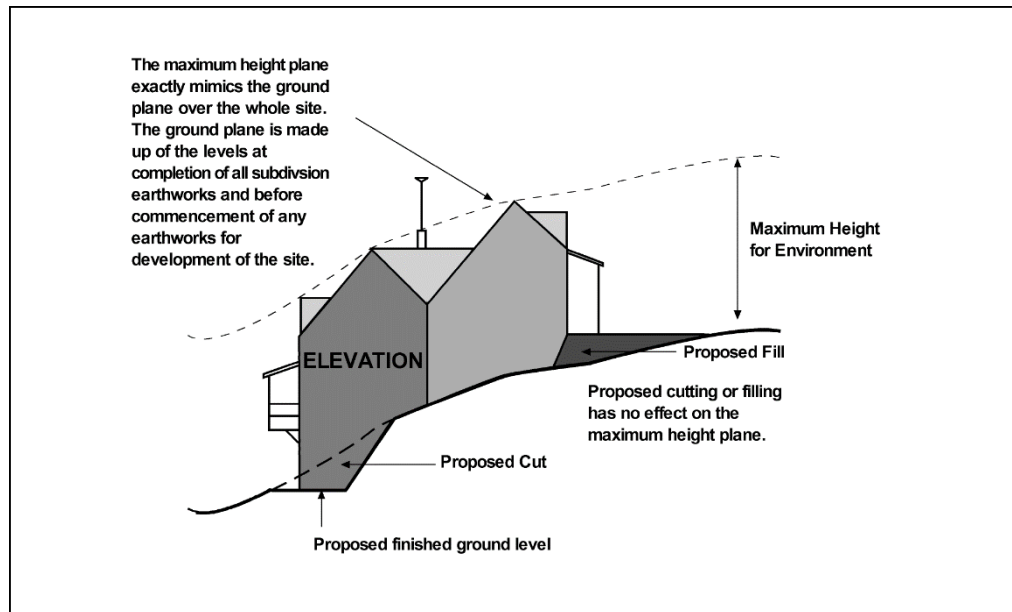


Figure 4B Rolling Height Method



Home Occupation

means an occupation, or craft, or profession that is ancillary to the residential use of the site and where the principal operator of the home occupation is a permanent resident on the site. It does not include panel beating or car wrecking and the activity does not include, before 8am or after 6pm on any day, the operation of machinery, receiving customers or the loading or unloading of vehicles. The storage of materials associated with a non-residential activity shall not be visible from a public road or neighbouring residential property. The generated effects from the scale, hours of operation and the type of home occupation activity shall not be any different from those of other permitted activities in the Environment, except in the KMP and KLP where specific provisions apply.

Impervious Area

An area with a surface which prevents or significantly retards the soakage of water into the ground.

Includes:

- roofs
- paved areas including driveways and sealed/compacted metal parking areas, patios
- sealed tennis or netball courts
- sealed and compacted metal roads
- engineered layers such as compacted clay-
- artificial playing surfaces or fields.

Excludes:

- grass and bush areas
- gardens and other landscaped areas
- permeable paving and green roofs
- ~~artificial playing surfaces or fields.~~
- slatted decks.

Industrial Activity

means the processing, manufacturing, fabricating, packing or storage of goods or other ancillary activities, and includes servicing and repair activities.

means an activity for the primary purpose of:

- a) manufacturing, fabricating, processing, packing, storing, maintaining, or repairing goods; or
- b) research laboratories used for scientific, industrial or medical research; or
- c) yard-based storage, distribution and logistics activities; or
- d) any training facilities for any of the above activities.

Intensive Livestock Farming

means any intensive farming of animals and/or includes fungi (mushrooms), dependent on a high input of food or fertiliser from beyond the site and which is predominantly carried out in buildings or outdoor enclosures where the stocking density precludes the maintenance of pasture or ground cover and includes pig farming and cattle feedlots. Poultry farming is excluded if it is considered free range in accordance with the relevant minimum standards outlined in the MAF Animal Welfare (Layer Hens) Code of Welfare 2005. This definition is included within the Rural Production Activities definition grouping.

L_{Aeq} (Time Averaged Sound Pressure Level)

means the time-averaged, A-weighted sound level measured in decibels (dB). has the same meaning as 'time-average A-weighted sound pressure level' in New Zealand Standard 6801:2008 Measurement of Environmental Sound.

L_{AFmax} (Maximum Sound Level)

means the maximum, A-frequency-weighted, fast-time-weighted sound level, in decibels (dB), in a given measurement period. has the same meaning as the 'maximum A-frequency weighted, F-time weighted sound pressure level' in New Zealand Standard 6801:2008 Measurement of Environmental Sound.

L_{Cpeak} (C-Weighted Pressure Level)

means the peak instantaneous C-weighted pressure level recorded during the measurement period. The "peak" level is not RMS averaged within the measurement circuitry of the sound level meter and therefore can appear much higher than other levels of instantaneous noise levels such as L_{AFmax}. has the same meaning as 'Peak sound pressure level' in New Zealand Standard 6801:2008 Measurement of Environmental Sound.

L_{dn} (Day/Night Level)

means the day-night sound level which is calculated from the 24 hour L_{Aeq} with a 10 dB penalty applied to the night time (2200-0700 hours) L_{Aeq} to account for potentially increased annoyance during this time. has the same meaning as the 'Day night level, or day-night average sound level' in New Zealand Standard 6801:2008 Measurement of Environmental Sound.

Living Environments Zones

means Living 1, 2, and 3, Kamo Medium Density Living Precinct, Kamo Low Density Living means the Residential, Low-density Residential, Medium-density Residential and High-density Residential Zones.

Metal Working

includes the smelting, casting, milling, forging, turning, die casting, machining, pressing, tumbling, drawing, rolling and galvanising electroplating, grinding of metal or related activities.

Minor Residential Unit

means a self-contained residential unit that is ancillary to the principal residential unit and is held in common ownership with the principal residential unit on the same site, which can be attached to the principal building or be a detached stand-alone building. residential unit located no more than 15.0 metres from another residential unit on the same site/lot with a gross floor area of no more than 70.0m², excluding the gross floor area used exclusively for the storage of motor vehicles in association with the minor residential unit. This definition is included within the Residential Activities definition grouping.

Multi Unit Development

means development of three or more principal residential units on a site within the Medium-density Residential or High-density Residential Zones.

Noise Sensitive Activities

means those activities that involve habitation of people within which concentration (of thoughts) is required and includes residential units, residential institutions, marae, hospitals, health care facilities and education facilities, excluding Airport staff and aviation training facilities or aero clubs (other than airport staff training facilities).

Outdoor Living Court

means an area of outdoor open space which may be either permeable or impervious or a combination of both and includes including balconies, recessed balconies, decks and roof terraces,

available for the exclusive use of the occupants of the residential unit to which the space is allocated, that has direct access to a main living area space and that does not contain structures that would impede its use for outdoor living purposes.

Overlying Environment

~~An Overlying Environment indicates the proposed environment (or proposed environments), of any Future Environment. The Overlying Environment will have been defined in a strategic land use study, either undertaken by council or privately initiated. In order to utilise the provisions of the Overlying Environment, an applicant must make an application for a resource consent (either subdivision or land use), and provide a Comprehensive Development Plan of the proposal. Rules relating to Overlying Environments apply as though they are the rules of that Environment in the assessment of the C.D.P. unless the Plan specifically provides otherwise.~~

Pedestrian Network

~~means the Primary Pedestrian Network and Secondary Pedestrian Network as shown on the District Planning Maps within the Kamo Walkability Environment.~~

Place of Assembly

~~means any land or buildings used principally for public or private assembly of people, worship, educational, recreational, social, ceremonial and spiritual activities; for meditation and functions of a community character; and includes churches, church halls, church yards and marae complex facilities for the wellbeing of the community, generally on a not for profit basis. Includes:~~

- ~~a) Arts and cultural centres (including art galleries and museums);~~
- ~~b) Places of worship;~~
- ~~c) Community centres;~~
- ~~d) Halls;~~
- ~~e) Libraries;~~
- ~~f) Marae;~~
- ~~g) Citizens advice bureaux;~~
- ~~h) Justice facilities; and~~
- ~~i) Visitor information centres.~~

Excludes:

- ~~a) Entertainment facilities; and~~
- ~~b) Care centres.~~

This definition is included within the Community Activities definition grouping.

Plantation Forestry

means the ongoing management of trees or stands of trees, for the production of timber or timber related products, and includes planting, pruning, felling, and removal of trees from the site but does not involve the processing of timber. This definition is included within the Rural Production Activities definition grouping.

Residential Activity

means the use or occupation of land and buildings by people for the primary purpose of living accommodation, where the occupiers voluntarily intend to live at the site for a period of one month or more, and includes accessory buildings and leisure activities directly associated with the residential activity. It also means the occupation of land or buildings for the purpose of living accommodation on a temporary basis (i.e. up to one month) where the accommodation is ancillary to the predominant use or activity on the site, and involves up to six people only, such as bed and breakfast, farmstay or homestay accommodation. For the purposes of this definition, residential activity therefore includes rest homes (Geriatric Care facilities), guesthouses, apartments, emergency and refuge accommodation, domestic pastimes and activities associated with residential accommodation. The

definition of residential activity therefore does not include motels or hotels; backpackers, bed and breakfast, farmstay or homestay accommodation, for more than six people; which are commercial activities.

Residential Unit

means a building or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities, group of buildings, room or group of rooms, with associated services and facilities, designed, used or intended to be used separately or in conjunction with each other as a single independent and separate household unit for a Residential Activity. This includes baches or other similar private holiday accommodation but excludes temporary Activities. This definition is included within the Residential Activities definition grouping.

Retail Activity

means land and/or buildings from which goods, merchandise, or equipment or services are sold, exposed, displayed or offered for sale or direct hire to the public and includes: a market; a showroom; a banking chamber (being that part of a bank which includes all the teller areas and all areas to which the public generally has access); off-licensed premises; and betting premises, but does not include a service station, motor vehicle sales and service premises or a restaurant, café and other eatery places. This definition is included within the Commercial Activities definition grouping.

Retirement Village Premises

has the same meaning as in section 226A of the RMA.

Part of any property, building, or other premises that contains 2 or more residential units that provide, or are intended to provide, residential accommodation together with shared services or facilities, or both, predominantly for persons in their retirement, or persons in their retirement and their spouses or partners, or both, and for which the residents pay, or agree to pay, a capital sum return for their right to live in the place. As well as a lump sum, a "capital sum" can also mean periodical payments, if the payments are substantially more than would be paid to cover rent and such services or facilities for the relevant period. A retirement village is centrally managed and includes common areas and facilities to which residents of the retirement village have access under their occupation right agreements.

Rural Zones Environments

means the Rural Production Countryside, Strategic Rural Industries, Rural Village, Rural Living and Rural (Urban Expansion) Zones Environments.

Seasonal Activity

means the following activities:

- a) The harvesting, picking, pruning or planting of primary produce on a temporary seasonal basis; or
- b) Forestry, including the storage of harvested timber with in forest plantation sites (whether recently harvested or not) and the transport of raw logs with the processing or packing of primary produce and harvested timber not constituting seasonal activities for the purposes of this definition.

This definition is included within the Rural Production Activities definition grouping.

Sensitive Activities

means, childcare and education facilities, Residential Activity, hospitals, Health Care Facilities and Retirement Village Premises.

Setback

means the distance between a structure or activity and the boundary of its site, or other feature specified in the Plan. horizontal distance between a building and a water body, boundary or frontage of its site. For the purposes of this definition, intrusions of eaves or guttering of up to 800mm are excluded, except where an eave would overhang an easement or a boundary.

Shared Access

means any access that is used by two or more lots, principal residential units or commercial or industrial activities and includes any access lot.

Site

means:

- a) an area of land comprised in a single computer freehold register (record of title as per Land Transfer Act 2017); or
- b) an area of land which comprises two or more adjoining legally defined allotments in such a way that the allotments cannot be administered separately without the prior consent of the Council; or
- c) the land comprised in a single allotment or balance area on an approved survey plan of subdivision for which a separate computer freehold register could be issued without further consent of the Council; or
- d) in the case of land subdivided under the Unit Title Act 1972 or the cross lease system, a site is deemed to be the whole of the land subject to the unit development or cross lease; or
- e) an area of adjacent land comprised in two or more computer freehold registers where an activity is occurring or proposed.

means an area of land or volume of space, shown on a plan with defined boundaries, and includes:

1)

a) Land which is:

- i. Comprised in a single allotment or other legally defined parcel of land, and held in a single certificate of title; or
- ii. Comprised in a single allotment or legally defined parcel of land for which separate title cannot be issued without further consent of the council; or

b) An area of land which is comprised of two or more adjoining certificates of title where such titles are:

- i. Subject to a condition imposed under Section 80 of the Building Act 2004; or
- ii. Held together in such a way that they cannot be dealt with separately without the prior consent of the council;

or

2) In the case of land subdivided under the cross lease or company lease systems (other than strata titles), an area of land containing:

- a) A building for residential or business purposes with any accessory building, plus any land exclusively restricted to the users of those buildings; or
- b) A remaining share or shares in the fee simple creating a vacant part of the whole for future cross lease or company lease purposes; or

3) In the case of land subdivided under the Unit Titles Act 1972 (other than strata titles), site shall mean an area of land containing a principal unit or proposed unit on a unit plan, together with its accessory units; or

4) In the case of strata titles, site shall mean the underlying certificates of title, immediately prior to subdivision.

Site shall also include the access to the site.

Strategic Rural Industries

means industrial activities that require a rural location because of factors such as access to resources or the large area of land required for the operation of the activity. Strategic Rural Industries are significant at a regional or national scale rather than solely at a district level due to the area they supply; the investment in infrastructure required for the establishment of the activity or their contribution of the economy. Within the District Plan the term is applied specifically to the Strategic Rural Industries ~~Zone~~Environment and does not include strategic industries located within urban areas with specialized business or industrial functions such as Port Marsden or the Marsden Point Oil Refinery.

Subdivision

means:

a) The division of an allotment:

- i. By an application to the Registrar-General of Land a District Land Registrar for the issue of a separate certificate of title for any part of the allotment; or
- ii. By the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or
- iii. By a lease of part of the allotment which, including renewals, is or could be for a term of 35 20 years or longer (unless that part of the allotment is in the coastal marine area, and that lease is allowed for a term of 20 years or longer by a coastal permit or by a rule in a regional coastal plan); or
- iv. By the grant of a company lease or cross lease in respect to any part of the allotment; or
- v. By (the deposit of a unit plan or) an application to the Registrar-General of Land a District Land Registrar for the issue of a separate certificate of title for any part of a unit on a unit plan; or

b) An application to the Registrar-General of Land a District Land Registrar for the issue of a separate certificate of title in circumstances where the issue of that certificate of title is prohibited by section 226, and the term "subdivide land" has a corresponding meaning.

Supermarket

A self-service store selling mainly food, typically with a gross floor area of up to 6,500 square metres, with supporting car parking.

Underlying Environment

An Underlying Environment is the existing (or current) Environment of any Future Environment at the time that the Future Environment is created. Permitted activities, as defined in the existing Environment continue to be permitted when this Environment becomes an Underlying Environment of a Future Environment. Rules relating to Underlying Environments are applied as though they are the rules of that Environment, unless the Plan specifically provides otherwise.

Urban Area

means the area of the District comprising the Urban Zones. Refers to areas that are considered 'urban' in the context of this chapter (and the wider District Plan), refers to both Living and Business Environments including areas zoned as Living and Business Environments in coastal and rural settlements.

Visitor Accommodation

means short stay accommodation such as short stay apartments, hotels, motels, hostels or boarding houses. means land and/or buildings used primarily for accommodating non-residents, subject to a tariff being paid. This definition is included within the Commercial Activities definition grouping.

Appendix 2: Scheduled Activities

Scheduled Activity Nos. 4 and 5

1. Scheduled Activity No. 4 applies to several sites on Riverside Drive which are zoned as Town Basin Environment. Figure 1 below shows Scheduled Activity No. 4 outlined in red:



Figure 1: District Plan Environment Map of Scheduled Activity No. 4

2. Scheduled Activity No. 4 states:

Notwithstanding the conditions as set out in Rule 40.4.3, 43.4.3 the setback from Mean High Water Springs is to be 9.0 metres.

3. Scheduled Activity No. 5 applies to several sites on Cameron St: which are zoned as Business 2 Environment. Figure 2 below shows Scheduled Activity No. 5 outlined in red:



Figure 2: District Plan Environment Map of Scheduled Activity No. 5

4. Scheduled Activity No. 5 states:

Notwithstanding the conditions as set out in Rule 40.4.3, the setback from Mean High Water Springs is to be the waterside edge of the footprint of the buildings, as they existed on these sites as at 1 June 2003.

5. The Urban Plan Changes propose to delete Scheduled Activity Nos. 4 and 5 and rezone the Scheduled Activity No. 4 sites as Waterfront Zone (**WZ**) and the Scheduled Activity No. 5 sites as Commercial Zone.
6. Within the proposed WZ the setback from MHWS is 10m. The 10m setback is proposed to ensure that sufficient space is retained for future walkway/esplanade areas while still enabling development within sites adjacent to the water. This results in an increased setback of 1m for the Scheduled Activity No. 4 sites. It is considered that this is not overly restrictive and it is more efficient to maintain a consistent setback across the entire WZ. Any existing buildings that are within 10m of MHWS will have existing use rights.
7. Scheduled Activity No. 5 essentially repeats s10 of the RMA which provides for existing use rights, and is therefore considered redundant. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 5 is to remove it from the WDP provisions and rely on s10 of the RMA. This will assist in streamlining and simplifying the District Plan.

Scheduled Activities Nos. 7, 8 and 29

8. Scheduled Activity No. 7 applies to Section 26 SO 322547 on McEwan Road. The site is zoned as Business 4 Environment. Figure 3 below shows Scheduled Activity No. 7 outlined in red:

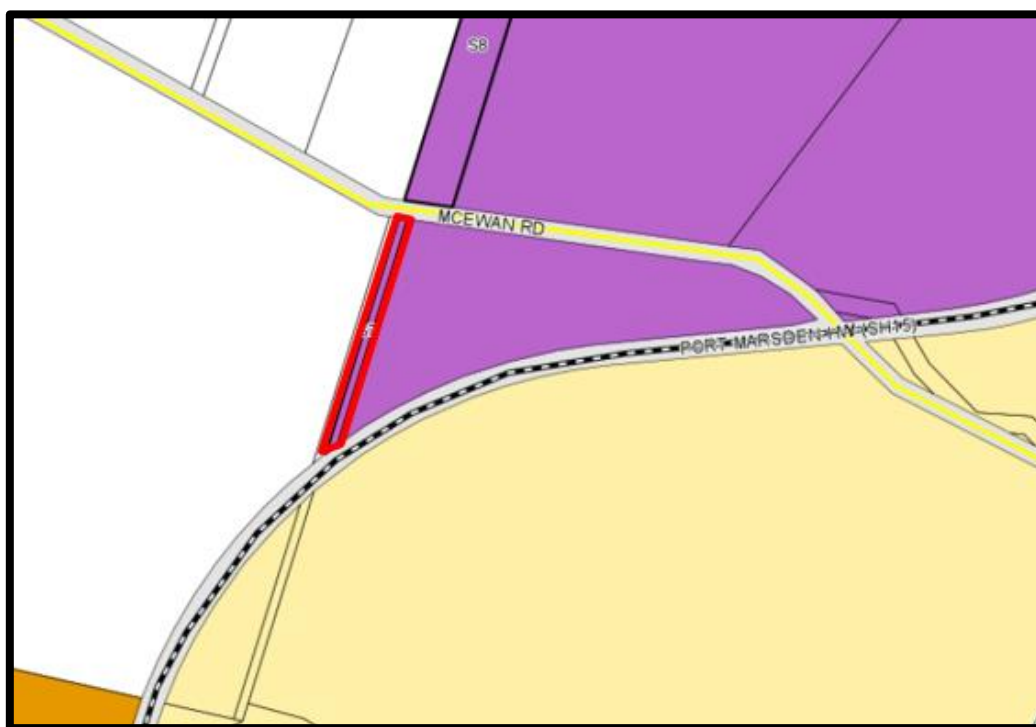


Figure 3: District Plan Environment Map of Scheduled Activity No. 7

9. Scheduled Activity No. 7 states:

The rules and performance standards of the Business 4 Environment are applicable subject to the following further condition:

1. Any commencement of construction of any buildings, or the commencement of an activity on this land which would in either case if undertaken in the Rural Countryside Environment require resource consent, shall necessitate the establishment of a 10 metre landscaping area along the western boundary of this land, so as to provide an effective visual screen of such development from the land zoned Rural Countryside Environment, immediately to the west, with such landscaping, following planting, to be maintained continuously thereafter.

10. Scheduled Activity No. 8 applies to Section 38 Block VII Ruakaka Survey District and Lot 1 DP 335557 on McEwan Road. The sites are zoned as Business 4 Environment. Figure 4 below shows Scheduled Activity No. 8 outlined in red:

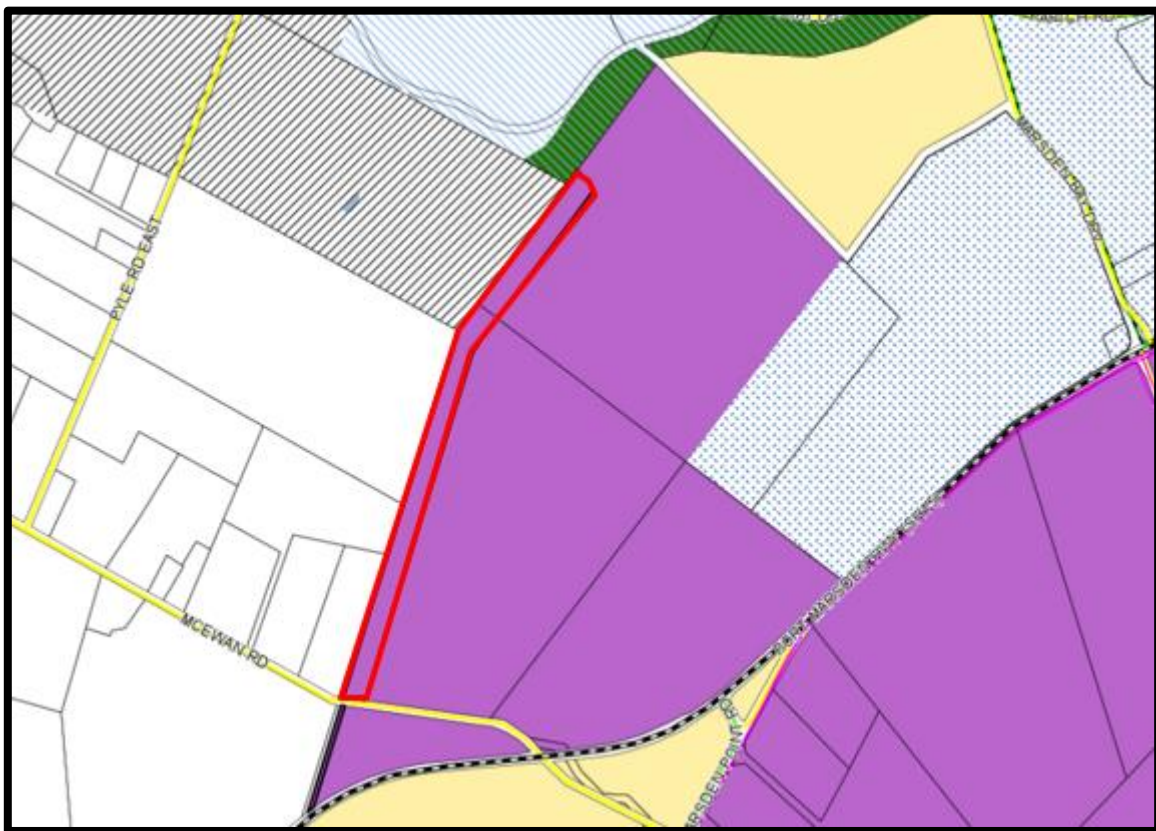


Figure 4: District Plan Environment Map of Scheduled Activity No. 8

11. Scheduled Activity No. 8 states:

The rules and performance standards of the Business 4 Environment are applicable subject to the following further condition:

1. Any commencement of construction of any buildings, or the commencement of an activity on this land which would in either case if undertaken in the Rural Countryside Environment require resource consent, shall necessitate the establishment of a 10 metre landscaping area along the western boundary of this land, so as to provide an effective visual screen of such development from the land zoned Rural Countryside Environment, immediately to the west, with such landscaping, following planting, to be maintained continuously thereafter.

12. Scheduled Activity No. 29 applies to several sites on Pipiwai Road. The sites are zoned as a mixture of Business 2 Environment and Open Space Environment. Figure 5 below shows Scheduled Activity No. 29 outlined in red:

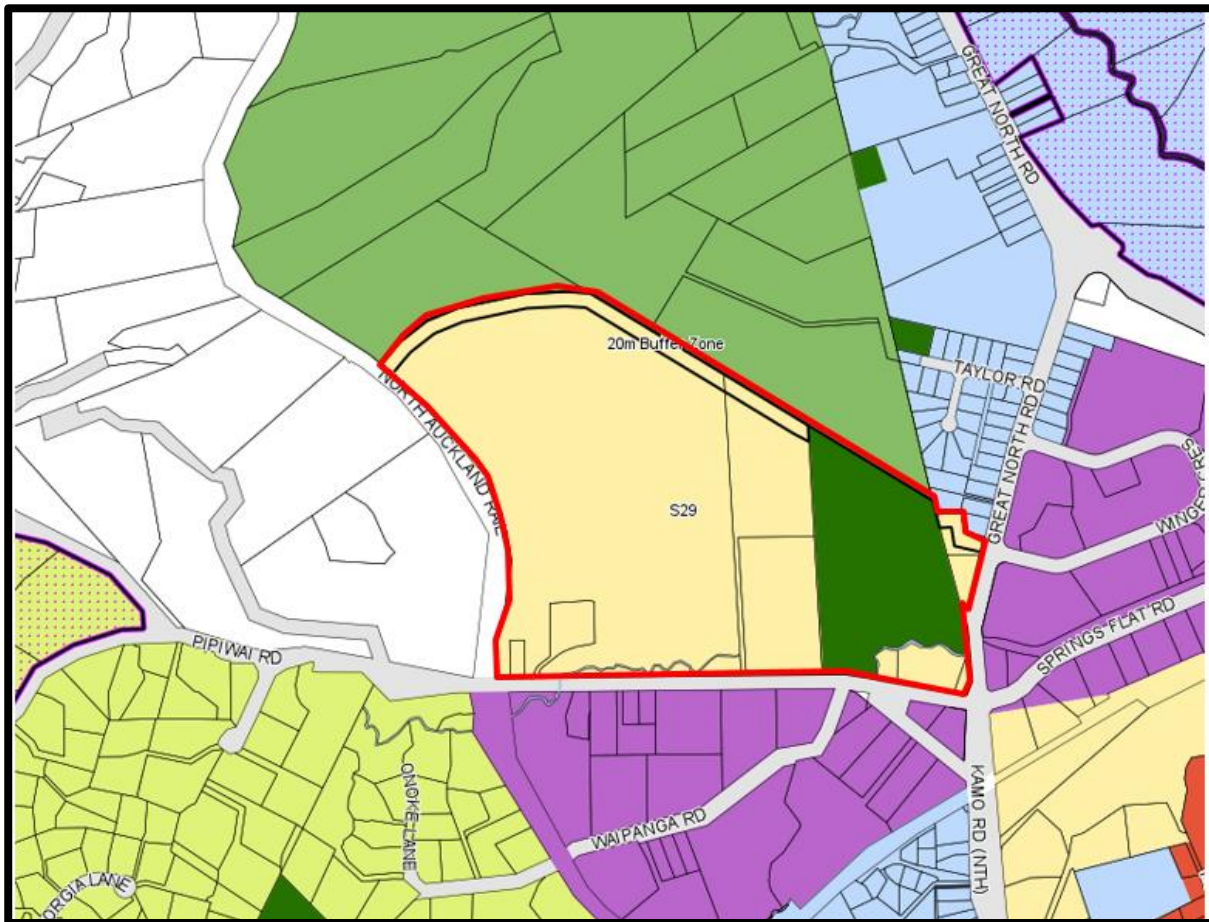


Figure 5: District Plan Environment Map of Scheduled Activity No. 29

13. Scheduled Activity No. 29 states:

The rules and the performance standards of the Business 2 Zone are applicable, subject to the following exception:

1. On the boundary of any land zoned Urban Transition or Living Environment except where it abuts the North Auckland Railway Line a 20 metre landscaped setback is required. Any subdivision or construction of any building on this land shall necessitate the establishment of this setback. It shall require the establishment of this landscaping area so as to provide an effective visual screen of any development within this Business 2 Zone from the Urban Transition and Living Environments beyond within the Business 2 the landscaping following planting is to be maintained continuously thereafter. No structures, outdoor storage or signage is allowed in the setback area

14. The Urban Plan Changes propose to delete Scheduled Activities Nos. 7, 8 and 29 and to rezone the subject sites as Light Industrial Zone (LI) (with the existing Open Space Environment within Scheduled Activity No. 29 remaining as Open Space). The proposed LI rules would require a 2m wide landscape strip along these same boundaries and would require any industrial activity to be setback at least 30m from the Rural Production Environment and the Urban Transition Environment (to be renamed the Low-density Residential Zone). Additionally, the LI generally provides for lighter industrial activities than the

Business 4 Environment, and therefore may result in less noxious or offensive activities being established near these boundaries.

15. The option of retaining Scheduled Activities Nos. 7, 8 and 29 was considered as Scheduled Activities Nos. 7, 8 and 29 do provide for increased landscape strips to reduce adverse effects on adjacent sites. However, the proposed LI provisions are considered appropriate to manage adverse effects. There are several other situations where the LI is proposed to be located adjacent to more sensitive zones and as such having these site-specific landscape requirements is not considered justified. It was considered to apply a 10m landscape requirement across the LI; however, this is too restrictive, particularly on some of the smaller sites within the LI.
16. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activities Nos. 7, 8 and 29 is to remove them from the WDP provisions and to rely on the proposed LI provisions to manage adverse effects. This will assist in streamlining and simplifying the District Plan.

Scheduled Activity No. 9

17. Scheduled Activity No. 9 applies to several sites within One Tree Point. The area is zoned as Countryside Environment with Future Environment overlays. Figure 6 below shows Scheduled Activity No. 9 outlined in red:

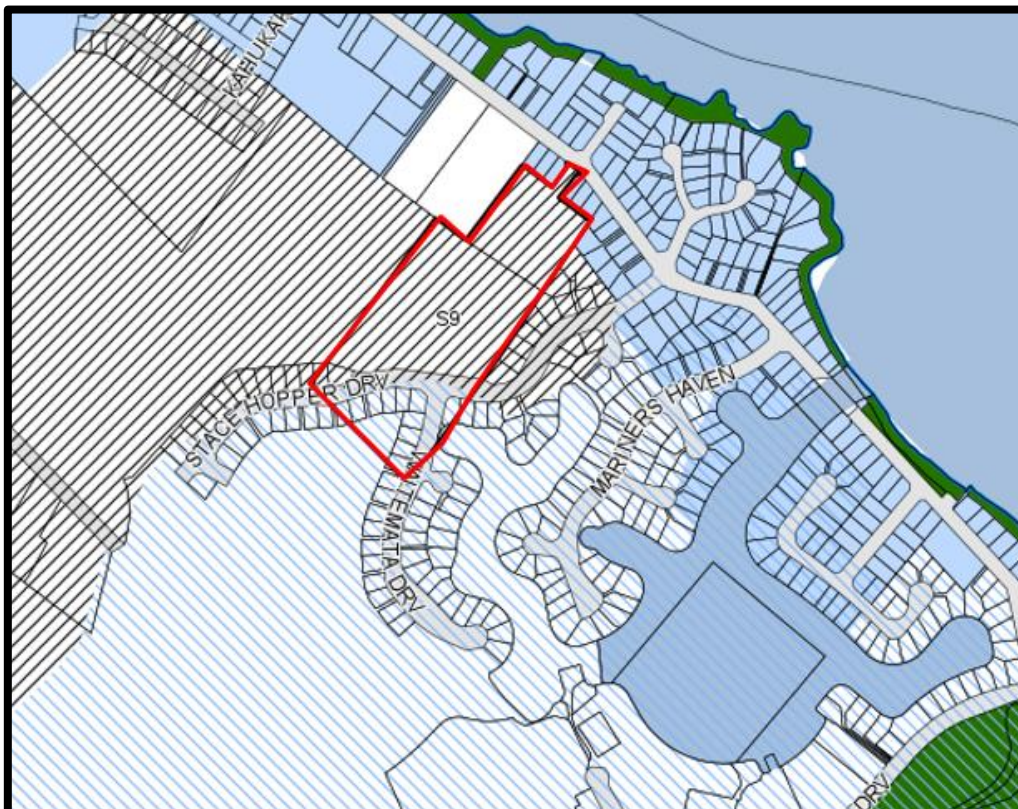


Figure 6: District Plan Environment Map of Scheduled Activity No. 9

18. Scheduled Activity No. 9 provides for the following:

- Exceptions to the Countryside Environment Rules regarding temporary non-commercial accommodation in buildings and in tents or caravans and educational, social, cultural, sporting, recreational and religious pursuits using indoor and outdoor facilities.
 - Exception to the car parking requirements whereby parking will be provided for according to the standards set for a 'place of assembly' and that car parking and layout standards are not to apply to such car parks so that they may be located on grass surfaces without being marked.
 - Exemption from Rule 38.3.6 (traffic movements).
 - Exceptions regarding noise limits.
 - Exceptions for residential units to be provided for staff accommodation, camp attendees and temporary accommodation.
 - Exceptions that allows for a gymnasium with certain specifications to be built.
19. The Urban Plan Changes propose to delete Scheduled Activity No. 9 and rezone the sites as Medium-density Residential Zone (**MDR**).
 20. Within the scheduled activity area, the Marsden Bay Christian Camp has been established which comprises a range of accommodation including bunk rooms, family rooms, cabins and tent and caravan sites with ablutions. The established activities within the sites have existing use rights to continue operating under s10 of the RMA. Residential sites have also been developed within the Scheduled Activity Area and are not appropriate to be subject to the Scheduled Activity.
 21. Within the area surrounding Scheduled Activity No. 9 it is proposed to expand the residential zoning to provide for additional residential development in proximity to the Marsden Bay Christian Camp. It is considered that any expansion of the camp beyond the existing use rights should be subject to the proposed MDR provisions to manage adverse effects on surrounding residential activities.
 22. Therefore, in accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 9 is to remove it from the WDP provisions and to instead rely on s10 of the RMA and the proposed MDR provisions. This will assist in streamlining and simplifying the District Plan.

Scheduled Activity No. 10

23. Scheduled Activity No. 10 applies to Allot 451 Town of Grahamtown on Beach Road. The site is zoned as Living 1 Environment (with a portion of the site being unzoned). Figure 7 below shows Scheduled Activity No. 10 outlined in red:



Figure 7: District Plan Environment Map of Scheduled Activity No. 10

24. Scheduled Activity No. 10 provides for:
 - Building coverage of 35% for residential buildings plus 5% for decks and structures.
 - Reduced building setbacks from roads and Mean High Water Springs.
 - Site specific building height in relation to boundary limits.
 - Landscape requirements between buildings and Beach Road.
 - Buildings being a prohibited activity within “Area B” (which is not defined anywhere).
25. The Urban Plan Changes propose to delete Scheduled Activity No. 10 and rezone the site as MDR.
26. There is an existing building on the site. The reduced building setbacks provided for in Scheduled Activity No. 10 essentially repeats s10 of the RMA which provides for existing use rights, and is therefore considered redundant.
27. It is unclear what “Area B” in the scheduled activity is referring to and therefore the provision relating to Area B is considered inefficient and ineffective.
28. The more restrictive rules regarding building coverage and landscaping help manage adverse effects. However, it is considered that adverse effects that may be enabled by the proposed MDR rules would be no more than minor in this location.

29. Therefore, in accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 10 is to remove it from the WDP provisions and to instead rely on s10 of the RMA and the proposed MDR provisions. This will assist in streamlining and simplifying the District Plan.

Scheduled Activity No. 13

30. Scheduled Activity No. 10 applies to the Marsden Point Oil Refinery. The site is zoned as Business 4 Environment. Figure 8 below shows Scheduled Activity No. 13 outlined in red:



Figure 8: District Plan Environment Map of Scheduled Activity No. 13

31. Scheduled Activity No. 13 states:

Activities Generally

Any activity is a permitted activity provided that it takes place in the Oil Refinery Overlay Area that is related to the primary function of the oil refinery site. For the purpose of this rule the primary function is defined as a function that contributes to the safe, efficient and economic running of the Oil Refinery, and includes the operation of storage and fuel tanks, process plants, cogeneration plants and associated transmission lines, offices, support and community activities, visitor centres, canteens/cafes and residential dwellings associated with the refinery, and facilities catering to the needs of staff and visitors.

Aerials and Aerial Support Structures

The diameter of an aerial or aerial support structure is unlimited as a permitted activity in the Oil Refinery Overlay Area.

32. The Urban Plan Changes propose to delete Scheduled Activity No. 13 and rezone the sites as Heavy Industrial Zone (**HI**) with a site-specific Oil Refinery Precinct (**ORP**). The proposed provisions of the ORP essentially replace Scheduled Activity No. 13.
33. The use of a Precinct rather than a Scheduled Activity is more consistent with the draft Standards and is considered more transparent for users of the district plan. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 13 is to remove it from the WDP provisions and replace it with a site-specific precinct. The proposed precinct is discussed in more detail in **Part J** of the s32 Report.

Scheduled Activity No. 17

34. Scheduled Activity No. 17 applies to Lot 3 DP 195780 and Part Kopenui Block. The site is zoned as Living 3 Environment. Figure 9 below shows Scheduled Activity No. 17 outlined in red:

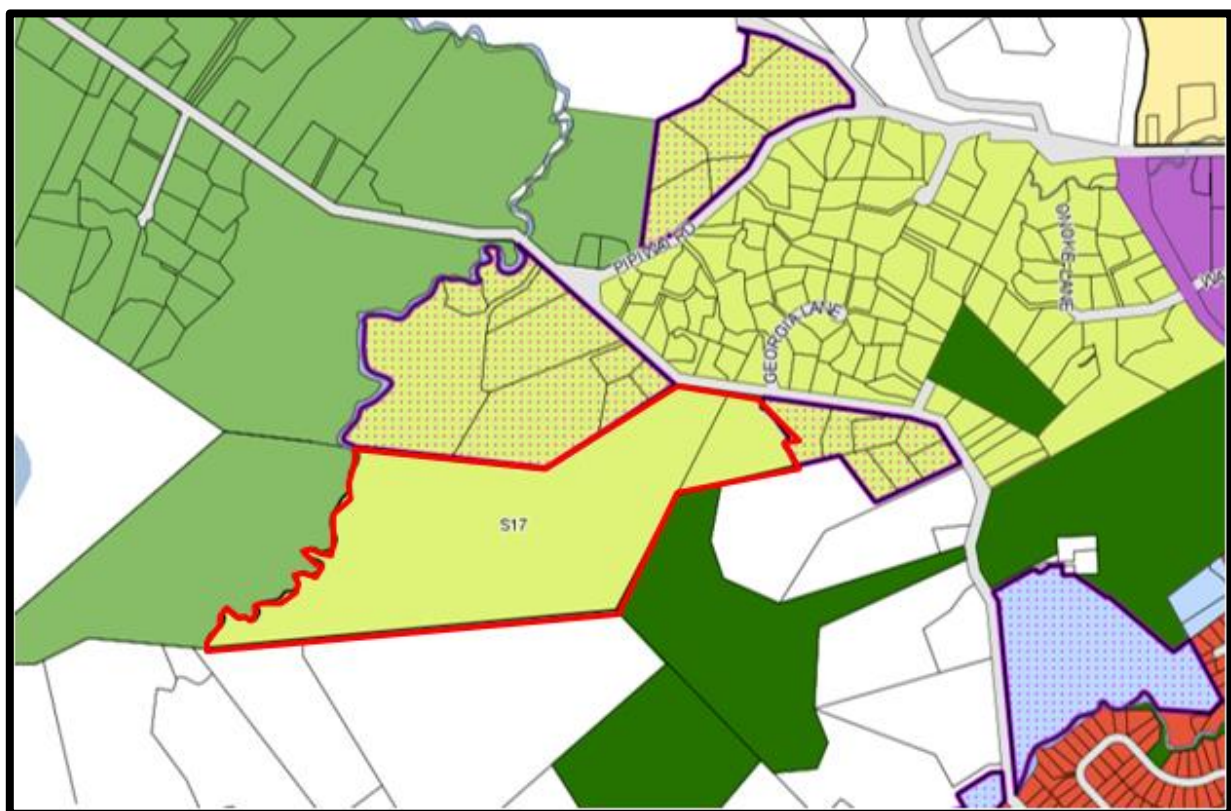


Figure 9: District Plan Environment Map of Scheduled Activity No. 17

35. Scheduled Activity No. 17 states:

The rules and performance standards of the Living 3 Environment are applicable subject to the following exception:

- a) There shall be no controlled subdivision activities on Lot 3 DP 195780 and part Kopenui Block.*
- b) Subdivision located on Lot 3 DP 195780 and Part Kopenui Block is a restricted discretionary activity.*

Discretion is restricted to:

- 1. The matters over which control is reserved;*

2. The development of an appropriate landscape plan, with particular regard to be had to the landscape values of the steep and natural bush and stream areas on the properties.

36. The Urban Plan Changes propose to delete Scheduled Activity No. 17 and rezone the sites as Residential Zone (**RES**).
37. Plan Change 114 (**PC114**) recently included operative Outstanding Natural Landscape (**ONL**) and Feature (**ONF**) overlays into the WDP along with associated provisions in the Landscapes and Features Chapter (**LAN**). The subject site was included as part of PC114 and contains areas of ONL and ONF as shown in Figure 10 below.

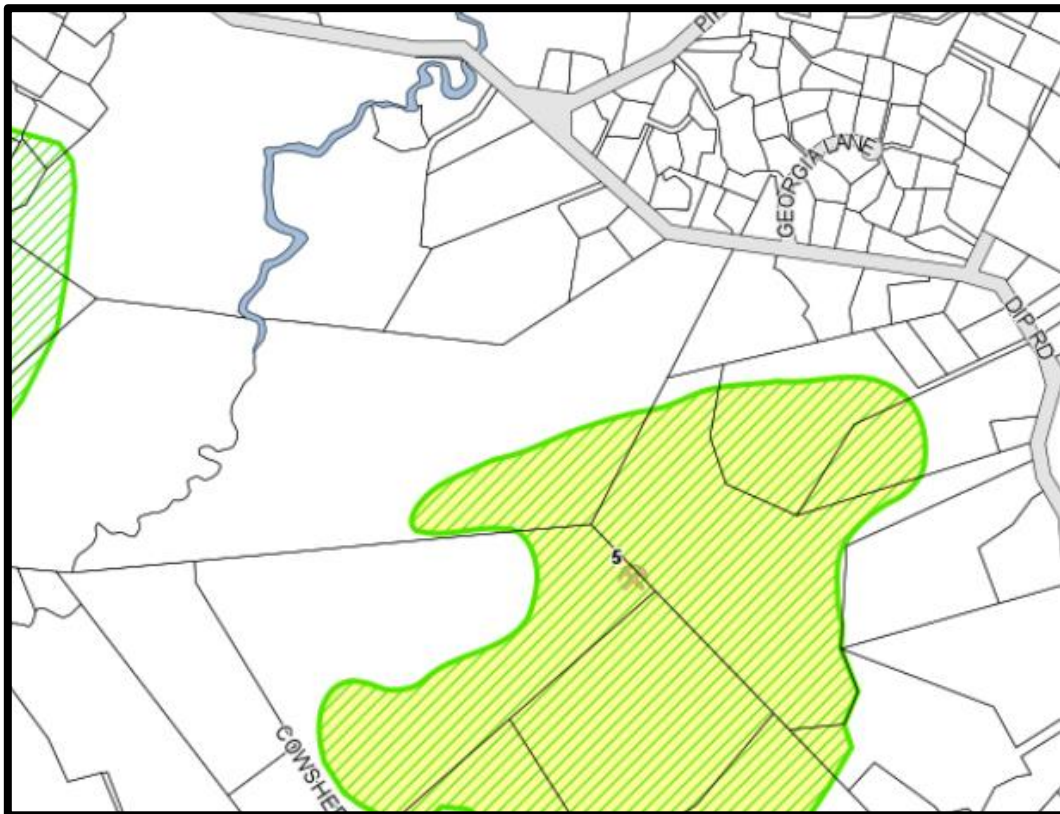


Figure 10: District Plan Resource Area Map Showing PC114 ONL and ONF area within subject site

38. Under the operative LAN provisions any subdivision within the ONF or ONL overlay would require consent as a discretionary activity and the suite of LAN objectives and policies would need to be considered. Having just gone through the plan change process it is considered that the operative LAN provisions are a more appropriate method of managing landscape values within the site. Therefore, in accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 17 is to remove it from the WDP provisions and rely instead on the recently introduced LAN provisions.

Scheduled Activity No. 18

39. Scheduled Activity No. 18 applies to Lots 1 and 2 DP 465547. The sites are zoned as Business 2 Environment. Figure 11 below shows Scheduled Activity No. 18 outlined in red:

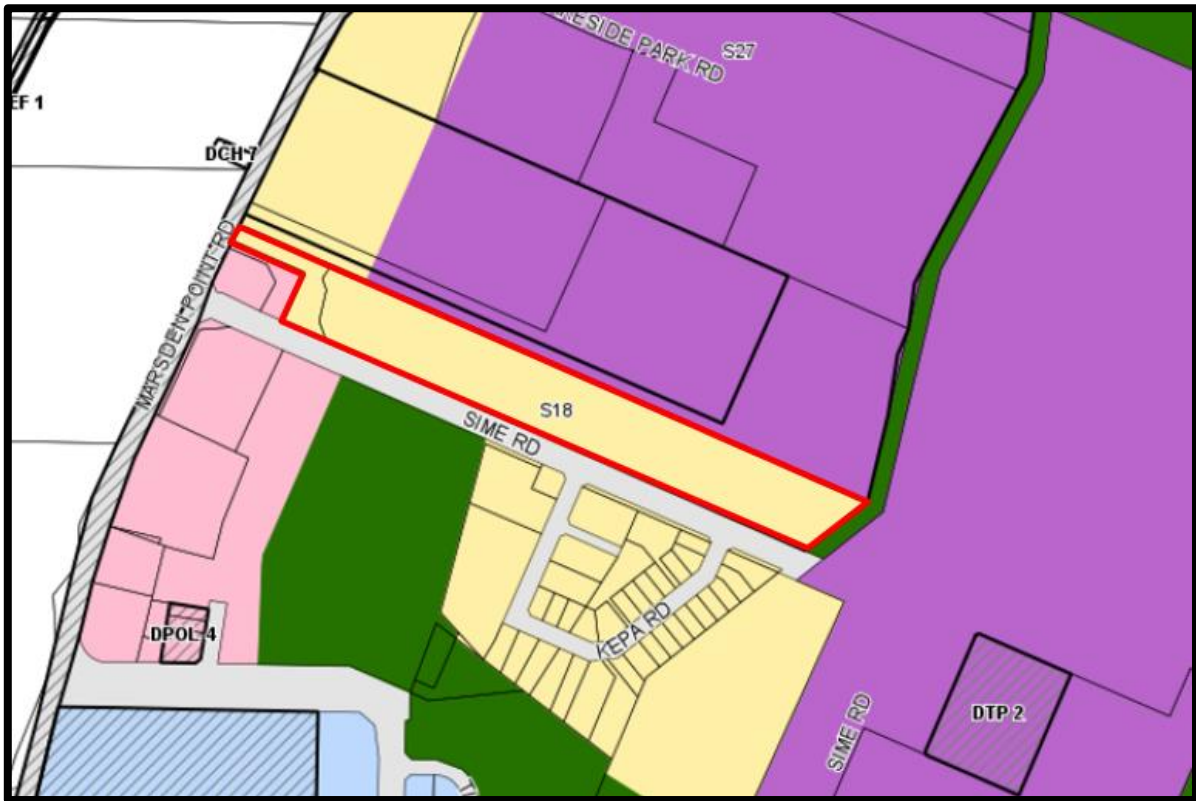


Figure 11: District Plan Environment Map of Scheduled Activity No. 18

40. Scheduled Activity No. 18 states:

Activities Generally

That part of the property being Lot 3 DP 152653 shown highlighted as a “Transportation corridor” on Map 16E and 55E within the Business 2 Environment is a Transportation corridor within which a Power Station Service Corridor will be permitted.

Noise

The noise standards in the corridor of that part of property being Lot 3 DP 152653 shown highlighted as “Transportation Corridor” will be those which apply in the Business 4 Environment.

41. It is noted that the legal description of Lot 3 DP 152653 within Scheduled Activity No. 18 is incorrect as this legal description does not exist. Additionally, it is unclear what is meant by the area “highlighted as Transportation Corridor” as there is no indication of this on the WDP Environment Maps. Therefore, determining where exactly the Scheduled Activity provisions apply is difficult.
42. The Urban Plan Changes propose to delete Scheduled Activity No. 18 and to rezone the sites to LI.
43. Within the Scheduled Activity provisions, it states that a “Power Station Service Corridor” will be permitted. However, there is no definition within the WDP, or any reference, detailing what a power station service corridor is. Therefore, it is unclear what the Scheduled Activity is providing for in this respect. The sites do contain National Grid Lines and Northpower Critical Overhead Lines on the District Plan Environment Maps. There are rules pertaining to these assets within the CEL and NTW Chapters of the WDP. Additionally, there is nothing in the proposed LI that would specifically restrict network utility type activities. It is considered that the ‘activities generally’ portion of Scheduled Activity No. 18 is

inefficient and ineffective as it is unclear what it means, and the infrastructure within the sites is better managed by the CEL and NTW chapters.

44. With regard to the 'noise' portion of Scheduled Activity No. 18, the Business 2 and Business 4 Environments have the same noise standards (except for a slight increase in noise levels that are permitted for emergency generator testing in the Business 4 Environment). Therefore, Scheduled Activity No. 18 does not provide for exemptions or changes to the underlying Environment rules with respect to noise.
45. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 18 is to remove it from the WDP provisions and rezone the sites to LI and rely on the CEL and NTW chapters of the WDP.

Scheduled Activities Nos. 19 and 20

46. Scheduled Activity No. 19 applies to Lot 3 DP 174191. The site is zoned as Living 1 Environment and comprises St Francis Xavier Catholic Primary School. Figure 12 below shows Scheduled Activity No. 19 outlined in red:



Figure 12: District Plan Environment Map of Scheduled Activity No. 19

47. Scheduled Activity No. 19 states:

Traffic movements are a permitted activity when associated with the primary school activities (St Francis Xavier School, Percy Street, Whangarei) on properties contained in Certificates of Title 528/15 and 527/3 being part Lot 15 Deeds Plan 532 and part Allotment 2 Parish of Whangarei.

48. Scheduled Activity No. 20 applies to Los 1 and 2 DP 524165. The sites are zoned as Living 3 Environment and comprise Pompallier Catholic College. Figure 13 below shows Scheduled Activity No. 20 outlined in red:

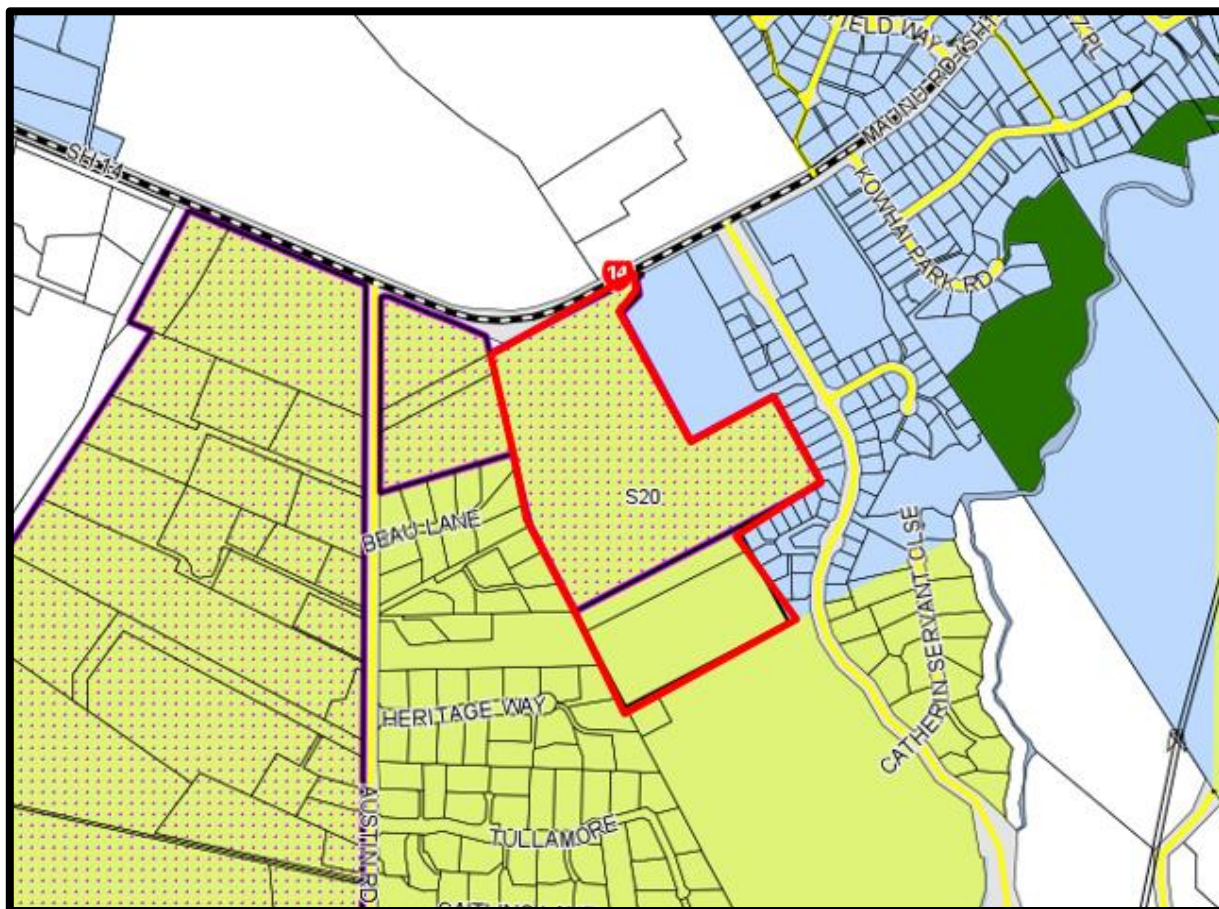


Figure 13: District Plan Environment Map of Scheduled Activity No. 20

49. Scheduled Activity No. 20 states:

Traffic movements are a permitted activity when associated with intermediate or secondary school activities (Pompallier College, State Highway 14, Whangarei) on the property contained in Certificate of Title Lot 1 DP 80724.

50. The Urban Plan Changes propose to delete Scheduled Activities Nos. 19 and 20 and to rezone the No. 19 site to MDR and the No. 20 sites to RES.
51. Proposed Plan Change 134 (**PC134**) has recently been notified and is going through the plan change process. As part of PC134, two new designations are proposed for the Scheduled Activities Nos. 19 and 20 sites to provide for the education activities occurring within the site and to manage the scale and nature of the activities. It is considered that the designation approach is a more efficient and effective method of providing for the activities than the current Scheduled Activities. Therefore, in accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activities Nos. 19 and 20 is to remove them from the WDP provisions and rely instead on designations.

Scheduled Activity No. 21

52. Scheduled Activity No. 21 applies to several sites located on High Street and Kotata Rise. The sites are zoned as Business 2 Environment. Figure 14 below shows Scheduled Activity No. 21 outlined in red:

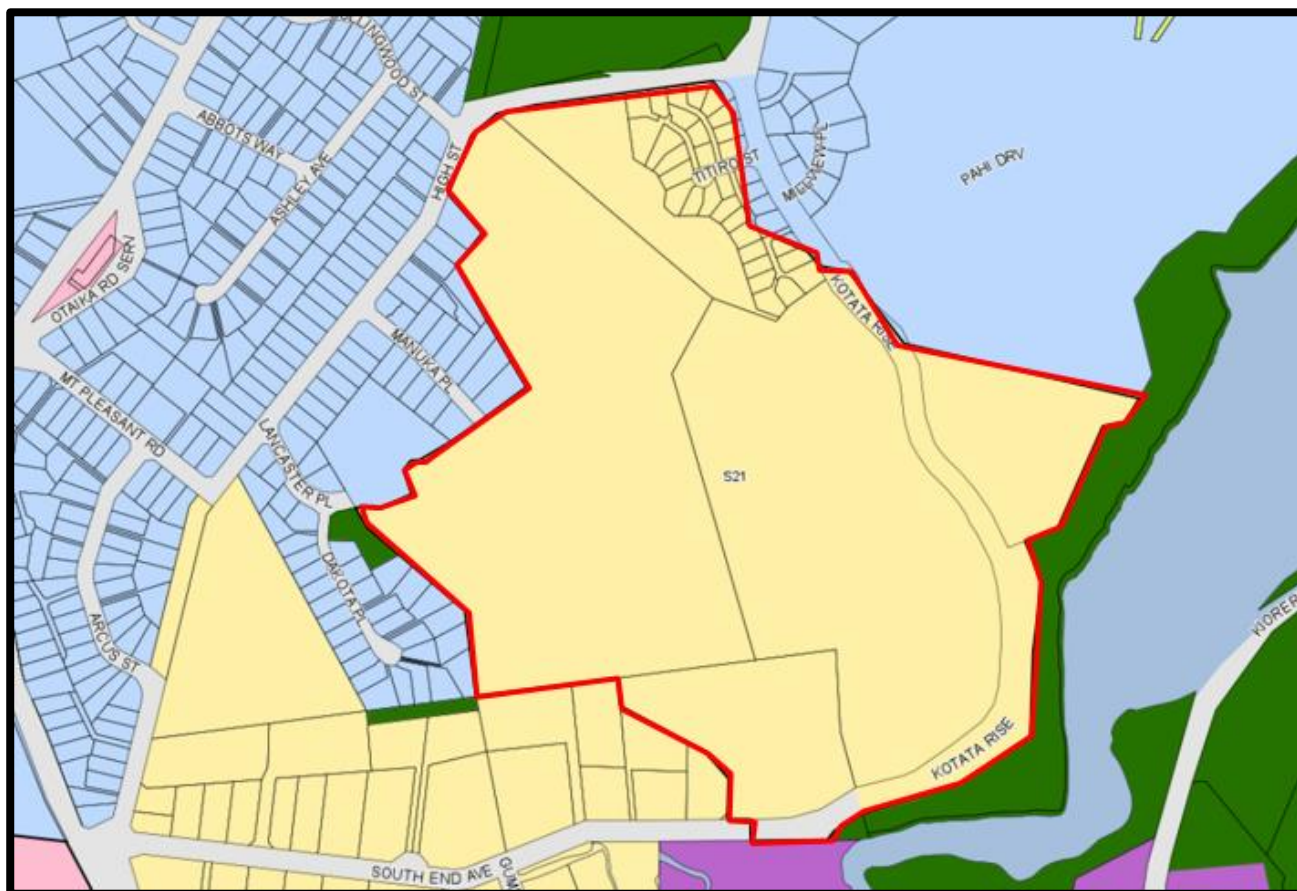


Figure 14: District Plan Environment Map of Scheduled Activity No. 21

53. Scheduled Activity No. 21 provides for the following exceptions to the Business 2 Environment:

- A controlled activity threshold for retail, industrial or office accommodation activities up to 2,500m² GFA with control limited to access and effects on State Highway 1.
- A restricted discretionary activity threshold for retail, industrial or office accommodation activities between 2,500m² and 140,000m² GFA with discretion restricted to access and effects on State Highway 1.
- A discretionary activity threshold for retail, industrial or office accommodation activities exceeding 140,000m² GFA.
- A requirement to provide a Traffic Impact Assessment where consent is required pursuant to the Scheduled Activity rules.
- Financial Contribution requirements for restricted discretionary or discretionary activities.
- Clarification that the New Zealand Transport Agency will be considered an affected person where consent is required pursuant to the Scheduled Activity rules.
- Exceptions to the noise levels that are permitted within the Scheduled Activity.

- Landscaping conditions relating to a “landscape mitigation plan” and a “buffer area”.
- Any subdivision within the Scheduled Activity is a restricted discretionary activity provided that a Traffic Impact Assessment and a Landscape Planting and Management Plan are provided. Where either or both of these are not provided, subdivision is a non-complying activity.

54. The Urban Plan Changes propose to delete Scheduled Activity No. 21 and rezone the sites a mixture of MDR and LI. The existing Scheduled Activity is not considered appropriate for the following reasons:

- Retail, industrial and office activities: It is not considered appropriate to retain these exemptions within the proposed MDR portion of the Scheduled Activity. The MDR portion has been identified as being more appropriate for residential development and these non-residential activities are considered to be more appropriately managed by the proposed MDR provisions. Within the proposed LI Chapter, retail, industrial and office activities are provided for up to a certain scale and nature. It is considered appropriate to rely on the proposed LI provisions as they provide for a more suitable range of activities while also enabling flexibility for any future development.
- Traffic Impact Assessment: It is considered that the proposed provisions under Plan Change 109 (**PC109**) which require Integrated Transport Assessments for activities of a certain scale are sufficient to manage any adverse effects.
- Financial contributions: The Local Government Act 2002 prevents Council from requiring a development contribution to the extent that it has already imposed a financial contribution for the same purpose. Financial contributions have generally been phased out of the WDP in favour of development contributions. Therefore, this method is no longer considered appropriate.
- NZTA as an affected person: It is considered more appropriate to rely on section 95E of the RMA to determine if a person is an affected person based on the activity that is applied for.
- Noise Levels: The Urban Plan Changes propose consequential amendments to the operative noise rules as discussed in section 6 of this s32 Report. It is considered that the noise levels proposed within the LI are appropriate to apply across the entire LI. There is MDR zoning proposed in proximity to the LI zoning within the site and the proposed noise levels will assist in managing adverse effects on any residential activities.
- Landscaping: It is unclear what is meant by the “landscape mitigation plan” and “buffer area” that are referred to in the Scheduled Activity. It is unclear how this provision would be implemented or enforced as there is no identifiable “landscape mitigation plan” or “buffer area”. Therefore, this provision is not considered effective or efficient. The proposed LI rules would require a 2m wide landscape strip along Residential Zone boundaries and would require any industrial activity to be setback at least 30m from a Residential Zone. These provisions are considered to be appropriate.
- Subdivision: There has already been subdivision within the Scheduled Activity which has fragmented the sites. Within the largest remaining sites (Lot 1 DP 96485 and Lot 37 DP 525547) the proposed provisions under PC109 would require restricted discretionary or discretionary consent for any subdivision of the sites and would require an Integrated Transport Assessment

to be provided as part of the application. In terms of the requirement for the landscape mitigation plan it is unclear what buffer area this is meant to relate to and there are no identified Outstanding Natural Landscapes or Features within the Scheduled Activity area. As discussed above it is considered that the proposed LI provisions managing landscaping and setbacks adjacent to Living Zones are sufficient to manage effects.

55. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 21 is to remove it from the WDP provisions and to rezone the sites a mixture of MDR and LI and rely on the proposed provisions under those zones to manage adverse effects.

Scheduled Activity No. 22

56. Scheduled Activity No. 22 applies to Lot 1 DP 371106 located on One Tree Point Road. The sites are zoned as Business 3 Environment. Figure 15 below shows Scheduled Activity No. 22 outlined in orange:

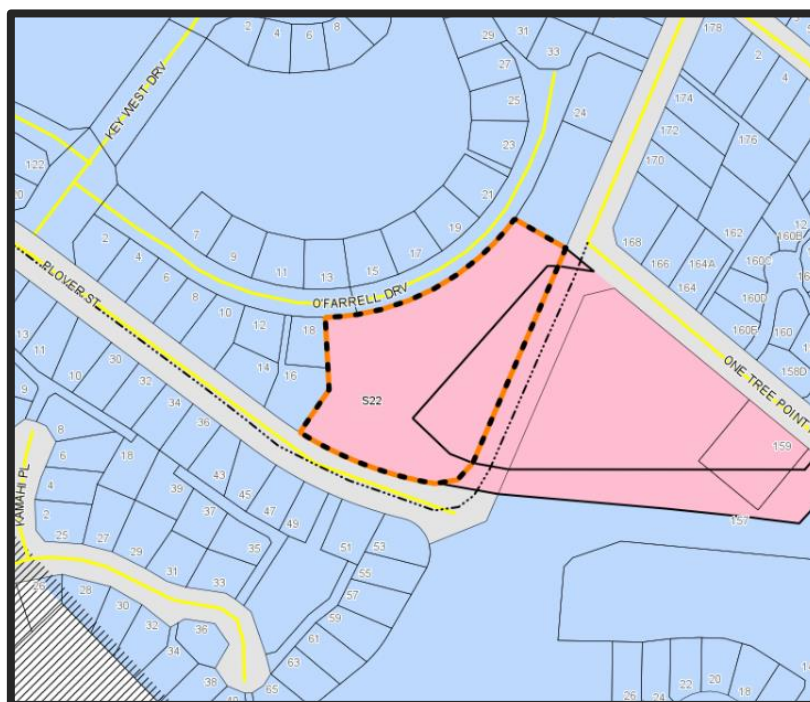


Figure 15: District Plan Environment Map of Scheduled Activity No. 22

57. Scheduled Activity No. 22 provides for the comprehensive development of the site at One Tree Point. The Scheduled Activity requires all subdivision and development to apply for non-complying resource consent prior to the approval of a comprehensive development plan. The scheduled activity describes a restricted discretionary activity process for proposals following the approval of a comprehensive development plan.
58. The site has been developed as a small commercial centre for Marsden Cove, with development being approved via consent processes.
59. The Urban Plan Changes propose to delete Scheduled Activity No. 21 and rezone the site LC. The LC provides for the future development of the site consistent with the existing consented activities. The

Scheduled Activity is not considered appropriate because it describes a consenting process no longer required.

Scheduled Activity No. 27

60. Scheduled Activity No. 27 applies to several sites located on Marsden Point Road. The sites are zoned as Business 2 and 4 Environments. Figure 16 below shows Scheduled Activity No. 27 outlined in red:

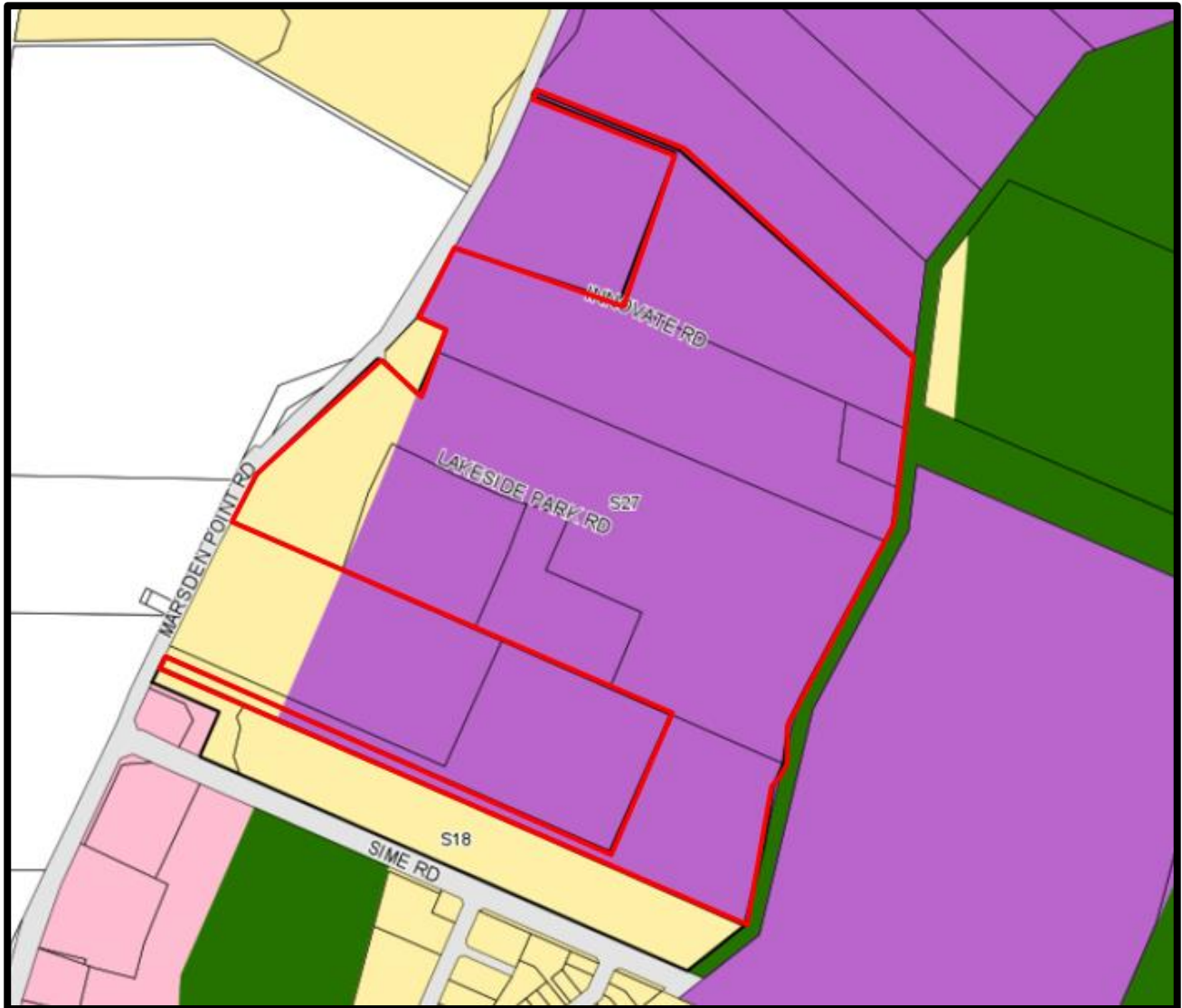


Figure 16: District Plan Environment Map of Scheduled Activity No. 27

61. Scheduled Activity No. 27 provides for the following exceptions to the Business 4 Environment:
- Buildings are required to be setback 10m from the artificial lakes within the Scheduled Activity rather than the 5m setback required under the Business 4 Environment.
 - Wharves, jetties, boardwalks, overheight fences and signs are not be subject to any setbacks from the man-made lake(s) and require consent as a controlled activity.
 - The Business 4 Environment 20m building setback from any Open Space Environment is reduced to 10m.

- The Business 4 Environment 20m outdoor areas of storage and stockpiles setback from any Open Space Environment is reduced to 5m.
- A “Landscape Impact Assessment” must be provided where the above setbacks are breached.
- There is an additional exemption within Scheduled Activity No. 27 stating that “the area for ancillary retail activity on Business 4 land shall not exceed 100m² gross floor area”. However, it is not clear if this is on a per site basis or across the entire Business 4 Environment within the Scheduled Activity. It is also not clear what the activity status is if the limit is complied with or if it is breached. Additionally, the Business 4 Environment already provides for retail activities up to 100m² GFA as a permitted activity. It is unclear how this exemption is meant to be interpreted and enforced and how it differs from the underlying zoning.

62. The Urban Plan Changes propose to delete Scheduled Activity No. 27 and rezone the sites a mixture of LI and HI. The existing Scheduled Activity is not considered appropriate for the following reasons:

- The proposed Urban Plan Changes do not manage building or structure setbacks from artificial lakes. Provisions requiring setbacks from waterbodies and the coast are intended to preserve future availability of esplanade reserves, providing access space for waterbody maintenance and flood protection. These aspects are not considered relevant for private artificial lakes and therefore it is not considered appropriate to require building setbacks from artificial lakes.
- Only the proposed HI is adjacent to the Open Space Environment. A 20m setback from the Open Space Environment for buildings and outdoor areas of storage and stockpiles has been assessed as appropriate for the proposed HI (see **Part 9** of this Report). Any existing buildings within the Scheduled Activity will have existing use rights; however, it is considered more appropriate to require consent for any new buildings or alterations of buildings that do not comply with the HI 20m setback and to assess the application on its merits. The proposed HI provisions require a 2m wide landscaped strip adjacent to the Open Space Environment boundary.
- The exemption regarding retail activities is considered to be unclear, inefficient and ineffective for the reasons discussed above. However, it is noted that within the proposed HI, ancillary retail activities up to 100m² GFA per site are provided for as a permitted activity.

63. In accordance with the s32 evaluation it is considered that the most appropriate method of addressing Scheduled Activity No. 27 is to remove it from the WDP provisions and to rezone the sites a mixture of LI and HI and rely on the proposed provisions under those zones to manage effects.

Scheduled Activity No. 28

64. Scheduled Activity No. 28 applies to Lots 2 and 3 DP 8872 located at the corner of Kauika Road and Maunu Road. The sites are zoned as Business 3 Environment. Figure 17 below shows Scheduled Activity No. 28:



Figure 17: District Plan Environment Map of Scheduled Activity No. 28

65. Scheduled Activity No. 28 enables development of the location within the Business 3 provisions with an additional requirement to gain vehicular access from Kauka Road with no vehicular access allowed from Maunu Road. The Scheduled Activity does not alter the potential activity status for development or subdivision.
66. 70 Maunu Road has an existing commercial service activity onsite, while 68 Maunu Road has an existing residential activity. Both properties have existing access and vehicle crossings. The proposed Transport provisions (PC109) are considered to provide sufficient protection of the road traffic safety and adequately provide requirements for potential future access.
67. The Urban Plan Changes propose to delete Scheduled Activity No. 28 and rezone the site LC. The LC provides for the future development of the site consistent with the surrounding environment. The Scheduled Activity is not considered appropriate because it describes unenforceable conditions and the Transport provisions will sufficiently address future access and traffic safety.

**Attachment 1: Whangarei Housing and Business Development
Capacity Assessment**

Whangārei housing and business development capacity assessment

Final Report

Prepared for: Whangārei District Council

Prepared by: MRCagney Pty Ltd, Tanya Perrott Consulting, Urbanista Ltd, and
Colliers International (MRCagney and associates)

Document Information

Project Name	Whangārei housing and business development capacity assessment
Status	Final Report
Client	Whangārei District Council
Client Reference	
MRC Reference	NZ2295
File Name	/Users/peternunns/Documents/6 MRCagney - work/4 Projects/Whangārei DC/Whangārei HBA/Final report/Whangārei HBA report FINAL 29 June 2018.docx

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Quality Assurance Register

Issue	Description	Prepared by	Reviewed by	Authorised by	Date
1	Draft Report	Tanya Perrott / Peter Nunns	Brian Waddell	Peter Nunns	9 June 2018
2	Final Report	Tanya Perrott	Peter Nunns	Peter Nunns	29 June 2018

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1 Executive Summary

MRCagney and associates have prepared this assessment of housing and business land development capacity for Whangārei District Council. We prepared it to help the Council meet the requirements of the National Policy Statement of Urban Development Capacity (NPS-UDC) and to inform the Council's activities to plan for future growth.

In line with these requirements, we assess:

- Likely growth in demand for housing and business land in Whangārei District over the next 3, 10 and 30 years;
- The capacity for housing and business land development allowed by Whangārei's District Plan and supported by development infrastructure, that would be feasible to develop in today's market conditions; and
- Whether this capacity is sufficient; i.e. whether it would cover demand with a margin to account for the likelihood that not all the capacity will be taken up by developers.

We have assessed the sufficiency of capacity for housing and business land provided by both:

- The operative Whangārei District Plan plus the package of Rural Zone changes (which are subject to minor appeals) - the "**Operative District Plan**"; and
- The Draft Whangārei Urban Zone changes (which are about to be notified) plus the package of Rural Zone changes – the "**Draft District Plan**".

We focused on these plans after ascertaining that the Northland Regional Policy Statement is likely to enable the development capacity provided for in Whangārei's District Plan.

Along with this report, we have provided Whangārei District Council with two spreadsheet models that we developed for the assessment and for the Council's ongoing use:

- The Whangārei Residential Development Capacity model
- The Whangārei Business Land model

Detailed technical information about these models and the assessment we undertook is provided in a companion Appendices document.

We also sought and used information from the following stakeholders in undertaking this assessment:

- Daryl Jones, Chief Economist at Northland Regional Council
- Vaughan Cooper, General Manager Investment and Infrastructure at Northland Inc
- Trevor Griffiths (Director at Griffiths Project Management) and Peter Ogle (Ray White Ltd), Momentum North
- Brendon Liggett and Sandra Bond at Housing New Zealand Corporation
- Ida Dowling and Sebastian Reed at the New Zealand Transport Agency.

1.1 Housing demand and capacity

1.1.1 Aggregate housing demand

Population growth is the primary driver of growth in demand for housing in Whangārei. Other sources of demand, such as demand for visitor accommodation, student accommodation, seasonal worker accommodation or 'latent demand' as a result of a past shortfall of housing, are relatively minor.

In recent decades, population growth has been more volatile in Whangārei than for New Zealand as a whole, making the future hard to predict. The District is currently experiencing a growth surge due principally to lower international outflows, larger inflows of returning New Zealanders, and strong inter-regional migration (particularly from Auckland). As a result of this recent growth, in 2017 Statistics New Zealand revised upwards its population projections for future growth in Whangārei District and Whangārei urban area. These revised projections resulted in the Whangārei urban area being defined as "high growth" under the NPS-UDC. This makes Whangārei District Council and Northland Regional Council subject to a range of new national policy requirements, including the preparation of this housing and business development capacity assessment.

While net international migration may taper off, Inter-regional migration has been an ongoing source of growth for the district over the last 10-15 years. To a significant degree, this is likely to be due to the District's affordability relative to the affordability of other upper North Island locations, and especially Auckland. If it can maintain this advantage while preserving its high levels of natural amenity and reasonably strong employment growth then it will be well placed to continue growing.

The Whangārei Growth Model, which is based on Statistics New Zealand's most recent medium population projections, are for the Whangārei District population to grow by about 1.2 percent per annum between 2018 and 2028, and by about 0.6 percent per annum between 2028 and 2048. This would drive demand for an additional 1560 dwellings in the short term, 3,540 in the medium term and 5,650 in the long term. This is a total of 10,750 additional homes over the period.

The NPS-UDC requires that Whangārei District Council's District Plan and development infrastructure to provide sufficient feasible capacity for the development of housing to support this growth, plus a margin of 20 percent in the short and medium term and 15 percent in the long term. This is a total of 12,620 additional homes over the period.

1.1.2 Demand by location, type and price point

Projected long-term future growth in demand for housing is split between three different parts of Whangārei:

- About 40 percent of the demand is for housing in Rural areas, which include a number of rural villages and the majority of the District's coastal environment.
- Almost as much demand for housing is projected in Whangārei City, which comprises the district's main urban centre plus adjacent greenfield areas;
- Meanwhile 23 percent of future demand is projected to be for housing in Ruakaka, which is a rapidly-urbanising area near the south head of Whangārei Harbour.

At present, house prices are generally higher in coastal areas and towards the north of Whangārei City. Prices are lower in inland areas of the District and to the south of Whangārei City. These prices reflect current locational demands (and also affect feasibility of development in these locations). Areas around the Whangārei CBD are lower than average: we see this as a major opportunity for urban transformation to lift demand to live in this area.

At present, demand appears mostly to be for standalone houses in Whangārei. Very few consents have been issued for apartments, townhouses, and even retirement units, even compared to similarly sized New Zealand cities. This is probably because of the relative low prices of Whangārei's existing standalone houses. Demand for alternative types of housing may grow in future, and hence it is important that the Council's District Plan should provide capacity for these alternatives.

House prices in Whangārei are considerably lower than in other upper North Island cities, and crowding rates below the national average and declining. However, the Council should monitor the spill-over impact on Whangārei of Auckland's rising house prices and continued northward migration.

Whangārei does have a significant group of people who struggle to afford market housing: this is more a function of their low incomes than of high prices or rents. There appears to be increasing demand for social and emergency housing provided by Housing New Zealand and community housing providers. The Ministry of Social Development's 2016 Purchasing Strategy indicates that at least 100 additional social houses are required in Whangārei, but this is likely to be revised upwards given more recent government policy directions.

1.1.3 Sufficiency of district-wide capacity for housing

In our assessment, both Whangārei District Council's Operative and Draft District Plans, and infrastructure existing or identified in its Long Term Plan and Infrastructure Strategy, provide enough plan-enabled and feasible capacity to meet demand for housing in the short and medium term. The Operative District Plan would not provide enough capacity for the long term, but the Draft District Plan would - just. Table 1 shows a high-level summary of our results.

Our calculations show that Whangārei's Operative and Draft District Plans provide a maximum capacity for between 26,000 and 30,000 new dwellings. Slightly less than half of these would be feasible to build in today's market conditions (i.e. taking into account both house sales prices and the costs of development). The Operative District Plan falls short of

providing enough currently feasible capacity to cover the number of dwellings we project would be needed by 2048, plus the 15 percent NPS-UDC margin (13,050). However, the Draft District Plan would just provide sufficient long term capacity.

Table 1: Sufficiency of housing capacity to meet demand

Time period	Short term (2018-21)	Medium term (2021-28)	Long term (2028-48)
Demand			
Projected dwelling growth	1,750	5,370	11,120
Growth + NPS margin	2,100	6,440	13,050
Operative District Plan			
Plan-enabled capacity	26,210		
Feasible capacity	11,130		
Sufficient to meet demand?	Yes	Yes	No
Draft District Plan			
Plan-enabled capacity	29,520		
Feasible capacity	13,050		
Sufficient to meet demand?	Yes	Yes	Yes

Note: Capacity includes the total of greenfield capacity, infill capacity, and redevelopment capacity for the District as a whole.

1.1.4 Greenfield versus infill and redevelopment capacity

Most (about 90 percent) of the feasible development capacity for housing is located in greenfield sites on vacant land of one hectare or more. About 80 percent of the greenfield capacity provided for in the Plans would be market feasible. Both District Plans provide capacity for about 15,000 dwellings through infill and redevelopment, but only a small proportion of this (about 15 percent) would be feasible in Whangārei's current market conditions, and much of this is infill in coastal areas where reduced minimum lot sizes have been provided for where reticulated services are available, via rezoning under the recent Rural Plan Change.

Future changes in prices and costs will change what housing is feasible to develop, both in terms of the total capacity and the location and typology of future dwellings. In order for a greater proportion of plan-enabled infill and redevelopment (i.e. townhouses and apartments) to become possible in Whangārei, sales prices would need to increase relative to costs.

1.1.5 Sufficiency of capacity by location within the District

Both District Plans concentrate capacity for housing in Whangārei City, but only a third of this would be feasible to develop. Nevertheless, about half the feasible development capacity is located in Whangārei City, while the rest is divided between Ruakaka and Whangārei's Rural Areas.

This locational distribution of feasible capacity does not appear to fully match locational demands. The Operative District Plan does not provide sufficient capacity to cover long term demands in either Ruakaka or Rural Areas, and the Draft District Plan would also fall short in Rural Areas. However, this finding is the result of our comparing District-wide demand projections with capacity in a more focused area that excludes Rural Countryside and Rural Living Environments. The capacity in these Environments may meet rural demands.

In the Operative District Plan most of the feasible development capacity for housing is located in the Living 1 and Living 3 zones in the city, and Rural Village Residential (serviced) zone. In the Draft Plan most of the feasible development capacity is in the Urban Residential and large Lot Residential Environments in the City, Urban Residential Environment in Ruakaka, and the Rural Village Residential (serviced) Environment. We present detailed results for the number of

dwellings that would be plan enabled and feasible in each zone and environment in the Operative and Draft District Plans, at the end of the Housing demand and capacity section of this report.

It is notable that so much of Whangārei's feasible development capacity for housing is located in the serviced Rural Residential Village Residential environments. In particular, most of the feasible infill and redevelopment capacity is located there. This result both reflects relatively high prices and demands in these locations and is a consequence of the Rural Zone plan change, which renamed and consolidated two different zones and enabled higher density development where reticulated services are available.

1.2 Business land demand and capacity

1.2.1 Future demand for business land

Notwithstanding volatile growth over the last 15 years, Whangārei's economy has out-performed national benchmarks for employment growth at an industry level. It offers strong potential for future growth.

However, there is uncertainty about the *level* of long-term growth, related to (1) levels of growth in industrial land demand, including 'spill over' from Auckland, and (2) long-term labour force participation rates, which reflect an opportunity to lift Whangārei's economic performance by better utilising the potential of the people who live in the District. Our Base scenario assumes total employment growth of about 1.5 percent per annum in the short term, slowly tapering off to about 0.5 percent per annum long term.

Employment growth in different economic activities drives different demands for business land. Activities that use industrial land (such as manufacturing, construction services and warehousing and storage) have by far the greatest impact on demand for business land. Such activities (especially heavy manufacturing such as petrochemical and concrete manufacturing that are significant in Whangārei) require a large amount of land per worker. We use an updated version of the industrial land demand model developed by BERL for the Upper North Island Alliance (UNISA) to forecast these significant demands for Whangārei, plus supplementary estimates for other sectors.

Growth in office, retail and community services activities drives quantitatively less significant demands for business land. However each of these activities have their own locational and other demands.

1.2.2 Sufficiency of business land capacity

This report summarises the results of comparing projected demand to vacant land only, in zones and Environments which would permit business activities - excluding Marsden Primary Centre and Nikau Point. While about 70 hectares would be available for business in these latter Environments, the planning has not yet advanced to the point that it is clear how the land would be allocated to different activities.

Even without the capacity in these Environments, the Operative District Plan appears to provide, sufficient zoned vacant business land to meet economy-wide demand and the demand of individual sectors in the short, medium and long term.

Whangārei's Draft District Plan would provide more zoned business land in total than the Operative District Plan, and so would also provide sufficient land to in the aggregate for the short, medium and long term.

However, it would also be more selective about which business activities can occur in different Environments. This responds to perceptions that industrial land uses are subject to competition and reverse sensitivities from other business activities entering their zones. It also responds to the impacts of a Whangārei's past relatively permissive policy around retail location that has 'hollowed out' some existing centres.

The number of activities listed as discretionary in various Environments under the Draft District Plan makes it very difficult to provide a single measure of the amount of capacity provided for each sector, sub-sector and size grouping. We have addressed this by testing two extreme scenarios for what might be enabled in each Environment:

- A "Permitted only" scenario, which assumes that activities are plan-enabled in an Environment only if they have a permitted activity status

- A “Permitted and discretionary” scenario, which assumes that activities are plan-enabled if they have permitted, restricted discretionary, or discretionary activity status, and if there is a policy direction that is generally enabling of the activity. This results in more capacity for some activities, assuming that case-by-case assessments through resource consents will generally be more enabling.

We also used a linear programming method to ensure that the Business Land Model does not over-allocate land in Environments where multiple competing activities are permitted.

The Draft District Plan would appear to provide sufficient vacant business land to meet all specific sector demands in the short term, with any potential shortfalls under a “Permitted only” implementation scenario addressed by approving some discretionary activities¹.

However in the medium term, there would be insufficient land in some Environments where specific business activities are permitted or discretionary under the Draft District Plan. Our calculations suggest that there would be shortfalls for small trade retail outlets, supermarkets / food retail, visitor accommodation, and health education and community services. Approving some discretionary activities would simply redistribute the short falls, which are due to insufficient land being available in particular Environments.

In the long term total these shortfalls would grow and extend to a broader range of commercial activities, eg department stores / durable goods retail, boutique shopping and personal services, and offices.

Table 2: Sufficiency of business land capacity to meet demand

Time period	Short term (2018-21)	Medium term (by 2028)	Long term (by 2048)
Land demand by sector (in hectares, including NPS-UDC margins)			
Industry	55.6	121.0	209.5
Retail and personal services	0.9	15.8	32.4
Office based activities	0.6	2.4	4.3
Health, education, and community services	2.7	6.9	11.6
Total demand	59.8	146.1	257.8
Operative District Plan			
Total vacant plan-enabled capacity (hectares)	430.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	Yes	Yes
Draft District Plan			
Total vacant plan-enabled capacity (hectares)	540.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	No	No

Note: This is a simplified version of our assessment. See Section 4.2 for full details of this analysis.

¹ The Draft District Plan does not appear to permit supermarkets between 600m² and 2000m² in any environment and may not permit sufficient land to be used for health, education and community services in the short term.

We note that these shortfalls may be mitigated by vacant business land in the Marsden Primary Centre and Nikau Point, and redevelopment opportunities in the City Centre.

1.3 The Whangārei City Centre

Whangārei's city centre performs an important function in the future urban development of the District. A well-functioning and high amenity city centre acts as an 'urbanisation magnet', attracting residential development and sympathetic business activities both to the centre and surrounding city fringe areas.

Whangārei District Council has recognised this by enabling these activities in its District Plan and by adopting a City Centre Plan in December 2017.

Currently about one third of the District's workforce works in the city centre in office, retail, and cafes, restaurants and bars. However, very few people live in the centre and the feasibility of housing development in the city centre is relatively low.

In addition, the city centre faces some economic challenges due to recent increases in vacancy rates as some retailers and office tenants have moved out to peripheral locations. Rising vacancy rates can be observed in various New Zealand city centres, partly reflecting the ongoing, economy-wide transformation of demand in the retail sector. Retailers of bulky items are increasingly seeking 'big box' locations, often in transitioning industrial zones, while growth in traditional town centre or city centre locations is increasingly shifting into hospitality and specialised retail offerings, which can occupy smaller sites and which benefit from higher foot traffic. High vacancy rates may also reflect some of the weaknesses already identified by the Council, such as the poor connections between different areas in the centre; areas of low amenity and poor surveillance; and existing buildings not meeting Building Act and Code requirements².

To turn this around and also attract inner city living the Council will need to commit resources to action its City Centre Plan. We note that Whangārei District Council (and Northland Regional Council) have significant levers to affect change in the city centre, by using their infrastructure investments and land-holdings to address flooding, upgrade buildings and attract anchor tenants to Whangārei's city centre.

Refurbishment and conversion of underutilised office / warehouse space for other uses is likely to be the first key move for the private sector. We have not modelled this in the core assessment due to its idiosyncratic nature. However, in Section 5.2 of this report we provide a hypothetical case study using a site in Lower Tawera Road. This suggests that while some developers could be attracted to such a refurbishment in particular conditions now, it would become a more feasible option if rents were to increase in the city centre. This would reflect successful implementation of City Centre Plan actions that make the city centre more attractive.

The opportunity is to initiate a 'virtuous cycle' of public and private investment in the Whangārei city centre. This would entail a mix of:

- Public investment in improved amenity and accessibility of the city centre, to make it attractive as a place to be and to differentiate it from suburban shopping centres and 'out of centre' retail locations;
- Private investment in housing, to provide local customers for a more '24/7' city centre; and
- Private investment in office employment and retail, to provide 'daytime' vitality and to provide local services to enable people to live conveniently in the city centre.

As this report has a broader scope than the city centre, we do not investigate these steps in detail. However, our analysis suggests that Whangārei's District Plan is relatively enabling in the city centre – it allows a range of activities to occur and facilitates redevelopment of land for apartments and townhouses. As a result, achieving the full potential of the Whangārei city centre is likely to depend upon non-regulatory activities, including master-planning to take advantage of new investments such as the Hundertwasser Wairau Maori Arts Centre.

1.4 Next steps for policy

² Whangārei District Council's *CBD Regeneration Information Pack* identified that in 2013 Whangārei's vacancy rates were at the higher end of rates that varied between 7.5 percent (in Auckland) and 15 percent (in areas of lower growth such as Wellington, Hastings and Rotorua).

This report highlights some issues and opportunities that should be taken into account when devising planning responses.

First, the analysis of housing demand and capacity suggests that both the Operative and Draft District Plans are likely to provide sufficient capacity to meet short, medium, and long term demand for housing in Whangārei District. The Draft District plan results in some incremental increases in capacity, particularly for infill and redevelopment in the existing urban area.

On the face of it, there does not appear to be a significant need to make further changes to ensure sufficient capacity. However, it will be important to incrementally review this assessment and to update it in light of ongoing changes to demand growth (which may result in upwards or downwards revisions of housing demand estimates) and changes to prices and costs for new housing development (which may increase the feasibility of some infill and redevelopment if Whangārei converges to trends seen in other fast-growing urban areas in the upper North Island). Monitoring take-up of development capacity and changes to prices over time will be especially important.

Second, our analysis of business demand and capacity suggests that there would be sufficient zoned vacant land in both the Operative and Draft District Plans to meet economy-wide demands in the short, medium and long term. However, the analysis also suggests that the Draft District Plan would not provide sufficient capacity in some Environments where particular activities are either permitted or discretionary, leading to business land short falls for some retail activities and health, education and community services in the medium term, which increase and extend to other sectors in the long term. This may be mitigated by land for business available at Marsden Primary Centre and Nikau Point which are still being planned, and with redevelopment opportunities in the city centre. (These other sources of capacity are currently not included in the Business Land Model). Nevertheless we suggest the Council review the land available in the new Environments with detailed activity lists in its Draft District Plan.

Third, our assessment suggests some potential directions for Whangārei District's Future Development Strategy, which will encompass an update of the *Whangārei District Growth Strategy*. The 2010 *Growth Strategy* outlined an aspiration to move towards a more consolidated urban form, with growth focused on key urban and rural nodes. Achieving this will require a mix of policy changes, which are addressed in recent plan changes, and changes to market conditions and demand that lead to more development in these locations.

Following the *Growth Strategy*, recent plan changes signal an intention to move away from a 'reactive' approach to planning, in which new capacity is released via private plan changes and resource consents for new subdivision, towards a 'proactive' approach that aims to direct and shape growth. In order for this approach to succeed, the Future Development strategy and subsequent planning decisions must be based on robust information on long-term demand and capacity, as well as regular monitoring of market information to understand how things are progressing towards the long term.

Although most infill and redevelopment capacity is not commercially feasible to develop based on current prices and costs, future changes to demand are likely to shift this equation. This may involve District-wide changes to prices, e.g. due to ongoing inflows of population from international migrants and from other New Zealand regions, leading to increasing feasibility of more housing options throughout the District. This may be bolstered by transport improvements between Whangārei and Auckland, which may make it increasingly attractive to live or locate businesses in Whangārei City, Marsden Point / Ruakaka and other rural and coastal settlements.

Alternatively, it may arise from changes to the relative attractiveness of different areas, e.g. due to the effects of improvements to public amenity or improvements to the local built environment, including the local retail offering. This is a particularly important opportunity to take into account, and seek to shape, in the Whangārei city centre.

In our view, it is important to take the potential for future changes in demand and development patterns into account when devising Whangārei's Future Development Strategy. As its name implies, this strategy must be *future-focused*, and should consider how Whangārei District Council can react to different scenarios that may play out over a multi-decade period.

For instance, in a scenario in which house prices rise to the levels experienced in other high-growth upper North Island cities, but in which land price inflation is moderated, then more infill and redevelopment is likely to become feasible, facilitating a more compact urban form. This could also occur locally via price uplift in selected areas such as the City Centre Environment and the Kamo Walkability Environment, which could be further facilitated by public and private investments in improved amenity and accessibility.

Alternatively, in a scenario in which dwelling prices remain low relative to construction costs, especially for higher-density typologies, more greenfield land is likely to be taken up, and there may be more demand for low-density residential activity and countryside living.

A key to success in both scenarios will be having policy settings that provide abundant development capacity, so as to moderate pressure on land prices. While land prices will rise in response to demand, signalling opportunities to redevelop sites for higher-value uses, excess land price growth may undermine redevelopment by eating away at developer margins.

A fourth and final consideration is that a rigorous monitoring framework and a process for updating analysis as prices and costs change will be important for understanding the interplay between policy settings and market changes. This is important to understand how demands and prices are evolving, and hence which of the above scenarios the District is headed towards. This monitoring can build upon the Council's strong history of monitoring new development trends.

Monitoring will be important given the policy approach outlined in the Draft District Plan. This entails significant levels of discretion in the assessment of resource consents. For this approach to succeed in providing sufficient capacity to meet demand for new development while managing environmental and urban effects arising from that demand, it must be implemented well and applicants must perceive the consenting process to be efficient and fair.

Monitoring take-up of industrial land will be especially crucial to understanding whether there are emerging sufficiency issues over the long term, or a locational issues with so much vacant industrial land capacity being located in one location (Marsden Point / Ruakaka).

2 Introduction

2.1 The Whangārei context

Whangārei District is a coastal district 160 km north of New Zealand's largest city, Auckland. It is predominantly rural in land area, and contains the city of Whangārei, and a significant outlying settlement at Marsden Point / Ruakaka centred on an international port. In addition, there are several small rural settlements (notably Hikurangi and Waipu) and several coastal settlements developed around the Whangārei Harbour and along its attractive east coast including at Langs Beach / Waipu Cove and along the Tutakaka Coast. In 2017, Whangārei District's total population was 89,700 people, 57,700 of whom lived in the Whangārei "urban area" as defined by Statistics New Zealand in 2016.³

Over the last three years Whangārei District has experienced a population surge, following a period of slower growth. Both the rural and urban parts of Whangārei grew at about the same rate. As a result, when Statistics New Zealand revised its population projections upwards in 2017, the Whangārei urban area suddenly met the definition of "high growth" in the National Policy Statement on Urban Development Capacity (NPS-UDC)⁴. This made Whangārei District Council subject to a range of new requirements under the NPS-UDC. Amongst them is the requirement to produce a housing and business development capacity assessment by 30 June 2018 – this report.

As agreed by Whangārei District Council and Northland Regional Council, this housing and business development capacity assessment covers demand for housing in the whole district. It focuses on the sufficiency of housing and business land capacity in the areas zoned in the District Plan for either urban development (including Ruakaka and rural and coastal settlement areas) or rural residential activity in close proximity to the main urban areas.

For the purposes of reporting plan enabled and feasible development capacity the District has been broken into three summary areas. These are 'City' (which is larger than the 2016 Statistics New Zealand urban area), 'Ruakaka' (effectively One Tree Point/Marsden Point/Ruakaka) and 'Rural' (which also includes the rural and coastal settlements). The assessment study area and summary areas are shown in Figure 1 and the Statistics New Zealand are in Figure 2.

³ Statistics New Zealand has been reviewing the boundaries of these urban areas, which will affect the population count.

⁴ Alongside six other "high growth" urban areas: Auckland, Tauranga, Hamilton, New Plymouth, Christchurch and Queenstown.

Figure 1: The Whangārei District study area

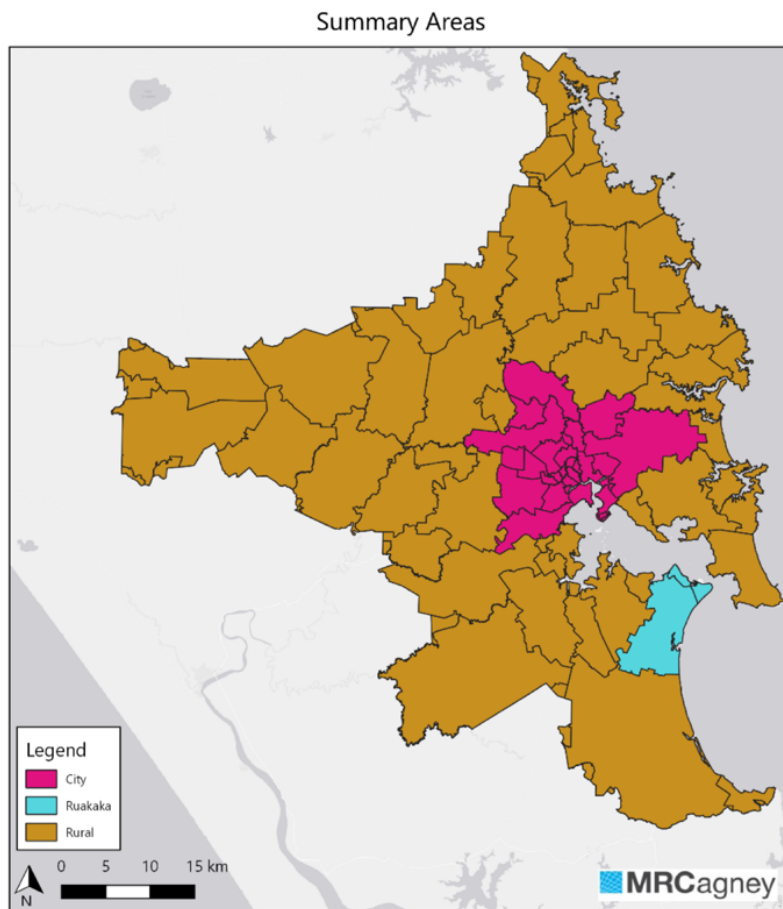
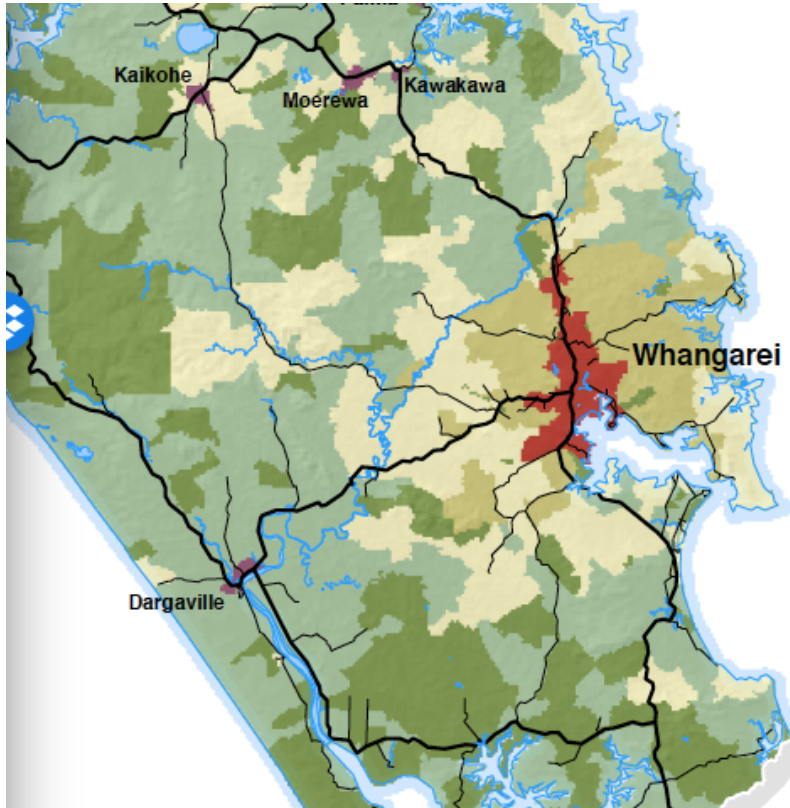


Figure 2: The Statistics NZ Whangārei urban area



2.2 Policy context

The 2010 *Whangārei District Growth Strategy* outlines a number of challenges and opportunities facing the district. In terms of urban growth, it outlines and assesses three possible scenarios, which are shown in Figure 3. These ranged from the ‘business as usual’ approach of lightly-regulated, market-led development leading to a widely dispersed settlement pattern to a more highly regulated, consolidated development pattern that concentrates growth in and around Whangārei City and limits it in rural and coastal settlements. It also considered an intermediate scenario with elements of both approaches.

The *Growth Strategy* identified an aspiration to move towards a more structured and consolidated development pattern, and highlighted the sustainability benefits of doing so. This would aim to focus growth in the following pattern:

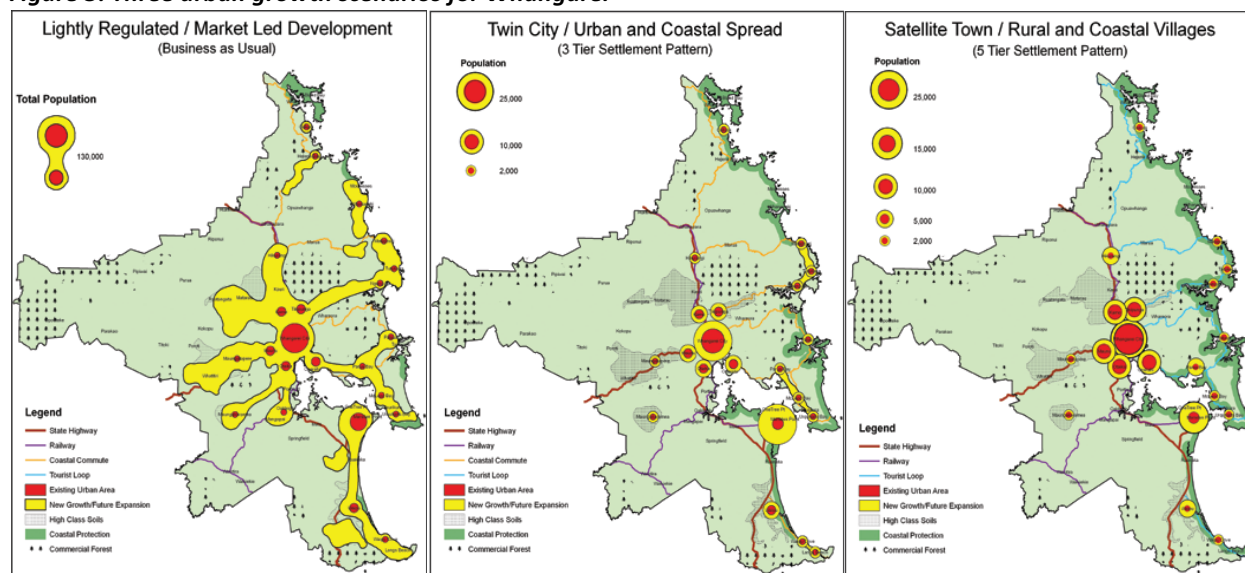
Whangārei City as the primary district and regional urban centre with a strong, protected and enduring CBD; a satellite town at Marsden Point/Ruakaka which complements (but does not compete with) Whangārei City; five urban villages within greater Whangārei; one rural (Hikurangi) and two coastal growth nodes at Parua Bay and Waipu; and two rural villages along with eight coastal villages located along the coastline from Waipu Cove in the south to Oakura in the north. (Growth Strategy, Part C: Preferred Future)

There are a number of benefits to delivering on this aspiration, but it does reflect a significant shift relative to past trends in planning and development in Whangārei District. Achieving it will therefore require both policy changes and changes to market outcomes, including demand to live in different locations or in different types of dwellings.

The Council is intending to review and update the *Growth Strategy* in coming months in order to meet NPS-UDC requirements to develop a Future Development Strategy that outlines how it intends to give effect to the objectives and policies of the NPS-UDC.

This report does not set out to review or revisit the *Growth Strategy*’s preferred approach. However, it does provide information to inform understanding of the opportunities and constraints to realising that aspiration, and highlights how Whangārei District Council can take into account and potentially influence market trends in the updated *Growth Strategy*.

Figure 3: Three urban growth scenarios for Whangārei



To give effect to the aspirations outlined in the *Growth Strategy*, and to address issues arising under the existing (operative) District Plan, Whangārei District Council is undertaking a rolling District Plan review. Among other things, the updated District Plan aims to:

- Protect coastal and rural land from inappropriate development and to intensify urban activity in and around existing urban settlements;
- Protect industrial land for industrial uses; and

- Re-invigorate the city centre by focusing the areas where new commercial development can occur.

The Council has already undertaken a package of rural plan changes (the Rural Zone plan change), which is now subject to minor appeals and is now largely operative. The overall effect of this package is to formalise urban and rural residential subdivision and development enabled through previous plan changes and resource consents, and to direct future urban development to areas that are contiguous to this. The package includes a coastal plan change, rezoning some rural land to urban, consolidating and renaming the Environments within the rural villages, recognising established rural resource-based industrial activities and introducing a rural to Urban Expansion Environment.

The Council has also drafted new Urban Environments and rules which are being notified at the time of writing this report. These new Urban Environments would increase the total amount of land zoned for urban housing and business activities. They would also provide for increased maximum densities within some residential Environments and apply more detailed and restrictive rules to the business environments to direct some business activities and discourage other business activities from locating in the different business environments.

To help inform the Section 32 Analysis accompanying the Draft Urban Zones, we have assessed the sufficiency of capacity for housing and business provided under two policy options as outlined in Table 3: The Operative District Plan and the Draft District Plan.

Table 3: Policy options assessed in this report

Policy option	Urban areas zoning	Rural areas zoning
Operative District Plan	Operative Urban Zones (including Master Plans and Precinct Plans, where relevant)	Rural Zone plan change (subject to minor appeals)
Draft District Plan	Draft Urban Zones and Operative Urban Zones not affected by the Urban Plan Change	Rural Zone plan change (subject to minor appeals)

In addition to its District Plan, the Council has also adopted a City Centre Plan that outlines its strategy for city centre revitalisation. It is undertaking master-planning to identify specific actions how the potential of the city centre can be unlocked. Among other things, this aims to capitalise on the development of new facilities such as the Hundertwasser Wairau Maori Arts Centre, which is underway following confirmation of central government funding.

Lastly, the Council has adopted its 2018-2028 Long Term Plan outlining a ten-year budget and infrastructure strategy. This outlines how the Council will upgrade existing infrastructure and provide new infrastructure to serve development.

2.3 NPS-UDC purpose and requirements

The NPS-UDC comprises national direction under the Resource Management Act, introduced at the end of 2016 to recognise the national significance of:

- urban environments and the need to enable such environments to develop and change
- providing sufficient development capacity to meet the needs of people and communities and future generations in urban environments.

2.3.1 Requirements

The core requirement of the NPS-UDC is that local authorities' plans and infrastructure enable sufficient feasible development for the market to meet demand for housing and business space in urban environments, in the short, medium and long term.

In support of this, local authorities should develop a robust, comprehensive and frequently developed evidence base to inform planning decisions in urban areas. More specifically, the NPS-UDC requires local authorities with a "high-growth urban area"⁵ within their district or region to give effect to the following policies:

5 The NPS-UDC defines a high growth urban area as "any urban area (as defined by Statistics New Zealand in 2016) that has...a resident population of over 30,000 people according to the most recent statistics New Zealand urban area resident population estimates...[and] in which the resident population of that urban area is projected to grow by more than 10% between 2013 to 2023, according to the most recent Statistics New Zealand medium urban area population projections for 2013(base) – 2023." The Whangārei urban area was "newly defined" as high growth when Statistics New Zealand

- PB1: Local authorities shall, on at least a three-yearly basis, carry out a housing and business development capacity assessment that:
- a) Estimates the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
 - b) Estimates the demand for the different types and locations of business land and floor area for businesses, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
 - c) Assesses interactions between housing and business activities, and their impacts on each other.
- PB2: The assessment under policy PB1 shall use information about demand including:
- a) Demographic change using, as a starting point, the most recent Statistics New Zealand population projections;
 - b) Future changes in the business activities of the local economy and the impacts that this might have on demand for housing and business land; and
 - c) Market indicators monitored under PB6 and PB7.
- PB3: The assessment under policy PB1 shall estimate the sufficiency of development capacity provided by the relevant local authority plans and proposed and operative regional policy statements, and Long Term Plans and Infrastructure Strategies prepared under the Local Government Act 2002, including:
- a) The cumulative effect of all zoning, objectives, policies, rules and overlays and existing designations in plans, and the effect this will have on opportunities for development being taken up;
 - b) The actual and likely availability of development infrastructure and other infrastructure in the short, medium and long term as set out under PA1;
 - c) The current feasibility of development capacity;
 - d) The rate of take up of development capacity, observed over the past 10 years and estimated for the future; and
 - e) The market's response to planning decisions, obtained through monitoring under policies PB6 and PB7.
- PB4: The assessment under policy PB1 shall estimate the additional development capacity needed if any of the factors in PB3 indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term.
- PB5: In carrying out the assessment under policy PB1, local authorities shall seek and use the input of iwi authorities, the property development sector, significant land owners, social housing providers and the providers of development infrastructure and other infrastructure.
- PB6: To ensure that local authorities are well-informed about demand for housing and business development capacity, urban development activity and outcomes, local authorities shall monitor a range of indicators on a six monthly basis including:
- a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;
 - b) The number of resource consents and building consents granted for urban development relative to the growth in population; and
 - c) Indicators of housing affordability
- PB7: Local authorities shall use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed.
- PD1: Local authorities that share jurisdiction over an urban area are strongly encouraged to work together to implement this national policy statement, having particular regard to cooperating and agreeing upon:

revised its urban area population projections in 2017 (after the NPS-UDC came into effect). The NPS-UDC requires local authorities with a "newly defined" high growth urban area such as Whangārei, to produce their first housing and business development capacity assessment by 30 June 2018.

- a) The preparation and content of a joint housing and business development capacity assessment for the purposes of policy PB1.

2.3.2 Compliance with requirements

Table 4 shows the status of this assessment, against the criteria that Government agencies are using to evaluate the quality of housing and business assessments and the extent to which they comply with NPS-UDC requirements.

Table 4: Criteria for evaluating housing and business assessments

Key criteria	Indicator	Status
Content		
The assessment produces a rigorous estimate of aggregate demand for homes in the short, medium and long term.	Have all contributions to total housing demand relevant to the urban market been considered?	Yes
	Is the basis of the demand assessment the 2017 Statistics New Zealand medium household growth projection? If not, is any alternative projection justified?	Yes
	Does the assessment use rigorous methods to explore the range of demands for types, locations and price points to the extent relevant in the urban market? For example, (if relevant) the assessment matches demands of different population groups to housing types, locations and price points and forecasts the impact of demographic change; it also considers current unmet or latent demand if relevant to the urban market.	Yes
	Does the assessment produce an estimated number of dwellings required in the short, medium and long term for the area (broken down by associated districts if relevant)? Does the assessment provide estimates either side of the main projection, with discussion of the key drivers of these estimates?	Yes
The assessment produces a rigorous estimate of the feasible development capacity for housing provided for by current plans and development infrastructure	Does the assessment reasonably quantify all housing development capacity enabled by relevant proposed and operative RPSs, regional plans and district plans, and is the assessment clear about what enabled capacity is also supported by development infrastructure?	Yes (the focus is on the District Plans)
	Has a robust assessment of development feasibility been undertaken? Are the methods and assumptions used in this assessment clear? Are key assumptions about construction costs, land prices, target profits and cost of capital up to date? Has the local property community been asked for input?	Yes
	Does the assessment of development feasibility include sensitivity analysis of relevant key assumptions? Does the assessment describe the range of feasible development capacity that is possible if there are changes to assumptions on: <ul style="list-style-type: none"> • Development sale price • Land cost • Construction cost (for building development) • Land development cost • Development timeframes, and/or • Minimum gross profit required in order for a development to be considered feasible 	Yes
	Does the assessment provide information about take-up of feasible development capacity? Using quantitative info (e.g. building consents and code compliance certificates), and qualitative analysis (e.g. discussions with development community).	Yes
	Is there a clear conclusion on whether development capacity for housing is sufficient? Discusses what the rural-urban land price differential suggests about current sufficiency. Aggregate demand + margin compared to estimated feasible and plan-enabled DC. Is there an estimate of the no. dwellings over/under? Where relevant to the urban market, is there discussion of sufficiency to meet demand by dwelling, type, location and price? Sensitivity analysis based on changes in key drivers of demand and capacity?	Yes

	Does the assessment analyse the contributing factors to any shortfall in sufficiency? I.e. how do different factors (enablement in plans, development infrastructure or feasibility) contribute to a shortfall in sufficiency?	N/A
Key criteria	Indicator	Status
Content		
The assessment produces an estimate of demand for business space in the short, medium and long term.	Does the assessment provide a rigorous narrative on the key sectors, trends and possible future changes in the local economy? Does this cover broad sectoral composition, employment densities, spatial characteristics and emerging trends and the sectors that are expected to drive future land/space demands?	Yes
	Does the assessment analyse different business demands for different locations, property types, sizes and tenure?	Yes
	Does the assessment contain future medium and long term projections of demand (especially for industrial land) by discussing the key drivers of demand for business space?	Yes
The assessment produces an estimate of capacity for business space	Does the assessment reasonably identify all business development capacity enabled by relevant proposed and operative RPSs, regional plans and district plans (including a stocktake of vacant land by zone and type and redevelopment potential), and is the assessment clear about what enabled capacity is also supported by development infrastructure?	Yes (the focus is on the District Plans)
	Have these assessments been qualitatively assessed or ground-truthed? For example, have they been tested and supplemented by visual inspections or surveys of business occupiers? Does the assessment consider the feasibility of capacity, particularly for industrial land? E.g. has a multi-criteria analysis been used? Are the methods and assumptions used in this assessment clear?	Yes
	Is there a rigorous conclusion on whether development capacity for business is sufficient now and in the short, medium and long terms?	Yes
	Is there a quantitative comparison between the demand and capacity assessments? Is sufficiency measured by zone type, geographical area and in the short, medium and long terms? Are there more detailed sufficiency measures for the short and medium terms? Are the industrial zone land price differentials used to inform a conclusion about whether zoning matches demand of different activities for particular locations?	Yes
	Does the assessment analyse the contributing factors to any shortfall in sufficiency? I.e. how do different factors (enablement in plans, development infrastructure or feasibility) contribute to a shortfall in sufficiency?	Yes
The assessment considers interactions between housing and business activities and impact on each other	Does the assessment consider the interactions between business and housing capacity? Does the assessment ensure that capacity is not double counted or under- or over-estimated? Does it consider the positive and negative spatial interactions between housing and business capacity, and impacts on accessibility and transport? Does it analyse barriers and opportunities for development and change?	Yes
The assessment explicitly uses market and price efficiency indicators	Are results from the quarterly monitoring of market indicators reflected in the assessment and are they consistent with the final assessments of housing and business land sufficiency?	Yes
	Does the assessment include consideration of price efficiency indicators as a package and an analysis of what these suggest about the sufficiency of supply and location of development capacity?	Yes
Key criteria	Indicator	Status

Communication		
Clarity	Is the capacity assessment easy to read and understand? Does it use appropriate headings, plain English, exec summary and visuals or spatial information where appropriate? Is it of a readable length?	Yes
Narrative	Does the assessment provide a clear narrative about the urban markets for housing and business space and their interaction with land use planning? Is the analysis of the indicators clearly grounded in the local context? Is it an appropriate level of detail for the local authority in question?	Yes
Usefulness to decision-makers	Will the assessment inform targets, plan changes and future development strategies (where relevant), and long term plans? Does it draw clear conclusions on the 'so what' and next steps (possibly through a recommendations section)? Does it link the HBA to other key responsive planning requirements under the NPS? Does it contain the key information necessary for further decisions? Are key risks and timing issues highlighted?	Yes
Process		
Agreement between the relevant councils on the geographic area of focus for the assessment	Is this clearly delineated and does it have some logical basis e.g. the functional market, coordination arrangements, the application of planning decisions?	Yes
Local expertise sought and used	Is there evidence that the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities, and the providers of development infrastructure and other infrastructure has been sought and used?	Yes
Transparency	Are the methodology and assumptions clear, even when work has been procured? If there is a disclosure statement, does this detail key gaps, strengths and weaknesses? Are options for filling these gaps explored? Has consideration been given to releasing the report to the public?	Yes

3 Housing demand and capacity

In this section, we analyse future demand for housing in Whangārei District and estimate how much capacity there is to develop new housing to meet demand, taking into account what is enabled by Whangārei's District Plan, what is enabled by provision of development infrastructure, and what is likely to be commercially feasible to develop based on current market conditions.

We assess two policy scenarios: The Operative District Plan and the Draft District Plan. While the baseline assessment of commercial feasibility is based on current prices and costs, we also consider sensitivity tests for potential changes in feasibility due to changing market conditions and reflect upon what these sensitivity tests tell us about potential for future change.

3.1 Why is Whangārei growing?

To set the scene for this analysis, we consider the key drivers of growth in housing demand in Whangārei District.

In the long run, urban areas (or rural areas) grow when they succeed in attracting and retaining people to live and work in them. There are two broad reasons why some places attract people at a faster rate than others, over a long period of time.⁶

First, fast-growing places may offer advantages in **production** – i.e. factors that make it especially attractive to work or run a business in a particular place. This could include:

- **Access to natural resources** as inputs to production, such as productive agricultural soils, mineral wealth, productive fisheries, or natural landscapes that attract tourism.
- **Agglomeration economies**, which refer to the economic opportunities that arise from proximity to many other firms, workers, and customers. These arise as a result of 'sharing', 'matching', and 'learning' processes, all of which enable people to be more productive as a result of proximity.

Second, fast-growing places may offer advantages in **consumption** – i.e. factors that make it especially attractive to live there, regardless of job opportunities. This could include:

- **Attractive natural environments** or **attractive built environments** that offer high quality of life and good opportunities for recreation
- **Better public services** such as increased transport choices and better access to healthcare and education
- **Greater variety in goods and services** as a result of agglomeration economies in larger or more diverse markets – for instance, most major sports matches in New Zealand are held in large cities to attract more attendees
- **Cultural or family ties** that contribute to people's sense of place and which may increase their demand to live in certain places.

With this in mind, we examine several features of the Whangārei environment that are influencing recent and projected population growth.

Whangārei offers a high level of natural and environmental amenity. It has a warm and sunny climate and an attractive coastal environment with good access to a variety of outdoor recreation opportunities. As shown in Figure 4, these natural advantages, plus proximity to Auckland, have underpinned a century of comparatively rapid growth in Whangārei and other Upper North Island cities.

⁶ Of course, when the national population is growing, most places will also be growing to some extent – a 'rising tide lifts all boats' effect. But some places are likely to grow faster than others. In addition, short-run growth can be highly volatile – a fact that we discuss below.

Figure 4: Whangārei has been among the fastest growth places in New Zealand over the 1926-2006 period



Source: Grimes, A., Apatov, E., Lutchman, L. and Robinson, A., 2016. *Eighty years of urban development in New Zealand: impacts of economic and natural factors*. *New Zealand Economic Papers*, 50(3).

Whangārei offers mixed advantages for production. Since 2000, it has experienced comparatively strong growth in employment, suggesting that it has been able to create jobs in line with population growth (see Section 3.5.1 for further analysis). However, average incomes in Whangārei are low compared with other upper North Island locations. At the 2013 Census, median personal incomes in Whangārei were 11% below the national average, albeit considerably higher than incomes in Far North District and Kaipara District.

In part, relatively low incomes reflect low levels of labour force participation in Whangārei. As shown in Table 5, at the 2013 Census, Whangārei's labour force participation rate (reflecting the share of people employed or seeking work) was 4.4 percentage points below the national average, and below levels seen in Auckland and the Waikato. Excluding people who are out of the labour force, we find that incomes for employed people in Whangārei are closer to the national average.

Table 5: Incomes and labour force participation in Whangārei

Territorial authority	Median personal income, all ages (2013)	% difference from NZ total	Labour force participation rate ages 15 – 64 (2013)	Mean earnings of continuing jobs (YE 2017)	% difference from NZ total
Total New Zealand	\$28,500		67.1%	\$58,780	
Far North District	\$21,500	-25%	60.2%	\$46,270	-21%
Whangārei District	\$25,300	-11%	62.7%	\$55,560	-5%
Kaipara District	\$22,600	-21%	61.3%	\$50,290	-14%
Auckland	\$29,600	4%	66.9%	\$63,920	9%
Waikato District	\$30,500	7%	70.1%	\$53,780	-9%
Hamilton City	\$27,700	-3%	67.3%	\$58,150	-1%
Waipa District	\$32,000	12%	69.2%	\$51,870	-12%
Western Bay of Plenty District	\$26,300	-8%	65.6%	\$46,670	-21%
Tauranga City	\$27,100	-5%	63.0%	\$54,180	-8%

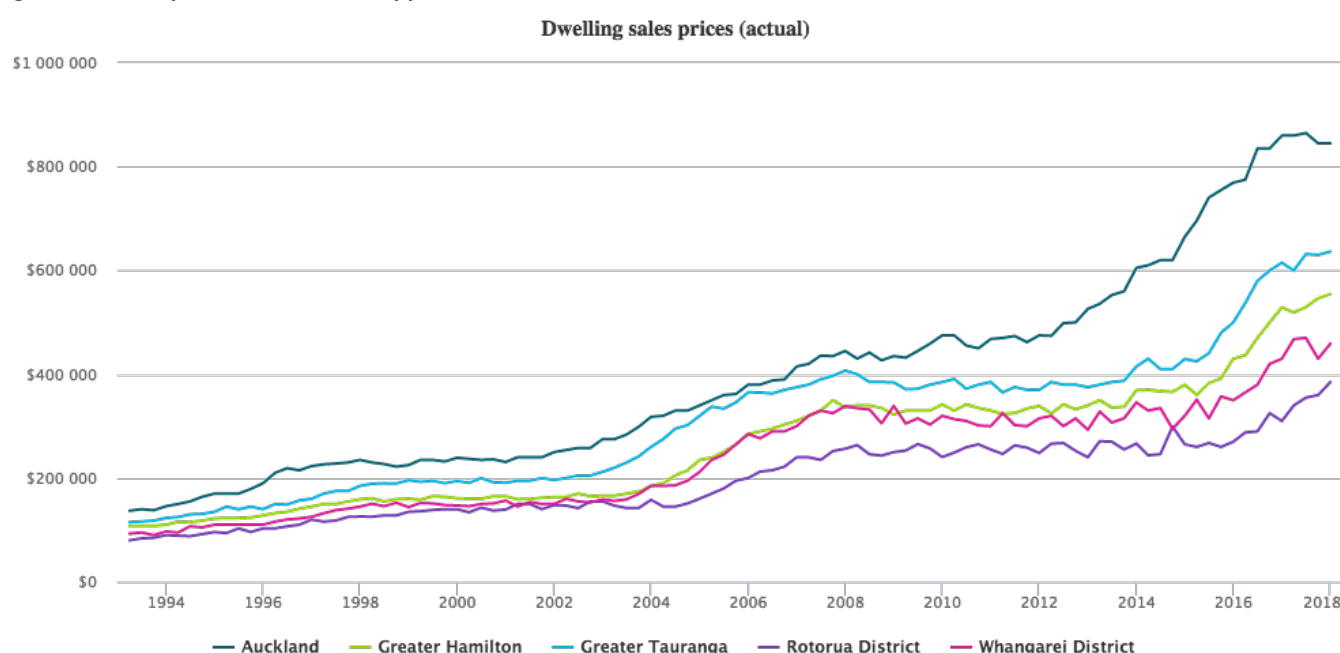
Source: Statistics New Zealand Census 2013; Linked Income-Employee Dataset. Available at <http://nzdotstat.stats.govt.nz>.

For employed people, more affordable housing offsets slightly lower incomes in Whangārei, meaning that the overall cost of living is lower in Whangārei than in many other upper North Island locations. As shown in Figure 5, house prices in Whangārei are considerably lower than many other upper North Island locations. As of early 2018, the average house price in Whangārei is roughly half as much as the average price in Auckland.

However, the District has experienced strong growth in house prices over the last three years, following the price growth trend experienced in other locations throughout New Zealand. This is a sign that demand for housing is increasingly ‘spilling over’ from Auckland to other areas.⁷ Nonetheless, the comparative affordability of housing in Whangārei is likely to be an important factor in attracting people to the District.

⁷ For a statistical analysis of this issue, see Greenaway-McGrevy, R., Grimes, A., and Holmes, M. 2018. Two countries, sixteen cities, five thousand kilometres: How many housing markets? *Papers in Regional Science*.

Figure 5: House price trends in the Upper North Island



Source: MBIE NPS-UDC Dashboard

Statistics New Zealand’s subnational population estimates show that Whangārei’s population increased by 20,700 people between 1997 and 2017 – a 30 percent increase in population. The number of households has increased at a more rapid rate, reflecting an aging population and demographic shifts towards smaller household sizes, and the number of dwellings has grown slightly faster, due to demand for holiday homes.

To understand sources of growth, Figure 6 disaggregates Whangārei’s recent population growth into four principal components:⁸

- Natural increase, or the excess of births over deaths, which we calculate using SNZ data on births and deaths;
- Net international migration of New Zealand citizens, which we calculate using SNZ permanent and long term migration data;
- Net international migration of people who are not New Zealand citizens, which we calculate using SNZ permanent and long term migration data; and
- Net inter-regional migration within New Zealand, which we calculate as a ‘residual’ by subtracting natural increase and net international migration from district-level population growth.

Whangārei has experienced consistently positive population growth since 2002, and a rapid population surge over the last three years. In recent years, the rate of natural increase has slowed due to an aging population. Positive net migration of New Zealand citizens is a key driver of the recent growth surge: Net migration of New Zealanders swung from -960 in 2012 to +150 in 2017. Since 2015, more New Zealanders have returned to Whangārei than have left for overseas. Net migration of non-New Zealanders has also increased, although it remains within the range experienced in the 2000s.

Net inter-regional migration – i.e. people moving from other places within New Zealand – appears to be an important driver to Whangārei’s population growth in recent decades.⁹ Migration from Auckland to Whangārei appears to be the largest component of the change, which is consistent with the hypothesis that high natural amenity and comparatively affordable housing are an attractor for Whangārei.

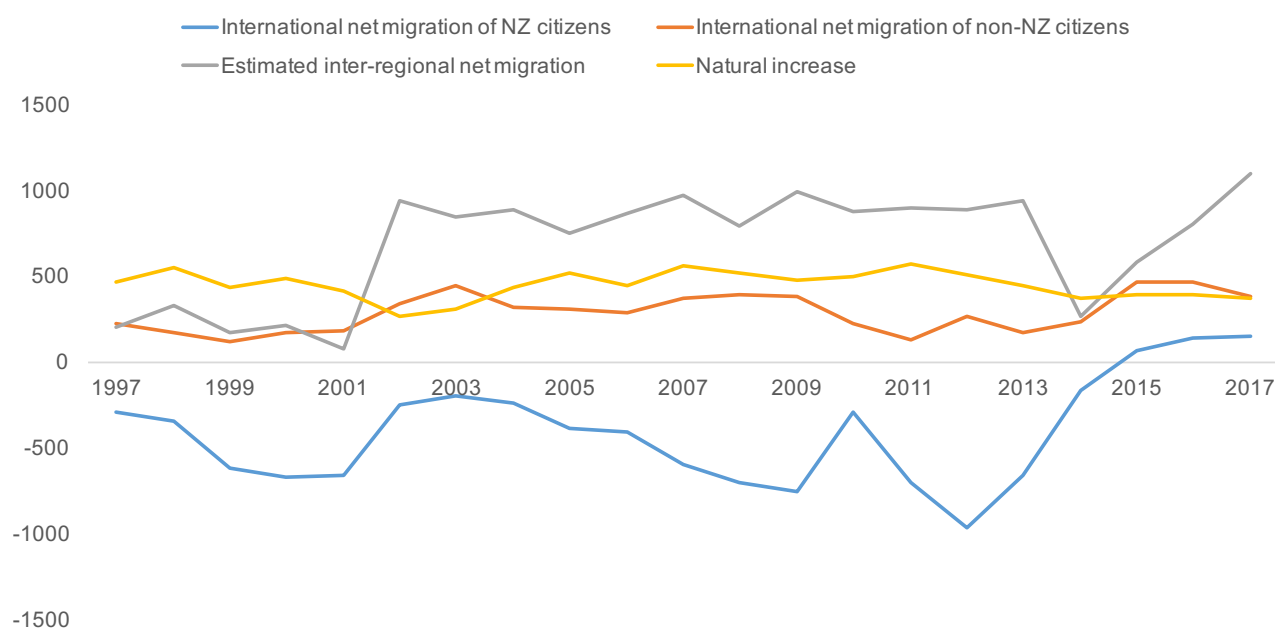
This has important implications for thinking about the future of housing demand in Whangārei. If the District manages to preserve its attractive natural environment and relatively affordable housing while maintaining or improving incomes and labour force participation, then it is likely to experience rapid growth on an ongoing basis, principally by attracting

⁸ The methodology is explained in Appendix A. We note that these estimates do not match up exactly with other sources, such as Census data and a recent Treasury working paper on inter-regional migration. This is due to gaps / inconsistencies between the data sources used to make these estimates.

⁹ We note that this figure is likely to be over-stated due to methodological issues around matching international migration to specific districts. Nonetheless, the conclusion that inter-regional migration is a key source of growth for Whangārei appears robust.

New Zealanders from other regions. Conversely, if house prices moderate in Auckland, it may reduce the amount of growth that spills over to other parts of the upper North Island. At present, the former scenario seems more likely.

Figure 6: Components of population growth in Whangārei, 1997-2017¹⁰



Source: MRCagney estimates based on Statistics New Zealand population estimates, births and deaths statistics, and international migration statistics.

3.2 Future housing demand in Whangārei

As a basis for understanding future growth in housing demand in Whangārei, we employed December 2017 projections of future household growth from the Whangārei Growth Model (WGM). The WGM is based on Statistics New Zealand medium population and household growth projections and hence meets NPS-UDC requirements to employ SNZ medium projections as a basis for analysis. It is slightly higher than SNZ medium projections as it incorporates higher growth rates in several areas.¹¹ In addition, it has been re-based to be consistent with the most recent (June 2017) population estimates for Whangārei.

The WGM converts population growth to dwelling growth using area unit-specific ratios of dwellings to residential population. This method accounts for existing variations in the ratio of occupied to unoccupied homes, and hence indirectly accounts for demand for holiday homes. For instance, in a coastal area with many holiday homes, it would predict that the number of holiday homes will rise in line with the area's residential population. However, a limitation of this method is that it does not formally account for expected future changes in household composition, e.g. due to an aging population.

Table 6 uses WGM projections to estimate the additional number of dwellings required over the short, medium, and long term periods defined in the NPS-UDC, starting with a 2018 base year.

In the last column, it adds in a 20 percent margin for short and medium term demand and a 15 percent margin for long term demand, providing information to help Whangārei District Council give effect to the NPS-UDC policy PC1:

"To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least:

- 20% in the short and medium term, and
- 15% in the long term."

¹⁰ A 2014 report discusses the components of population change in more detail, for example see the appendices in <https://www.nrc.govt.nz/globalassets/economic-development/nidea-report-no-13--northland-region-and-its-territorial-authorities-demographic-profile-1986-2031.pdf>

¹¹ The WGM report states that: "This growth model uses the estimated resident population medium projections from Statistics NZ. There were two area units, one - Marsden Point / Ruakaka - which has experienced recent high growth and another - Port Nikau - that is expected to experience high growth in the next 25 years, that were carefully analysed and amended to include this growth." As a result, WGM's 2028 projection is around 1,600 people higher than SNZ's medium growth projection for 2028.

In total, Whangārei is expected to require an additional 5,370 dwellings over the 2018-2028 period (1.4% annual growth). Once NPS-UDC margins are included, this translates to a feasible development capacity requirement for 6,440 dwellings over the medium term.

Growth is expected to slow in the long term. Between 2028 and 2048, Whangārei is expected to require an additional 5,750 dwellings (0.6% annual growth). Once NPS-UDC margins are included, this translates into a total short + medium + long term feasible development capacity requirement for 13,050 dwellings.

Table 6: Projected growth in housing demand in Whangārei District

Time period	Projected dwellings at end of period	Projected growth	Growth plus NPS-UDC margin	Annual growth rate
Base year (2018)	38,200			
Short term (2018-2021)	39,900	1,750	2,100	1.5%
Medium term (2021-2028)	43,570	3,620	4,340	1.2%
Long term (2028-2048)	49,320	5,750	6,610	0.6%
Total		11,120	13,050	0.9%

Source: Whangārei Growth Model

In Appendix A, we also consider three additional sources of housing demand that may not be captured in the Statistics New Zealand projections that are incorporated into the WGM. These are:

- Latent demand as a result of a past shortfall of housing that has led to household crowding;
- Demand for holiday homes or visitor accommodation in Whangārei District; and
- Demand for student accommodation or seasonal agricultural worker accommodation.

In the aggregate, we conclude that these sources of demand are likely to be minor relative to demand arising from population growth. However, they may affect demand for dwellings in different locations, or demand for dwellings at different price points.

3.2.1 Uncertainty and volatility in housing demand growth

When planning for the future it is important to ask:

- How certain or uncertain long-run growth projections are; and
- How volatile short-run growth trends are likely to be?

To address the first issue – uncertainty – it is necessarily to consider a range of potential outcomes when planning for the future. To highlight this uncertainty, Figure 7 shows SNZ's low, medium, and high population projections for the District. These highlight the potentially broad range of outcomes:

- Under the low projection, Whangārei's population would stop rising in the late 2020s and hold steady after that point, reflecting declining fertility, aging population, and lower inward migration. The District would only grow by 4 percent by the 2040s.
- Under the high projection, Whangārei's population would grow almost twice as rapidly as in the medium projection, reflecting higher fertility rates (e.g. from a younger population) and inward migration that continues at the 2002-2007 and 2012-2017 rate.

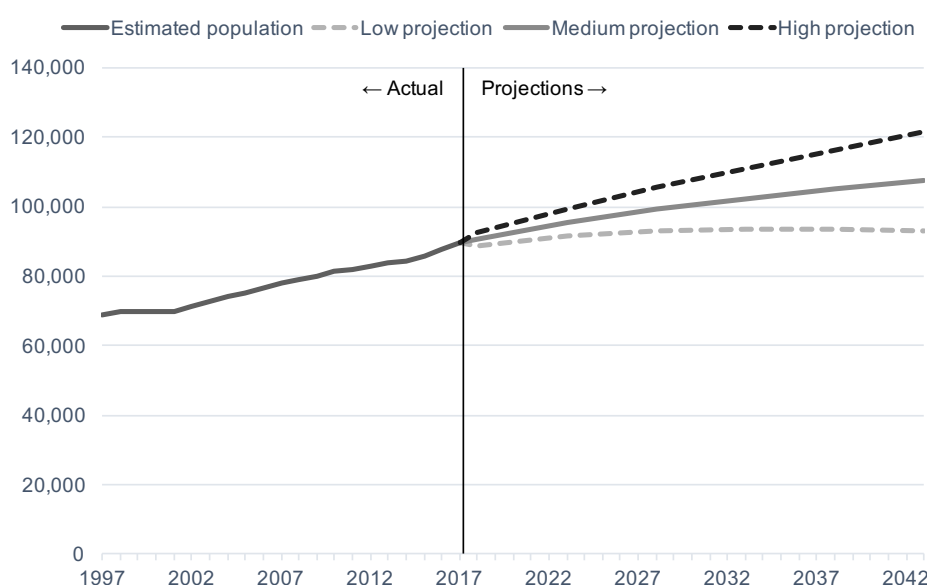
Under the low projection, Whangārei would still face a need to plan for medium-term growth in housing demand, but providing infrastructure to service long-run growth is likely to result in larger financial risks for the District. Under the high

projection, by contrast, Whangārei is likely to find that plan-enabled and infrastructure-enabled development capacity will be consumed more rapidly than expected, which may create the need to provide additional capacity.

Whangārei's growth over the last decade has exceeded both medium and high population projections. The recent surge in net inward migration is the main reason why growth has exceeded high projections. If that had not occurred, then the District's growth is more likely to have tracked between the medium and high scenarios. In 2015-2017, Whangārei added 5,300 new residents. If it had instead been growing at the rate observed in the 2000s, its 2017 population would be 88,000 – around 1,700 people lower than the actual figure. This would still be slightly higher than the medium projection from 2013.

As a result, it may be useful to consider a sensitivity test scenario for growth in housing demand that tracks the mid-point between the medium and high population projections. This scenario would assume that recent rapid growth rates continue over the medium and long term, fed by ongoing inflow from other regions.

Figure 7: Statistics New Zealand population projection range for Whangārei District



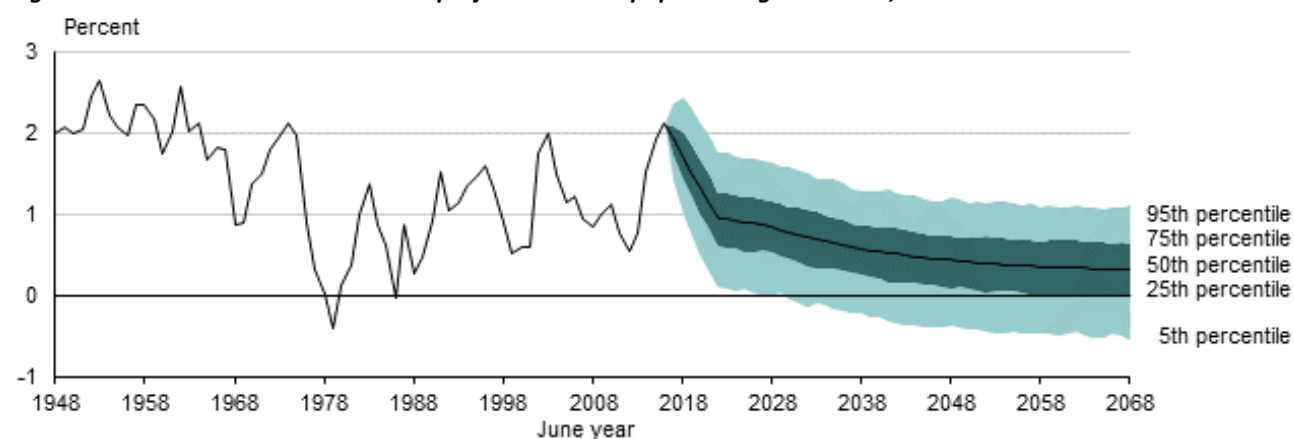
To address the second issue – volatility – it is necessary to consider and track factors that may lead to short-term 'booms' or 'busts' in growth. International and inter-regional migration can change quickly in response to policy changes and economic factors. For instance, inter-regional migration to Whangārei fell off due to the District's slow recovery from the 2008-09 Global Financial Crisis (GFC).

As shown in Figure 8, New Zealand as a whole has historically experienced high volatility in growth rates. This is often driven by swings in international migration, which can flip rapidly from net outflows to large net inflows depending upon the performance of the New Zealand economy relative to Australia and other potential destinations for migrants.

Councils have few policy levers to moderate volatility in growth rates, as they do not set macroeconomic policy or immigration policy. However, volatility is a key risk for councils. When they experience 'busts', as many councils did after the GFC, they may face financial pressures due to a fall-off in development contributions revenue to recoup the costs of infrastructure that was developed to meet expected growth. Conversely, when they experience short-term 'booms', they may face a need to provide additional development capacity via plan changes or new infrastructure provision, which may strain on resources.

In this context, it is important to monitor timely indicators of sudden changes in short-term demand, such as changes in house prices. Although long-term projections provide the most relevant picture of the size of future housing demand, short-term indicators can provide information about the speed at which we are getting there.

Figure 8: New Zealand's historical and projected annual population growth rate, 1948-2068



Source: Statistics New Zealand

3.2.2 Demand by location

Whangārei District includes both urban, urbanising, and rural / coastal locations. As shown in Figure 1, we have divided the district into three broad areas:

- Whangārei City, which comprises the district's main urban centre plus adjacent greenfield areas;
- Ruakaka, which is a rapidly-urbanising area near the south head of Whangārei Harbour; and
- Rural areas, which include a number of rural villages and the majority of the District's coastal environment.

As shown in Table 7, about 80 percent of the projected future demand for housing is split between Whangārei City and its Rural Areas, while the remaining 20 percent is in Ruakaka. This is a new settlement that is expected to growth rapidly in the next ten years. The significant share of the District's growth in rural areas may not necessarily fall within the ambit of the NPS-UDC.¹²

Table 7: Projected short, medium and long term growth in housing demand by area

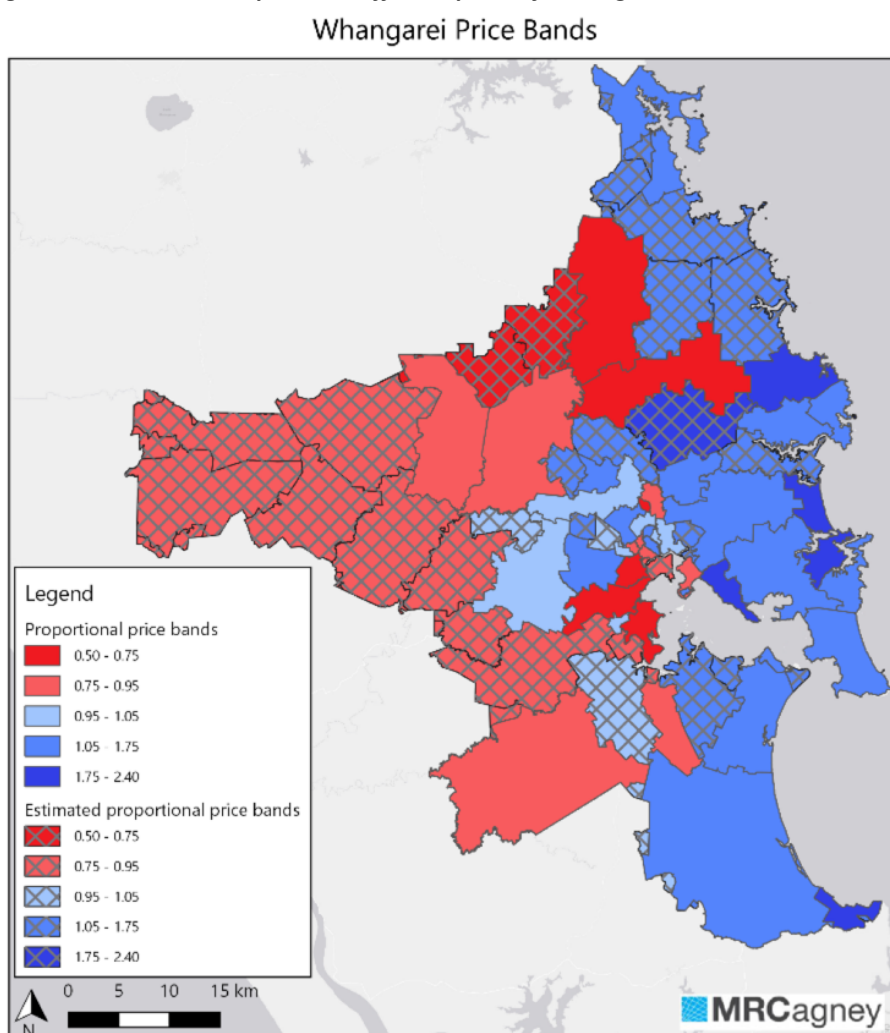
Summary area	2018 - 2021	2021 - 2028	2028 - 2048	Total growth plus NPS-UDC margins
City	700	1,110	2,190	4,690
Ruakaka	420	1,210	930	3,020
Rural	640	1,290	2,640	5,360
Total	1,750	3,620	5,750	13,050

Source: Whangārei Growth Model

Housing demand projections are consistent with data on relative house prices in different areas of the District. As shown in Figure 9, house prices are generally higher, on a like for like basis, in coastal areas, and towards the north of Whangārei City (highlighted in blue). This reflects stronger demand for housing in these areas. Conversely, prices tend to be lower in inland areas of the district and to the south of Whangārei City (highlighted in red). These price patterns are reflected in patterns of current development feasibility, both for greenfield and infill activity.

¹² However, in this assessment we compare all of these demands with the capacity provided in the District Plans for either urban development (including Ruakaka and rural and coastal settlements) or rural residential activity in close proximity to the main urban areas. We exclude capacity in the Rural Countryside and Rural Living Environments. Our assessment therefore takes a conservative view of whether the District Plans provide sufficient capacity to meet demand.

Figure 9: Relative house prices in different parts of Whangārei District



At present, areas around the Whangārei CBD have lower-than-average prices. This limits the feasibility of developing new townhouses or apartments in central areas of the city – but, conversely, it represents a major opportunity for urban transformation. In the following sections, we explore these opportunities in further depth.

3.2.3 Demand by typology

Standalone homes account for the majority of Whangārei’s housing stock, and the majority of recent housing development. Throughout the 1990-2017 period, standalone houses have made up the majority of new construction.

Relative to comparably sized cities around the North Island, Whangārei has experienced little growth in non-standalone dwelling types. Table 8 presents a comparison with six other territorial authorities, five of which had a lower share of standalone homes in new dwelling consents. This highlights some of the factors driving demand for higher-density dwellings in smaller New Zealand cities:

- Townhouses and flats accounted for 10-11 percent of new dwelling consents in Napier and Rotorua, which is likely to reflect demand for proximity to natural amenities that are concentrated near town (coast, lakefront).
- Retirement units accounted for 12-13 percent of new dwelling consents in New Plymouth and Tauranga, reflecting demand for retirement living combined with the ability to ‘cash out’ capital gains in existing homes.
- Apartments and townhouses / flats accounted for 38 percent of new dwelling consents in Hamilton. This reflects an enabling planning environment combined with demand for smaller dwellings from the student population and young working population.

Table 8: Share of new dwellings consented by typology, 2013-2017

Territorial authority	Houses	Apartments	Townhouses / other dwellings	Retirement units
Hamilton City	57%	11%	27%	5%
Napier City	88%	1%	11%	0%
New Plymouth District	81%	1%	5%	13%
Rotorua District	85%	1%	10%	4%
Tauranga City	83%	1%	5%	12%
Whakatāne District	94%	0%	6%	0%
Whangārei District	92%	0%	2%	5%

Source: Statistics New Zealand Building Consents Data

To a significant degree, the mix of dwellings consented in Whangārei reflects relative prices for different dwelling options. As shown in Table 9, a new apartment or townhouse may be comparable in price to an average-priced three-bedroom home. Because different dwelling types are substitutes, low prices for existing houses constrain demand for new apartments and townhouses.

Even when this is the case, higher-density dwelling types can offer some advantages, by allowing more people to live in a place that offers a high level of amenity or good access to jobs (in a large, more congested city). This appears to be the case in several other cities around the upper North Island, where relatively affordable housing coincides with a larger share of townhouse and retirement unit development.

Table 9: Estimated average market values for each typology¹³

	3 Bedroom House	5 Bedroom House	2 Storey Townhouse	3 Storey Apartment	4 Storey Apartment	8 Storey Apartment
Colliers' Low Value	\$ 429,000	\$ 575,000	\$ 336,000	\$ 330,000	\$ 363,000	\$ 363,000
Colliers' High Value	\$ 474,500	\$ 667,000	\$ 390,000	\$ 385,000	\$ 423,500	\$ 423,500
Average Value	\$ 451,750	\$ 621,000	\$ 363,000	\$ 357,500	\$ 393,250	\$ 393,250
Estimated Value of <u>New Dwellings</u>	\$ 524,030	\$ 720,360	\$ 421,080	\$ 414,700	\$ 456,170	\$ 456,170

3.2.4 Demand by price point

Whangārei has followed a similar trend to other upper North Island places but remains comparatively affordable. Nonetheless, it faces some housing affordability challenges, which are likely to be more of a function of low incomes than high house prices or rents. We note that this conclusion bears careful monitoring given recent 'spill-over' in prices from Auckland.

¹³ Market values for different typologies and apartment heights vary with cost and quality attributes. For example, 4 and 8 storey apartments would include a lift (which increases construction costs) and better views than a 3 storey apartment.

Housing affordability challenges for households with lower incomes can manifest in several ways:

- Household crowding as people share dwellings that are too small to accommodate them comfortably and safely. Crowding rates declined in Whangārei between the 2001 and 2013 Census, and remain slightly below the national average. Nonetheless, the fact that 8.5 percent of people in the District live in crowded accommodation is a signal of ongoing housing stress related to low incomes.
- Rising needs for social and emergency housing provided by Housing New Zealand and other community housing providers. Ministry of Social Development data suggests that the number of people applying for social housing has jumped up in recent years, a potential indicator of rising housing stress in some parts of the market.

This data provides a picture of the current and recent state of housing stress and housing affordability in Whangārei – it is not a forecast of future outcomes. However, present-day needs and stresses are likely to persist. This highlights the need for planning policy to make room for:

- Social housing provision to address pockets of need; and
- Provision of low-cost dwellings for single-person households on low incomes, who appear to constitute a significant part of the existing market.

Housing New Zealand and other social housing providers expect to expand provision to meet rising demand for social housing. The Ministry of Social Development (MSD)'s *2016 Purchasing Strategy* describes the quantity and types of social housing places that it expects to fund over the four-year period from 2016, for every territorial authority in New Zealand.

While the *Purchasing Strategy* will be reviewed in light of more recent Government policy directions, it indicates a need to increase social housing supply in Whangārei District. It states that 100 additional subsidised social housing places are required, which comprises the following dwelling types:

- 40 x 1-bedroom dwellings;
- 40 x 2-bedroom dwellings;
- 15 x 3-bedroom dwellings; and
- 5 x 4+ bedroom dwellings

In short, MSD expects an increase in social housing places for 1-bedroom, 2-bedroom and 3-bedroom dwellings while maintaining the number of existing 4-bedroom places in Whangārei District. This is an important component of housing demand that is not likely to be met by commercial developers building market-rate housing, and should be considered as a distinct type of housing demand.

3.3 Housing capacity

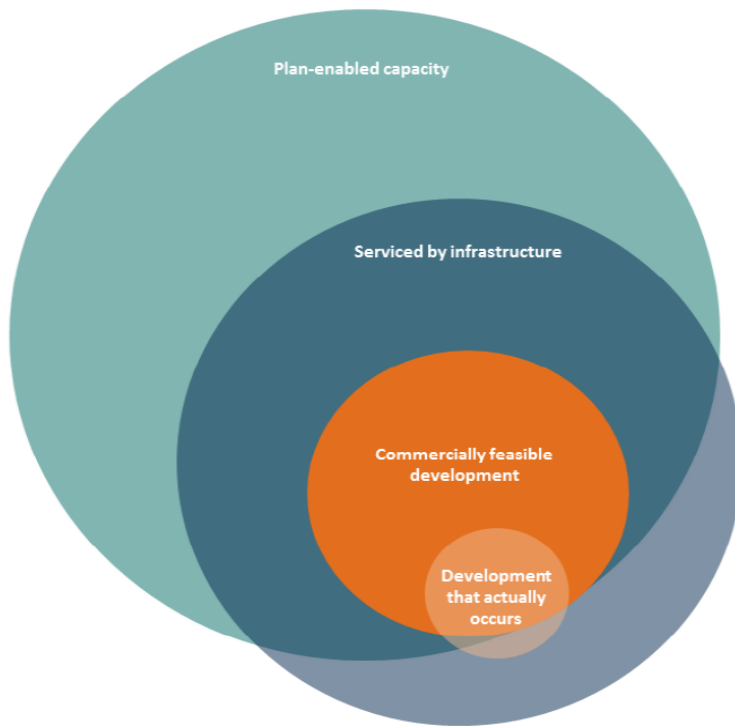
As required by the NPS-UDC, we assessed the capacity for housing development in Whangārei that is:

- Plan-enabled, i.e. development that Resource Management plans enable, including that which may not yet be serviced by infrastructure.
- Supported by development infrastructure, which means network infrastructure for water supply, wastewater, stormwater and land transport as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities. The NPS-UDC requires plan-enabled capacity to be supported by this infrastructure being in place, or identified in a council's long-term plan, or in the council's infrastructure strategy. In some parts of an urban area infrastructure may have spare capacity that could support more development than the plan allows.
- Feasible to develop, which the NPS-UDC defines as "development that is commercially viable, taking into account the current likely costs, revenue and yield of developing".

We then compared this to projected demand for housing plus the margins of 20 percent in the short and medium term and 15 percent in the long term.

Figure 10 **Error! Reference source not found.** shows the different components of capacity.

Figure 10: Components of development capacity



Plan-enabled capacity is likely to be larger than capacity which is serviced by infrastructure, which in turn is likely to be larger than the amount of development capacity that is currently feasible for a developer. For example, some capacity might be in locations where current prices do not support re-development to the extent allowed. Thus the “commercially feasible” circle is a subset of, and is smaller than, the “plan-enabled” one.

This does not mean that there is no value in providing development capacity that is not assessed as being currently feasible. Enabling additional development provides flexibility to test new development typologies that may not currently be common in the market. It also means that plans are better able to respond to changing demands for housing, either due to price changes across the entire market or due to localised changes that make an area more attractive for different types of housing. In addition, enabling smaller dwellings and denser development can be important for improving housing affordability in some parts of the market, e.g. by lowering the cost of providing social housing.

Development that actually occurs (‘take up’) is likely to be less than what is assessed to be commercially feasible, as some sites may be owned by people who would prefer not to develop them even if it were profitable to do so. Conversely, as indicated in the diagram some actual development may fall outside areas enabled by the District Plan, as developers may obtain a private plan change or non-complying or discretionary resource consent. We therefore considered the likely take up of feasible development capacity based on past development trends.

3.3.1 Overview of methodology

As development of housing is a staged process, involving first land development and then building, we separately assessed the plan-enabled and feasible development capacity for greenfield land development on large vacant (or largely vacant) sites, and building development on smaller sites that are already mainly subdivided and serviced.

In order to do so, we developed a spreadsheet model for this housing development capacity assessment and Whangārei District Council’s ongoing use, which is described in some detail in Appendix D. This model calculates:

- plan-enabled and feasible capacity
- for land development and for building development (via both infill and redevelopment)
- under the Operative District Plan and the Draft District Plan.

The process of producing these calculations involved several steps:

- a) The inputs to the model involved **GIS analysis** to join together multiple spatial datasets, including data on LINZ primary parcels (the basis for the analysis), building footprints, rates assessments, Whangārei District Plan Environments (both operative and draft), a vacant land dataset, and data on designations, natural hazards and slope. We then calculated the area on each site that would be available for infill development (taking into account existing building footprints, road access, and the size and shape of the site) or redevelopment. This process is explained in detail in Appendix C.
- b) We developed an Excel model with two separate modules:
 - A module to calculate the capacity of land development on larger (>1 hectare) sites, which we refer to as greenfield land development; and
 - A module to calculate the capacity for building development on smaller sites (<1 hectare) which includes building on smaller vacant but serviced sites, infill development and/or the redevelopment of whole sites.
- c) We developed spreadsheets for each module that incorporate the parcel level data produced with the GIS analysis, and calculate:
 - plan-enabled capacity (for the Operative District Plan and the Draft District Plan)
 - commercially feasible capacity to develop new housing under each of these District Plan scenarios (and with alternative scenarios for market conditions).

Plan-enabled capacity for new building development (via infill or redevelopment) was estimated based on the key district plan rules of minimum lot size, maximum building coverage / impermeable area, and maximum building height, and subtracting off the number of existing dwelling units on the site to obtain the net increase.

Per the NPS-UDC, commercially feasible capacity for new building development is calculated based on the relative magnitude of development revenues (i.e. the sale price for new dwellings) versus development costs (i.e. costs to acquire a site and construct a new dwelling on it). Commercially feasible capacity for new building development was also calculated at a site level. Feasible capacity calculations are based on current (second half of 2017) prices and costs, but we also sensitivity tested alternative price/cost scenarios. This process, and the greenfield land development methodology, is explained in Appendix D.

We calculated greenfield land development capacity differently. We modelled the profitability of developing new residential sections on existing vacant (or largely vacant) sites over one hectare for four case studies. We tested development in two areas zoned for suburban residential development (Living 1 in the operative district plan, which enables a minimum lot size of 500m²) and two areas zoned for lower-density residential development (Living 3 in the operative district plan, which enables a minimum lot size of 2000m²). We then extrapolated these results out over the broader population of sites based on relative prices in those areas.

In doing so, we note that this represents an area for future improvement of the modelling, e.g. by extending the greenfield land development feasibility modelling to a larger population of sample sites.

- d) We added in 'exogenous' capacity where draft or final master plans or precinct plans existed including Nikau Point (first stages only), Marsden Primary Centre precincts 1 and 2 and several new and large subdivisions at One Tree Point, where developers have lodged plan changes or consent applications for new dwellings. These areas were considered to be enabled and feasible due to the fact that there is demonstrated demand to build there. In general, these locations aligned with locations where modelling suggests that greenfield development is feasible, which provides a useful 'ground truth' on our estimates. This analysis is explained in Appendix.
- e) After estimating plan-enabled and feasible capacity for new dwellings, we reviewed these results with Whangārei District Council's planning and infrastructure teams to confirm that areas with plan-enabled or feasible capacity are serviced by development infrastructure, either via current capacity or via the draft 2018-2028 Long Term Plan. With some minor exceptions, this confirmed that development infrastructure is currently available to serve growth.

Finally, we reviewed Whangārei District Council's consents monitoring reports to draw some conclusions about likely take up of feasible development capacity for housing.

3.3.2 Plan-enabled capacity

We report plan-enabled capacity for the two scenarios described in Section 2.2: The Operative District Plan and the Draft District Plan. Key results are reported in the following tables. A detailed breakdown of results, including a breakdown by District Plan environment, is provided in tables and maps at the end of this Housing section. Appendix B provides further detail about our approach to assessing plan-enabled capacity, including the zones and Environments that were included.

Table 10 summarises plan-enabled capacity results for the Operative District Plan, broken down into three areas and divided between different types of development. This suggests, that, under the Operative District Plan, Whangārei District has plan-enabled capacity to add up to 26,214 new dwellings, if greenfield capacity, master plan areas, infill and redevelopment capacity is included.

The majority of plan-enabled greenfield or infill/redevelopment capacity within the primary residential Environments is in Whangārei City. Interestingly there appears to be a significant amount of infill / redevelopment capacity in rural areas, predominantly in urban residential Environments in rural and coastal towns. This reflects the effects of the recent Rural Zone plan change, which rezoned serviced sites to allow for lower minimum lot sizes relative to the previous zoning.

Table 10: Plan-enabled capacity to develop new housing under Operative District Plan scenario

Area	Whangārei City	Ruakaka	Rural areas	District total
Greenfield Capacity (large vacant / vacant potential sites)	7,145	474	3,001	10,620
Infill Capacity	6,937	845	2,964	10,746
Infill or Redevelopment Capacity	9,980	1,021	3,227	14,219
Greenfield + Vacant + Infill or Redevelopment Capacity (maximum capacity)	17,650	2,336	6,228	26,214

Table 11 summarises plan-enabled capacity results for the Draft District Plan scenario. This suggests that the Draft District Plan would increase plan-enabled development capacity to up to 29,516 new dwellings, if greenfield capacity, master plan areas, infill and redevelopment capacity is included.

The Draft District Plan would add about 3,300 dwellings, mostly by increasing greenfield capacity at Ruakaka, reflecting the rezoning of a large portion of the Future Environment to the Urban Residential Environment. The Draft District Plan would also increase enable higher densities, producing more infill capacity in Ruakaka and redevelopment opportunities in the city.¹⁴

Table 11: Plan-enabled capacity to develop new housing under Draft District Plan scenario

Area	Whangārei City	Ruakaka	Rural areas	District total
Greenfield Capacity (large vacant / vacant potential sites)	7,706	2,088	3,001	12,795
Infill Capacity	6,826	1,068	2,964	10,858
Infill or Redevelopment Capacity	10,665	1,386	3,227	15,278
Greenfield + Vacant + Infill or Redevelopment Capacity (maximum capacity)	19,176	4,124	6,223	29,528

¹⁴ The housing model calculates whether more dwellings would be produced through redevelopment than infill under the Draft District Plan.

3.3.3 Plan-enabled capacity for new social housing

As noted in Section 3.2.4, the Ministry of Social Development has signalled increased supply of social housing in Whangārei in order to respond to acute housing needs that cannot be met by market-rate housing. As a result, we discussed opportunities and constraints to supply new social housing with Housing New Zealand, which is Whangārei District's largest (but not only) social housing provider and a major landowner in the city.

The maximum permitted density for the Living 1 zone is 1 unit per 500 m². This can act as a constraint to redeveloping Housing New Zealand sites to increase the supply of smaller (1-bed and 2-bed) dwellings. It would not necessarily stop redevelopment, but it would reduce the yield from redevelopment and hence make it more difficult to deliver new social housing.

Besides the maximum density rule, other standards such as maximum height, site coverage/impermeable surface coverage, and minimum parking requirements may pose targeted issues for Housing New Zealand. For instance, a minimum parking requirement of two parking spaces per unit may be excessive for 1-bed units.

Providing minor residential units could be an effective way for Housing New Zealand to deliver more housing on its sites.¹⁵ Constructing a minor household unit on a site would allow Housing New Zealand to rent it to a household separate from the household in the principal dwelling. The District Plan currently provides for minor residential units in the Kamo Low Density Living Precinct and the new rural zones.

We also note that zones such as Business 1, which includes Whangārei's Central Business District, residential activities are permitted subject to standards such as building height and outdoor living courts. In this regard, Housing New Zealand or other public housing providers may choose to increasing public housing supply in this zone to meet the demand for social housing places by either purchasing existing units, leasing existing units, converting business space to units or constructing new units.

3.3.4 Feasible capacity

Here, we report commercially feasible capacity for the two scenarios described in Section 2.2: The Operative District Plan and the Draft District Plan. Key results are reported in the following tables. A detailed breakdown of results, including a breakdown by District Plan zone or Environment, is provided in tables and maps at the end of this Housing section.

Commercial feasibility is calculated based on estimated prices and costs in the current (late 2017) Whangārei market. Appendix D provides further detail about our approach to assessing feasible capacity, including a description of the model.

Table 12 summarises feasible capacity results for the Operative District Plan, broken down into three areas and divided between different types of development. This suggests, that, under the Operative District Plan, Whangārei District has feasible capacity to add up to 11,129 new dwellings, if greenfield capacity, master plan areas, infill, and redevelopment capacity is included.

In total, 43% of overall plan-enabled capacity is feasible. However, the majority of feasible capacity is estimated to be in greenfield areas, while only a small share of infill / redevelopment capacity is presently feasible. This is consistent with observed outcomes for take-up of development capacity in Whangārei, which suggests that modelling provides a realistic picture of current market conditions.

Roughly half of feasible capacity is in Whangārei City, followed by Rural Areas. Of note is the fact that there appears to be a significant amount of feasible infill in suburban residential zones in rural towns, mainly along the coast. This reflects relatively high prices and demands in these locations, as well as the increased flexibility to infill or subdivide large sites resulting from the recent Rural Zone plan change.

¹⁵ A minor residential unit is a residential unit located no more than 15.0 metres from another residential unit on the same site/lot with a gross floor area of no more than 70.0m², excluding the gross floor area used exclusively for the storage of motor vehicles in association with the minor residential unit.

Table 12: Commercially feasible capacity to develop new housing under Operative District Plan

Area	Whangārei City	Ruakaka	Rural areas	District total
Greenfield Capacity (large vacant / vacant potential sites)	4,801	474	2,377	7,652
Infill Capacity	603	56	1,407	2,066
Infill or Redevelopment Capacity	623	57	1,422	2,102
Greenfield + Vacant + Infill + Redevelopment Capacity (maximum capacity)	5,949	1,381	3,799	11,129

Table 13 summarises feasible capacity results for the Draft District Plan. This suggests that the proposed urban plan change will increase feasible capacity to up to 13,046 new dwellings, if greenfield capacity, master plan areas, infill, and redevelopment capacity is included. This is an incremental increase to capacity, reflecting the incremental changes to greenfield capacity, which is generally assessed as being comparatively feasible.

Table 13: Feasible capacity to develop new housing under Draft District Plan

Area	Whangārei City	Ruakaka	Rural areas	District total
Greenfield Capacity (large vacant / vacant potential sites)	4,923	2,088	2,377	9,388
Infill Capacity	678	79	1,407	2,164
Infill or Redevelopment Capacity	694	87	1,422	2,203
Greenfield + Vacant + Infill + Redevelopment Capacity (maximum capacity)	6,422	2,825	3,799	13,046

3.3.4.1 Scenario testing

The commercial feasibility results above represent a ‘point in time’ snapshot of the market, rather than a prediction of what might occur in the future. It is important to be aware that future changes in prices and costs will in turn change what is feasible, both in terms of the total quantity of feasible development and the location and typology of feasible dwellings.

It is likely that prices and costs will change in the future as demand for housing evolves. On one hand, Whangārei can expect to experience the effects of increases in construction costs as demand for construction services increases throughout New Zealand, as there is a national market in materials and (to an extent) in construction labour. This may place new development under cost pressure. On the other hand, ongoing spill over in population growth and house prices from Auckland and other upper North Island locations is likely to increase prices for both new houses and residential land. If prices increase more rapidly than costs, this will increase the feasibility of developing housing, including via infill and redevelopment.

In addition, population growth driven by inward migration from other countries or regions may change the composition of housing demand. Some new residents may expect different types of housing than are currently available in Whangārei, such as centrally located apartments or townhouses in attractive coastal areas. This may increase the feasibility of infill and redevelopment of these areas.

To assist in understanding how changes to housing demands and house prices will affect feasible capacity, we modelled a range of scenarios for the relative level of dwelling prices to costs using data on price-cost ratios for housing published on MBIE’s NPS-UDC Dashboard.¹⁶

¹⁶ As land prices are likely to rise alongside house prices, we have scaled up both house and land prices using the price-cost ratio, while holding construction costs constant.

The price-cost ratio for housing can be thought of as a ‘sweet spot’ indicator. If it is too low, e.g. substantially below one, it indicates that new dwellings are unlikely to be profitable to develop, as sales revenues may not be high enough to recoup construction costs. In this case, little development will occur. Conversely, if the ratio is too high, e.g. two or above, it indicates that house prices have ‘decoupled’ from the fundamental cost to build new houses, creating adverse impacts on housing affordability.¹⁷

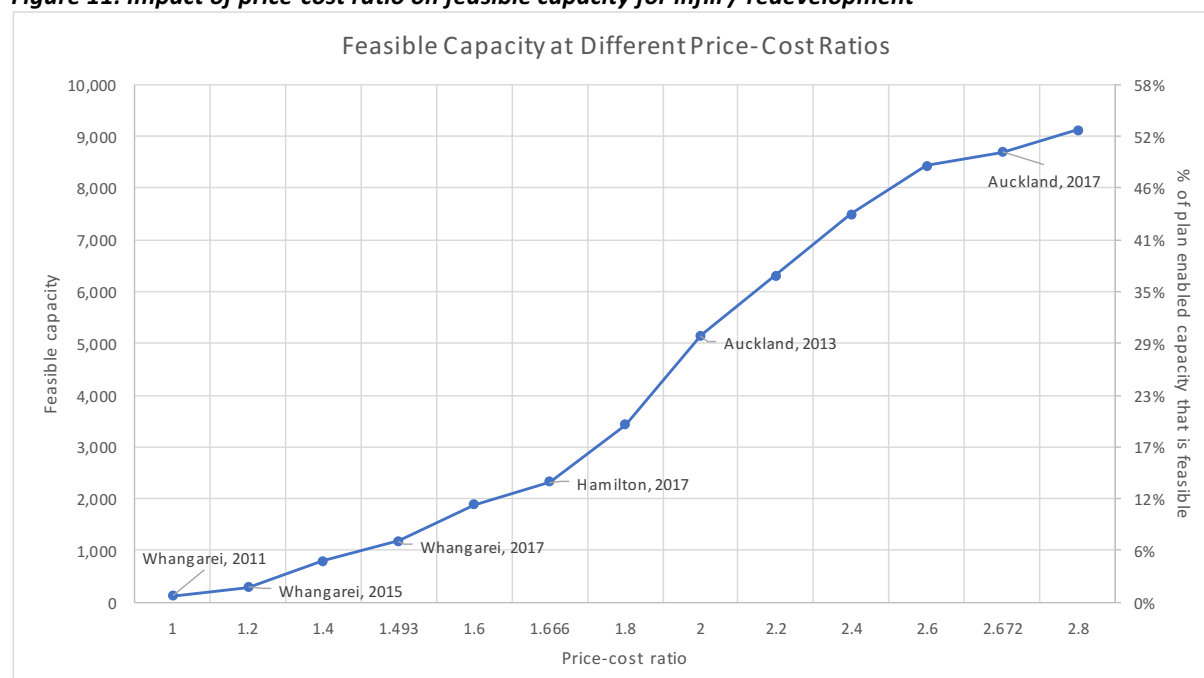
The minimum price-cost ratio in Whangārei from 2007-2017 was 1.06, and the maximum in Auckland for the same period was 2.73, so we performed sensitivity tests by testing price-cost ratios ranging from 1 to 2.8. Figure 11 shows the impact of varying price-cost ratios on feasible capacity for infill and redevelopment in Whangārei. We find that feasible capacity results are sensitive to the price-cost ratio, including to short-run changes in the price-cost ratio that have been observed in Whangārei over the last three years.

Recent growth in housing demand in Whangārei is likely to have increased the share of infill and redevelopment capacity that is feasible to develop, albeit at the margins. Future growth in housing demand may lead to further changes to the share of infill and redevelopment capacity that is feasible to develop. It is also likely to change the *composition* of the types of dwellings that are feasible to develop.

As Figure 14 shows, there is an incremental increase in the number of feasible dwellings in the range between Whangārei’s 2011 price-cost ratio and Hamilton’s 2017 price-cost ratio. Past this point, the number of feasible dwellings increases more rapidly. This reflects a shift towards increased feasibility for townhouses and apartments at higher price levels. However, this also shows that this effect exhibits diminishing returns past a certain point.

While it is difficult to predict how prices and construction costs will evolve over the medium or long term, this sensitivity testing can be used to define scenarios for what might occur under different market conditions. This can then be linked to monitoring under the Future Development Strategy to allow capacity assessments, and expectations for the form and location of development activity, to be incrementally updated in response to new information.

Figure 11: Impact of price-cost ratio on feasible capacity for infill / redevelopment



3.3.5 Availability of development infrastructure

¹⁷ Nunns (2018) provides statistical evidence that regional price/cost ratios rise in response to ‘shocks’ to housing demand, such as migration inflows, increases in incomes, or increases in employment demand. Furthermore, this paper demonstrates that the quantity of new dwelling consents rises in response to a higher price/cost ratio, albeit to a different degree depending upon whether there are constraints on new housing supply.

We reviewed Whangārei District Council's Long Term Plan and Infrastructure Strategy and worked with the Council's infrastructure managers to confirm the availability of development infrastructure in areas zoned for urban development in the Operative and Draft District Plans.

This process confirmed that all key water and wastewater infrastructure required to support capacity zoned in the Operative and Draft District Plans is either in place, funded in the Long Term Plan for the medium term or in the Infrastructure Strategy for the long term.

The one exception to this is at Ruakaka/Marsden Point, where future infrastructure capacity will not be sufficient to support all of development projected on land zoned as "Future Environment" under the Operative District Plan. The Council proposes to address this by rezoning one-third of that land for Countryside Living and allocating two-thirds to the Urban Residential Environment (as identified in the Draft District Plan). We have not included the Future Environment in our estimates of development capacity under the Operative Plan as this it is not yet formally zoned. We have counted the Urban Residential Environment in our estimates of development capacity under the Draft District Plan.

Likewise, transport infrastructure exists or is planned to support development capacity enabled in the District Plans, with the exception of some roading infrastructure required to support Nikau Point in the long term. This may be soon resolved, but in the meantime we have not counted housing or business development capacity at Nikau Point that is not known to be serviced by development infrastructure.

Key New Zealand Transport Agency improvements to State Highway 1 between Whangārei and Warkworth are currently under review. This does not affect development capacity, but it may influence growth in housing and business demand, especially at Ruakaka/Marsden Point, and limit the likelihood of a high growth scenario.

3.3.6 Take up of development capacity

The NPS-UDC requires local authorities to assess the take-up of feasible development capacity in their area. If this shows a significant proportion of feasible capacity is not actually being developed, the NPS-UDC suggests that local authorities use the information to set a higher margin over and above projected demand that they need to meet with additional capacity.¹⁸

Generally speaking, it is expected that not all plan-enabled and feasible development capacity will be taken up in the life of a District Plan. This is often somewhat offset by 'off the plan' development from private plan changes or non-complying / discretionary resource consents. The relationship between what is planned for and what actually gets developed ('take up') depends on the intentions of land owners and developers, population growth and the dynamics of the property cycle, as well as how the District Plan is implemented. Take up could be very low in situations where, for example, a significant proportion of feasible capacity is held by a major landowner that does not wish to see it developed or would prefer to release the land slowly over time. In such a situation the local authority may need to consider significantly increasing development capacity for housing, or re-locating it.

We have not found any evidence that low take-up is a problem in Whangārei that would warrant significantly discounting capacity estimates. Rather, we have found an interesting pattern where past subdivision development appears to have proceeded in advance of demand, while building development has responded to demand.

The NPS-UDC Guide on Evidence and Monitoring recommends that local authorities investigate information about past consents as one indicator of the future take-up of development capacity.

In Whangārei District, the past practice of issuing non-complying and discretionary resource consents sporadically throughout the rural and coastal parts of the district resulted in significant land subdivision where the plan did not strictly enable development. Subsequently, additional housing development has been built and will continue to be built on these lots as of right.

¹⁸ The relevant NPS-UDC policies are:

PC1: "To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least:

- 20% in the short and medium term, and
- 15% in the long term.

PC2: "If evidence from the assessment under policy PB1, including information about the rate of take-up of development capacity, indicates a higher margin is more appropriate, this higher margin should be used.

The rural package of plan changes has, to a large extent, consolidated these patterns of subdivision within a number of new rural Environments including the Rural Urban Expansion Environment (RUEE) and the Rural Living Environment. This consolidation of past rural subdivision consenting has contributed to development capacity and the district plan's ability to provide sufficient feasible development capacity.

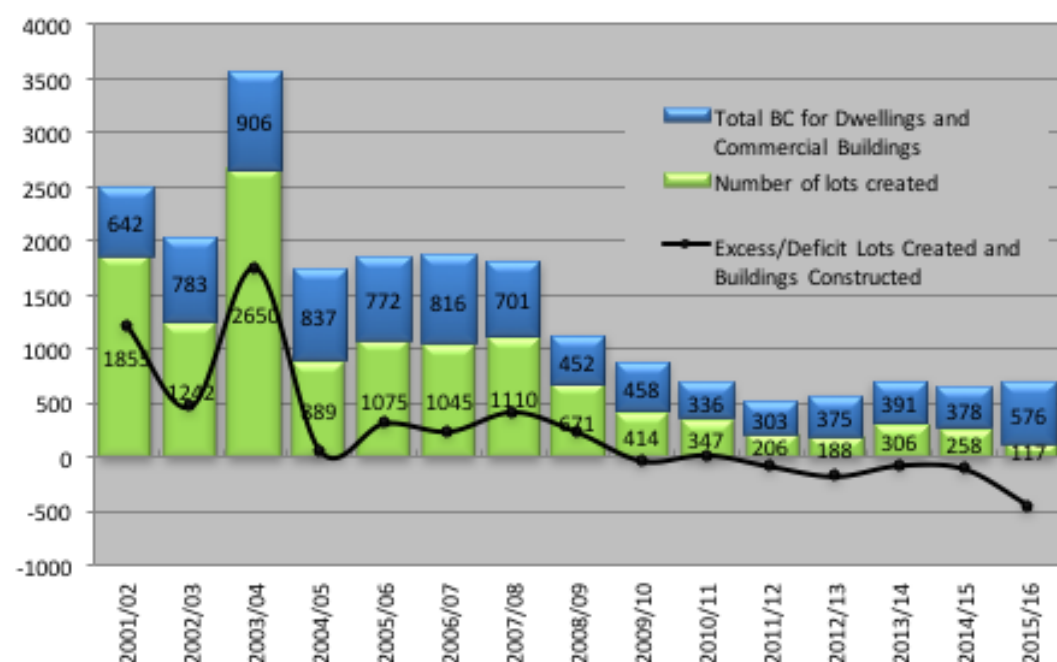
The Council has signaled that it will tightly implement this package of rural plan changes and the Draft District Plan, and discourage unplanned development in the future. As a result, it will be important to adopt a more 'proactive' approach to enabling development capacity, rather than the historical 'reactive' approach of waiting for private applications. This includes monitoring new subdivision and construction activity in zoned areas.

3.3.6.1 Monitoring the number of lots created and new building consents issued

Whangārei District Council has been actively monitoring the take up of development in the district via its Resource Consents Monitoring / Development Report. The latest draft report is the sixteenth in a series beginning in the 2001/02 financial year, thus enabling trend analysis of data over the last 16 years or so. Much of the information that follows in this section has been drawn from the draft 2016/2017 Resource Consents Monitoring / Development Report.

Figure 12 shows that prior to 2010 many more lots were created in Whangārei District than building consents were issued for new dwelling and commercial consents. Many of these were in the Districts rural and coastal areas. This has created a significant surplus of residential and commercial lots many of which remain vacant today and which contribute to the plan enabled capacity reported in this assessment.

Figure 12: Lots Created and New Builds Comparison for the Whangārei District 2001/02-2015/16



However, this trend changed from 2010/2011 as fewer lots were created than in previous years and the creation of new lots was more on par with the number of building consents issued per annum for new builds. Most recently, building consents have begun to outnumber new lots being created. Building consent numbers are on track to reach the numbers of new building consents issued before the Global Financial Crisis. We therefore anticipate that in the short and medium term future, further consolidation of development, and development of existing lots in the District will occur.

In addition, there is also evidence of recently lodged and approved subdivision consents in the 2017/2018 year which suggests that more subdivided lots are being created to meet demand, particularly in Marsden Point/ Ruakaka.

Figure 13 illustrates that building consents for new dwellings and commercial buildings continue to increase but are still below the peak years of 2003/2004 and 2006/2007. While the trend line for the 15 years is one of general decline the increase over the past two to three years is signaling a clear upward trend.

Figure 13: Building Consents for New Dwellings & Commercial Buildings Granted from 2001/02-2016/17

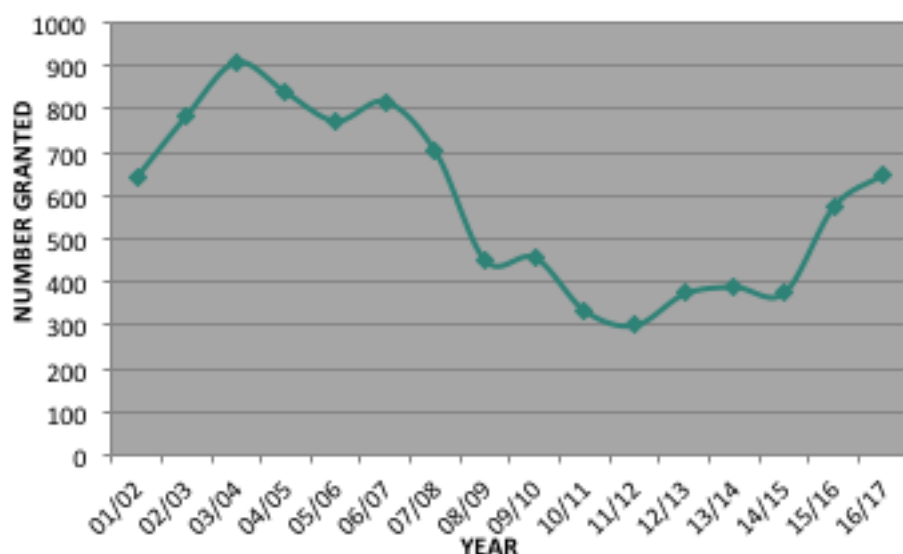
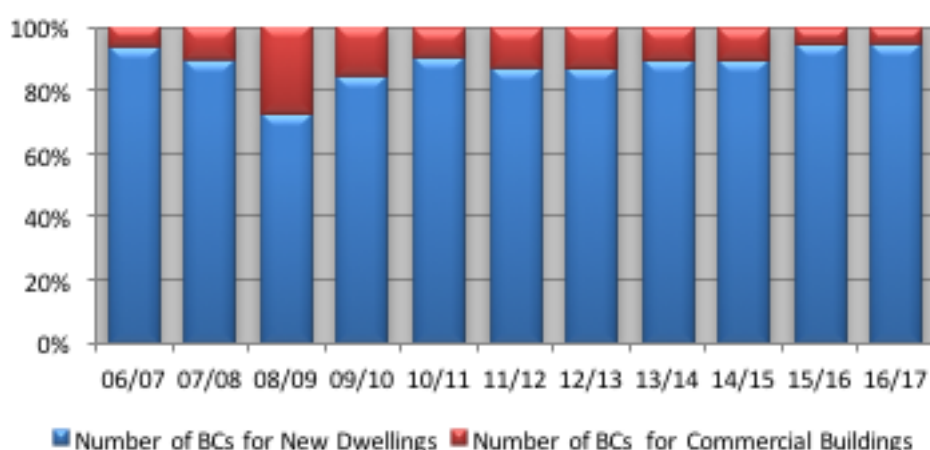


Figure 14 demonstrates that apart from one year (2008/09), the vast majority of new building consents issued have been for new residential buildings.

Figure 14: Comparison of Building Consents for New Dwellings & Commercial Buildings



3.3.6.2 The spatial distribution of new building consents

Figure 15 shows that building consents for new dwellings and commercial buildings are concentrated around Whangārei City, Maunu and Three Mile Bush and on the Tutukaka Coast, Parua Bay, Marsden Point/Ruakaka and southern Bream Bay.

While the *Whangārei District Growth Strategy* and the rural package of plan changes envisage reducing the amount of sporadic rural development, and concentrating development in identified urban and rural nodes, the large number of subdivided lots in these areas are likely to result in a similar pattern of development (via building consents) occurring for several more years yet.

This may change over time if development opportunities in identified nodes of development and areas of settlement, including Whangārei City, Marsden Point/Ruakaka, three growth nodes at Hikurangi, Parua Bay and Waipu, five urban villages, two rural villages and eight coastal villages get taken up more rapidly. Over the longer term the spatial distribution of development should show a pattern of more development in these locations, with reduced sporadic development in rural areas and less ribbon development along the coast and transport routes.

3.4 Sufficiency of housing capacity to meet demand

In this section, we compare projected future housing demand by time period (plus NPS-UDC margins) against plan-enabled and feasible capacity. The aim of reporting both comparisons is to understand whether any shortfalls in capacity against demand are due to a lack of zoned and serviced capacity to build new housing, or due to

3.4.1 District-wide sufficiency

Table 14 presents results for the Operative District Plan scenario. Under this scenario, there is sufficient plan-enabled capacity to meet short, medium, and long term demand. When commercial feasibility is taken into account, capacity is sufficient to meet short and medium term demand, but falls short of meeting projected long term demand.

Table 14: Sufficiency of plan-enabled and feasible capacity to meet demand - Operative District Plan

Time period	Short term (2018-21)	Medium term (2021-28)	Long term (2028-48)
Demand			
Projected dwelling growth	1,750	5,370	11,120
Growth + NPS margin	2,100	6,440	13,050
Plan-enabled capacity			
Greenfield + Infill or Redevelopment Capacity (maximum capacity)	26,210		
Sufficient to meet demand?	Yes	Yes	Yes
Feasible capacity			
Greenfield + Infill or Redevelopment Capacity (maximum capacity)	11,130		
Sufficient to meet demand?	Yes	Yes	No

Table 15 presents results for the Draft District Plan scenario. For this scenario feasible and plan-enabled capacity would be sufficient to meet demand in the short, medium, and long term (just). As noted above, the Draft District Plan would make modest increases to both plan-enabled and feasible capacity. Notwithstanding our results for feasibility under current prices, these changes are important to 'future proof' the district for future growth and change.

Table 15: Sufficiency of plan-enabled and feasible capacity to meet demand - Draft District Plan

Time period	Short term (2018-21)	Medium term (2021-28)	Long term (2028-48)
Demand			
Projected dwelling growth	1,750	5,370	11,120
Growth + NPS margin	2,100	6,440	13,050
Plan-enabled capacity			
Greenfield + Infill + Redevelopment Capacity (maximum capacity)	29,520		
Sufficient to meet demand?	Yes	Yes	Yes
Feasible capacity			
Greenfield + Infill + Redevelopment Capacity (maximum capacity)	13,050		
Sufficient to meet demand?	Yes	Yes	Yes

3.4.2 Sufficiency by location

The feasible capacity for housing development provided in each District Plan does not fully match locational demands, as Table 16 shows. In both plans, about half of the feasible housing capacity is located in Whangārei City and less than one third in the rural areas, but demand for housing is higher in rural areas than the city.

Table 16: Sufficiency of feasible capacity in each District Plan to meet locational demands for housing

Location	Capacity in District Plans		Demand plus NPS-UDC margins		
	Operative	Draft	Short term	Medium term	Long term
Whangārei city	5,949	6,422	840	2,170	4,690
Ruakaka	1,381	2,825	500	1,950	3,020
Rural	3,799	3,799	770	2,320	5,360
Total	11,129	13,046	2,100	6,440	13,050

The Operative District plan does not appear to provide enough capacity to meet projected demands in Rural areas and Ruakaka in the long term, or indeed in Ruakaka in the medium term.

The Draft District Plan provides sufficient capacity in all locations in the short and medium term but does not provide enough feasible capacity to meet demands in the Rural area in the long term.

This last conclusion reflects the fact that we compared District-wide demand with capacity provided in the District Plans for either urban development (including Ruakaka and rural and coastal settlements) or rural residential activity in close proximity to the main urban areas. We excluded capacity in the Rural Countryside and Rural Living Environments. Our assessment therefore takes a conservative view, and the capacity in these Environments may meet Rural demands.

3.4.3 Commentary on price efficiency indicators

As a 'sense check' on these results, we consider the price efficiency indicators published under NPS-UDC Policy PB7. These indicators are intended to provide information on whether constraints on development capacity are 'distorting' urban land or housing prices.

Table 17 summarises land value differentials at rural-urban boundaries in Whangārei and other high- and medium-growth urban areas. This measures the degree to which there are sudden 'jumps' in land values that cannot be explained by measurable factors such as differences in proximity to amenities or differences in land development costs to develop residential sections. Higher values indicate increasing likelihood that there is a current or expected shortfall of development capacity that is pushing up house prices.

The Whangārei urban area has one of the lowest differentials, indicating that housing capacity is more likely to be sufficient to meet demand, relative to other high-growth urban areas. This is consistent with our findings about the sufficiency of capacity to meet demand.

Table 17: Land value differentials at rural-urban zoning boundaries

Extended urban area	Ratio	Difference (\$/m2)	Difference (\$/600m2 section)
Auckland	3.15	345	\$206,722
Queenstown	3.12	337	\$202,485
Tauranga	2.02	232	\$139,135
Hamilton	2.42	227	\$136,213
Greater Wellington	2.27	197	\$118,188
Nelson	2.06	153	\$91,757
Greater Christchurch	2.23	150	\$90,136
New Plymouth	1.61	92	\$55,080
Palmerston North	1.57	73	\$43,902
Whangārei	1.53	43	\$25,634
Dunedin	1.29	38	\$22,505

Source: MBIE NPS-UDC Dashboard. Note that the example of an 600m2 section is provided as a typical size section at the edge of many cities. Local outcomes may differ.

As shown in Table 18 urban residential land values in Whangārei are low relative to other high-growth urban areas. This influences the commercial feasibility of developing higher-density dwelling types, as apartments and townhouses trade off higher build costs for lower land requirements. If land is cheap, they do not offer cost advantages over standalone dwellings, but they may be attractive in some locations as lifestyle options.

Table 18: Urban residential land values in high- and medium-growth urban areas

Urban area	Indicative land values near the edge of the city (\$/m2)
Auckland	\$420
Tauranga	\$400
Hamilton	\$380
Christchurch	\$240
Queenstown	\$500
Wellington	\$300
New Plymouth	\$220
Whangārei	\$110

Source: MRCagney analysis

There is therefore an important tension between the objectives of:

- a) minimising excess upward pressure urban land values
- b) enabling transformation and change that will enable or incentivise the development of townhouse and apartment dwellings in areas with infill and redevelopment capacity.

The first objective is important to minimise pressure on city-wide housing affordability. It can be accomplished by providing sufficient development capacity at a city-wide level and in particular areas of high demand. The second objective is important to realise the benefits of an efficient urban form that offers choice and variety to Whangārei's current and future residents. While citywide changes in prices can encourage intensification, an alternative approach may be to seek targeted opportunity to lift the attractiveness of living in areas with redevelopment potential. We discuss this further in the Conclusions and Policy section.

Detailed housing development capacity results

Table 19: Plan-enabled and feasible housing development capacity under the Operative District Plan

District Plan Environment	Plan Enabled Capacity (Net Added Dwellings)				Feasible Capacity (Net Added Dwellings)			
	Greenfield Capacity	Infill Capacity	Infill + Redevelopment Capacity	Greenfield + Infill + Redevelopment (Maximum Capacity)	Greenfield Capacity	Infill Capacity	Infill + Redevelopment Capacity	Greenfield + Infill + Redevelopment (Maximum Capacity)
Living 1	5,139	4,766	5,234	10,373	2,931	334	344	3,275
Living 2	-	132	269	269	-	49	50	50
Living 3	1,317	123	125	1,442	1,317	14	14	1,331
Kamo Walkability	8	754	1,279	1,287	8	-	-	8
Business 1	-	141	497	497	-	64	64	64
Business 2	-	499	1,075	1,075	-	58	67	67
Business 3	-	510	1,489	1,489	-	84	84	84
Rural (Urban Expansion) (non-serviced)	136	-	-	136	-	-	-	-
Urban Transition UTE	545	12	12	557	545	-	-	545
Town Basin	-	-	-	-	-	-	-	-
Nikau Point				520				520
Town Basin				5				5
Waterfront Environment (draft only)				-				-
City Totals	7,145	6,937	9,980	17,650	4,801	603	623	5,949
Living 1	474	680	726	1,200	474	33	34	508
Business 2	-	129	167	167	-	19	19	19
Business 3	-	36	119	119	-	4	4	4
Marsden Primary Centre				400				400
Future Environment (operative only)				-				-
Future Marine Environment (operative only)				200				200
Ruakaka Equine Environment				250				250
Ruakaka Totals	474	845	1,012	2,336	474	56	57	1,381
Rural Village Centre	-	147	265	265	-	29	29	29
Rural Village Residential (serviced)	2,631	2,693	2,838	5,469	2,007	1,347	1,362	3,369
Rural Village Residential (non-serviced)	370	124	124	494	370	31	31	401
Rural Totals	3,001	2,964	3,227	6,228	2,377	1,407	1,422	3,799
District Totals	10,620	10,746	14,219	26,214	7,652	2,066	2,102	11,129
						Share of capacity that is feasible		42.5%

Table 20: Plan-enabled and feasible housing development capacity under the Draft District Plan

District Plan Environment	Plan Enabled Capacity (Net Added Dwellings)				Feasible Capacity (Net Added Dwellings)			
	Greenfield Capacity	Infill Capacity	Infill + Redevelopment Capacity	Greenfield + Infill + Redevelopment (Maximum Capacity)	Greenfield Capacity	Infill Capacity	Infill + Redevelopment Capacity	Greenfield + Infill + Redevelopment (Maximum Capacity)
Kamo Walkability	19	808	1,337	1,356	19	-	-	19
Port Nikau	-	-	-	-	-	-	-	-
Rural (Urban Expansion) (non-serviced)	136	-	-	136	-	-	-	-
Urban Transition UTE	545	12	12	557	545	-	-	545
Urban Residential Environment	5,774	4,957	6,358	12,132	3,127	410	422	3,549
Medium Density Residential Environment	55	534	1,528	1,583	55	120	122	177
Large Lot Residential Environment	1,177	119	121	1,298	1,177	14	14	1,191
Local Centre Environment	-	186	682	682	-	44	46	46
City Core Environment	-	56	265	265	-	22	22	22
City Fringe Environment	-	154	362	362	-	68	68	68
Nikau Point				520				520
Town Basin				5				5
Waterfront Environment (draft only)				280				280
City Totals	7,706	6,826	10,665	19,176	4,923	678	694	6,422
Urban Residential Environment	2,088	928	1,072	3,160	2,088	46	52	2,140
Local Centre Environment	-	140	314	314	-	33	35	35
0	-	-	-	-	-	-	-	-
Marsden Primary Centre				400				400
Future Environment (operative only)				-				-
Future Marine Environment (operative only)				-				-
Ruakaka Equine Environment				250				250
Ruakaka Totals	2,088	1,068	1,386	4,124	2,088	79	87	2,825
Rural Village Centre	-	147	265	265	-	29	29	29
Rural Village Residential (serviced)	2,631	2,693	2,838	5,469	2,007	1,347	1,362	3,369
Rural Village Residential (non-serviced)	370	124	124	494	370	31	31	401
Rural Totals	3,001	2,964	3,227	6,228	2,377	1,407	1,422	3,799
District Totals	12,795	10,858	15,278	29,528	9,388	2,164	2,203	13,046
					Share of capacity that is feasible			44.2%

Figure 16: Location of feasible housing development capacity in the Operative District Plan

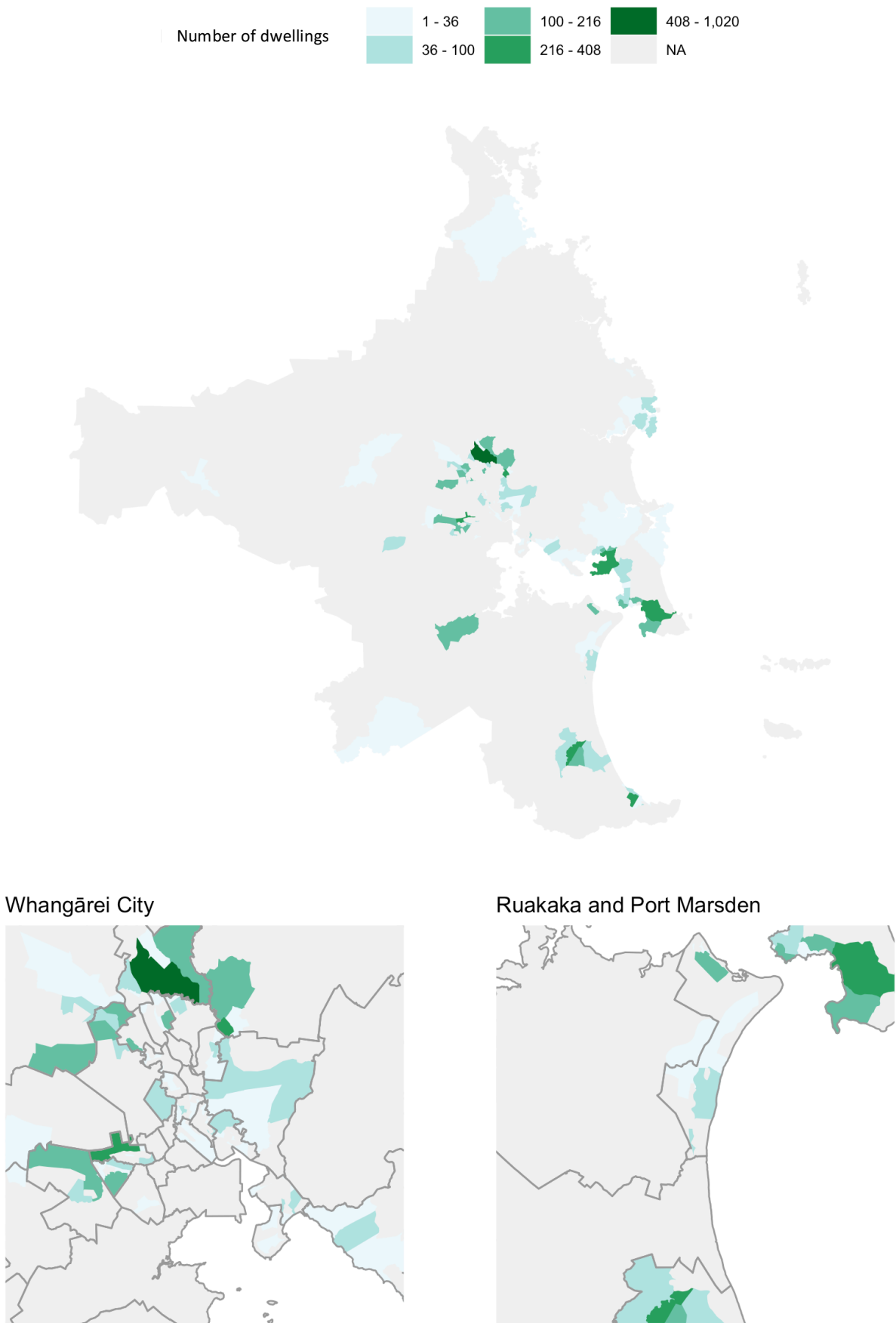


Illustration by MRCagney and Associates.

Figure 17: Location of plan-enabled housing development capacity in the Operative District Plan

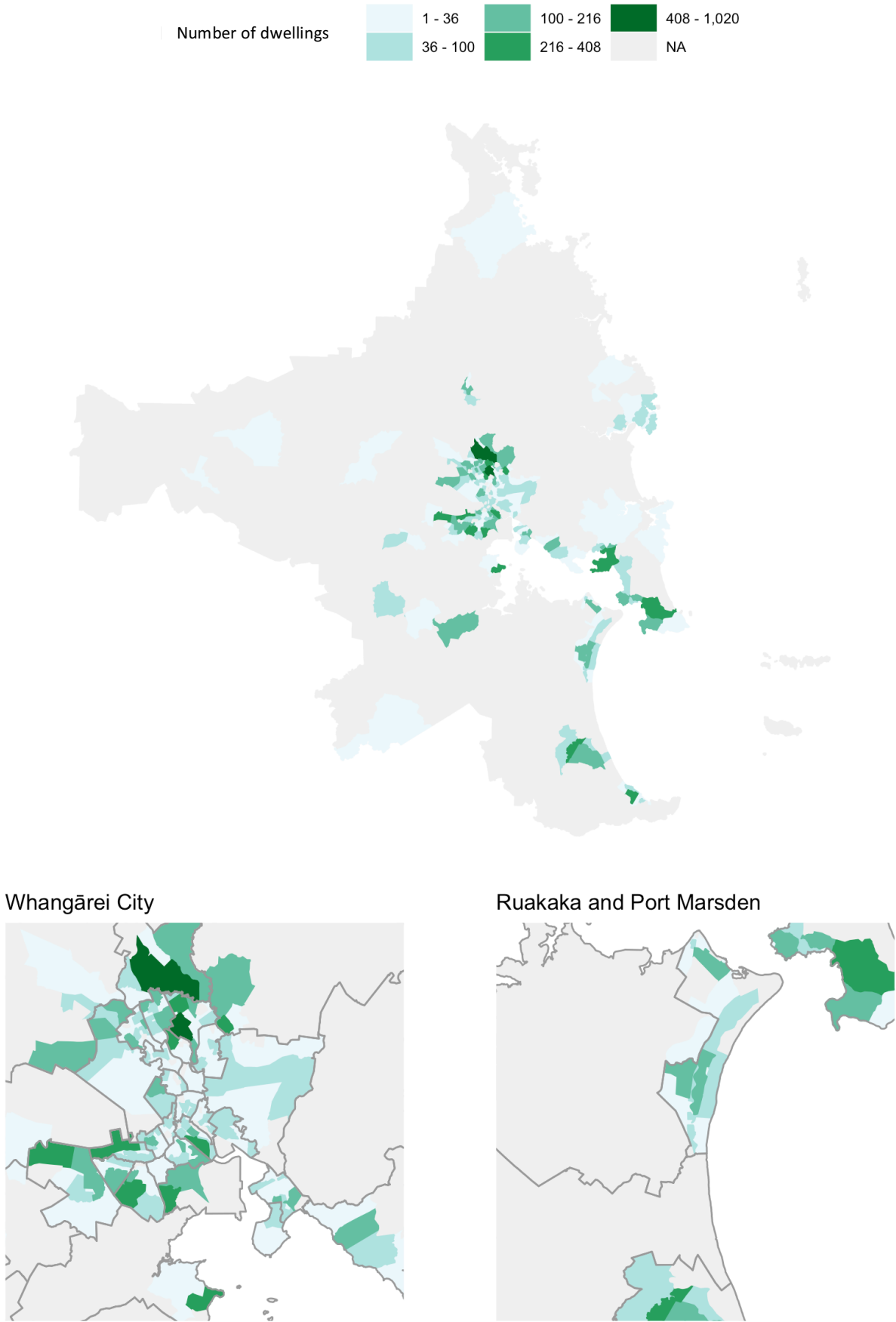


Illustration by MRCagney and Associates.

Figure 18: Location of feasible housing development capacity in the Draft District Plan

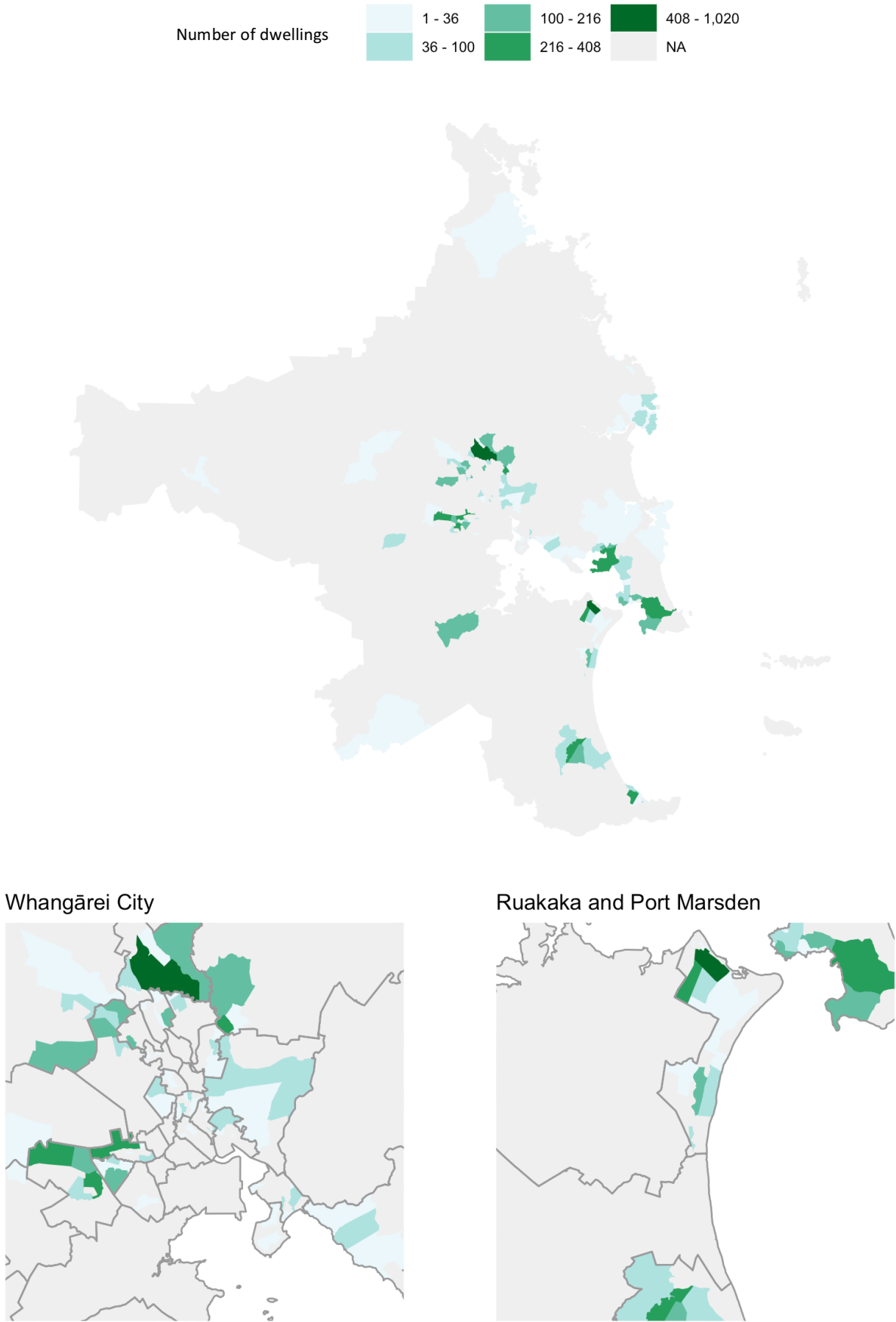


Illustration by MRCagney and Associates.

Figure 19: Location of plan-enabled housing development capacity in the Draft District Plan

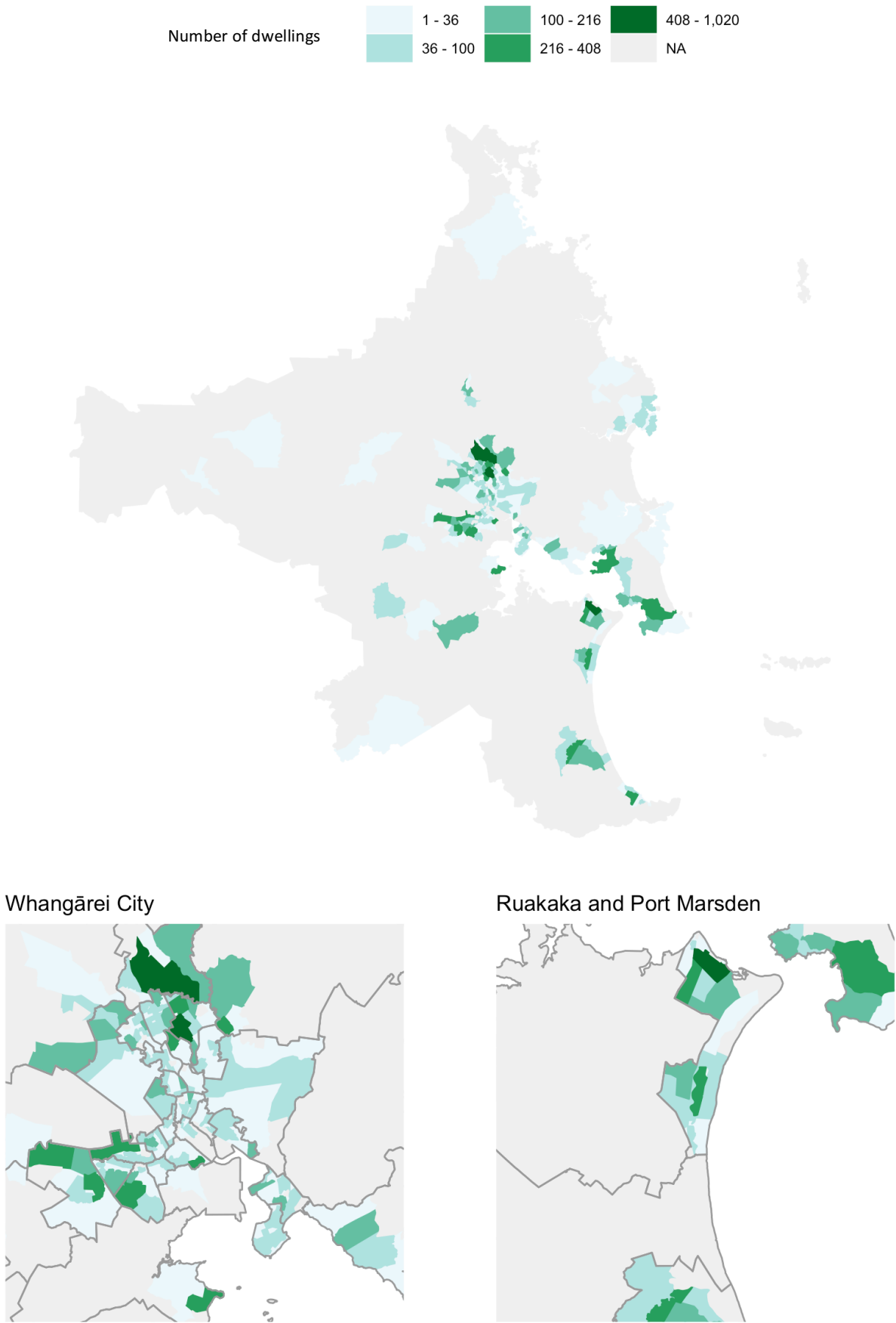


Illustration by MRCagney and Associates.

4 Business land demand and capacity

Assessing demand and capacity for business land can be challenging because of the diversity of land uses and the uncertainty about how these might change in the future. To address this, we developed a spreadsheet model to assess business land demand, capacity and sufficiency, both for this assessment and for Whangārei District Council to use in future. This model and the method we used to project demand and assess the sufficiency of capacity are described in more detail in Appendices F and G.

A key feature of the model is that it incorporates and extends pre-existing analysis of industrial land demand in Whangārei developed by Business and Economic Research Ltd (BERL) for the Upper North Island Alliance (UNISA) in 2013. The industrial activities covered by this model use most of the business land in Whangārei.

Our model also draws on a range of employment projections for other sectors, and land use and planning assumptions. The model provides a range of settings for testing the sensitivity of the results to:

- Different rates of employment growth
- Different ratios for business land consumption per employee
- Policy scenarios (Operative or Draft District Plan)
- Policy implementation approaches (Permitted or Permitted and discretionary).

We undertook a qualitative assessment of recent literature and stakeholder views on the Whangārei economy prior to undertaking the quantitative modelling of demand and capacity. We also undertook a multi-criteria analysis of various attributes of the available business sites (location, size, tenure and physical constraints), to ascertain their feasibility for development.

3.5 Demand for business land

Growth in the Whangārei economy will drive the level of future demand for business land.

However, different types of business activity (or 'sectors') have very different land requirements, including the total amount of land they need, as well as its location, site size and physical attributes and tenure. Different business activities also impact very differently on other activities. For example, heavy manufacturing businesses tend to seek large sites that they can own, which are located near motorways and ports. Because they may negatively affect amenity and create traffic and noise they often seek to be away from residential neighbourhoods. Meanwhile, office-based activities often prefer to lease buildings in centres with good access to skilled workers. Retail activities seek proximity to their customers, including residential areas and in centres.

Changes in technology and business practices, such as the growth of online retail and introduction of robotics into warehouses, may also have an impact on the demand that different business activities have for land.

We need to understand the sectoral composition of the economy and how it might change, as well as overall growth.

3.5.1 Background information about the Whangārei economy

A wealth of recent information is available on the Whangārei economy and we reviewed this as background to assessing likely future demands for business land. The detail of this review is provided in Appendix E.

This section summarises information from:

- The Infometrics database and annual economic profile
- The Ministry of Business, Innovation and Employment (MBIE)'s online Regional Economic Activity Report
- Te Tai Tokerau Economic Growth Opportunities Study (2015) and Action Plan (2016)
- The Upper North Island Industrial Land Demand report prepared by BERL for UNISA (2013)
- Whangārei stakeholder views about the future.

The various studies and data on Whangārei and Northland tell more or less the same story about sectoral composition, incomes and demography, relative to New Zealand.

3.5.1.1 Sectoral composition

A relatively high proportion of Northland's economic activity is export-oriented, with comparative advantages in agriculture and food processing, forestry and wood processing and petrochemicals manufacturing. Whangārei is the manufacturing and services centre for Northland.

Over 15 percent of the Whangārei workforce is employed in health care and social assistance activities, while manufacturing businesses employ 10.3 percent of the work force, construction 10.0 percent and retail businesses 10.1 percent. This retail¹⁹ share is on a par with national trends.

Sectors that generate a higher proportion of income and/or jobs in Whangārei than nationally include:

- Petroleum and coal manufacturing, with the Marsden Point oil refinery servicing the rest of New Zealand
- Wood processing
- Non-metallic mineral product manufacturing (e.g. cement)
- Fabricated metal product manufacturing (an input to transport equipment)
- Dairy product processing
- Health care and social assistance

Office-based activities such as finance, professional, technical and scientific services, business services and public administration are less significant in Whangārei than nationally. Accommodation and food services, and wholesale trade are also somewhat smaller share of the Whangārei economy than the national economy.

The sectors recently showing the most growth in GDP or employment in Whangārei include construction, public administration, healthcare and social assistance and retail trade – all related to the need to house or service population growth. However, Whangārei District's industrial composition has not changed much over time, with a slight decline in agricultural and manufacturing employment offset by growth in services.

3.5.1.2 Incomes

A high proportion of Whangārei's population is not of 'working age', resulting in a high dependency ratio²⁰ (68.5 percent) relative to the national economy (52.8 percent). In addition, a high proportion of working age people are unemployed or on sickness benefits, so that Whangārei has a low labour force participation rate.

These features also mean that Northland's median household income is less than three quarters of the New Zealand median household income, and amongst the lowest in New Zealand. There is a significantly greater share of households with very low incomes in Whangārei than New Zealand. However, mean annual earnings for employed people are only slightly lower for Whangārei than the New Zealand average.

3.5.1.3 Growth

Te Tai Tokerau Northland Growth Study and earlier Regional Economic Activity Reports emphasise Northland's 'underperformance' relative to New Zealand as a whole, but this does not seem to be supported by the more recent Infometrics and Regional Economic Activity Report databases. The earlier reports drew on data for the decade to 2013, which include five years affected by the Global Financial Crisis and natural disasters. During this period, Northland and Whangārei experienced little growth in GDP and employment, and several years of negative growth.

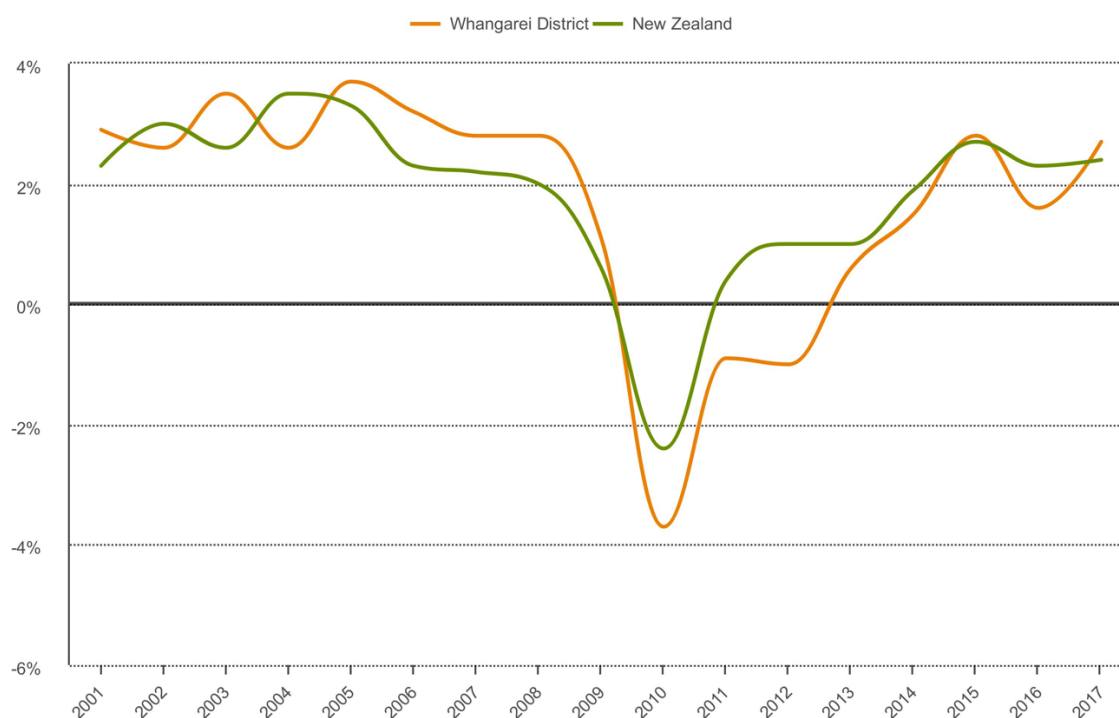
The most recent data shows that this has turned around, with Northland and Whangārei now experiencing higher than average rates of growth – a return to the pre-2008 pattern.

¹⁹ About one third of Whangārei's retail employment is in supermarkets, half in "other stores" and the rest in car repairs and petrol sales.

²⁰ The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

The latest Infometrics data shows the patterns of growth over the last two decades. In 2003 Whangārei's GDP grew by 4.7 percent (and employment by 3.3 percent), while in 2009 GDP fell 1.1 percent and the following year employment dropped 3.7 percent. In recent years GDP has grown at over 3 percent and employment at over 2 percent per annum, slightly faster than national GDP and employment. These trends (and comparisons to the New Zealand economy) are shown in Figure 20.

Figure 20: Employment growth, Whangārei and New Zealand, 2000–2008, 2008–2012 and 2012–2017



The volatility of Whangārei's economic growth makes it difficult to forecast the future. While long term demographic trends will be key, there are also several uncertain and interrelated factors including:

- International and inter-regional migration
- Transport improvements
- The potential transfer of some functions from the Ports of Auckland to NorthPort
- Local efforts to improve skills and firm productivity and increase share of export markets
- The impact of weather events on agricultural production.

Infometrics' short term forecast for Whangārei is for total employment to grow at a high of 2.7 percent this year, slowing down to 0.74 percent per annum by 2022. BERL's long term forecasts (for the Whangārei industrial sector only) projected employment growth of between 2.3 and 3.0 percent from 2017 to 2020, tapering off to between 1.5 and 2.0 percent from 2021 to 2031.

3.5.1.4 Stakeholder perspectives on the future

Local stakeholders interviewed for this work expressed a range of views about the future of Whangārei's economy.

Northland Regional Council's chief economist expects that Whangārei's economic growth will track that of New Zealand relatively closely, as it did between 2000–2008 and 2012–2017. However, he does not expect that current high growth will continue in the medium to long term: rather, he sees recent growth as primarily driven by a 'king tide' of high international and inter-regional migration, which will reduce in the next few years.

The Northland Inc representative considers that the current high rate of growth will continue in the medium term. This is because significant improvements in rural profitability in other parts of Northland (an opportunity identified in *Te Tai Tokerau Economic Action Plan*) will flow into increased demand for services and manufacturing growth in Whangārei.

Local property and real estate sector professionals in the “Momentum North Group” are even more optimistic, citing a range of both internal and external drivers of escalating growth. They mentioned a range of local urban projects (such as the Hundertwasser Museum) and highway improvements, which they expect will make Whangārei increasingly more attractive to visitors and as a commuter option for Aucklanders, and as a place to move to. They also think it likely that in the medium to long term NorthPort will take some of the Ports of Auckland’s growing container traffic.

Te Tai Tokerau Northland Growth Study notes that *“In the very long-term, it is ... possible that Northport could develop as a container port and support container freight to and from Auckland as the Port of Auckland grows to capacity. However, for this to succeed, road and rail links to Auckland would need upgrading and the Marsden Point rail link will be required”*.

Te Tai Tokerau Economic Growth Opportunities Study and Action Plan also identifies the relocation of the Whangārei airport, which could accelerate growth in visitor numbers, working commuters and population in Whangārei, and therefore growth in demand for business land. The relocation of the airport could free up some land for alternative uses.

Other than this, the Study and Action Plan recommend that Whangārei’s District Plan should provide sufficient business land to support potential future growth in tourism, wood processing, minerals, marine and digital manufacturing, and the development of a tertiary education precinct/cluster in Whangārei.

3.5.2 Projecting future business land demand

The Business land demand, capacity and sufficiency model we developed for this assessment uses a three-step process to project future demand for business land by sector for the short, medium and long term (outlined in more detail in an Appendix). These steps are to:

- Develop projections of annual growth in employment by detailed sector
- Multiply these projections by the employee per hectare ratios that apply for that sector. This produces an estimate of the total amount of additional land required by sector each year up to 2048.
- Add the margin required by the NPS-UDC (20 percent in the short and medium terms and 15 percent in the long term).

3.5.2.1 Projections by sector and activity size

We used Infometrics industry-level estimates of current year (2017) employment as the basis for projections, as this is the preferred source of economic data used by Whangārei District Council, Northland Regional Council and Northland Inc. From this base, we joined together four different employment projections for different sectors and time periods as shown in Figure 21:

- BERL’s UNISA model, which projects growth in demand for industrial land in Whangārei to 2031;
- Infometrics sectoral employment forecasts for Whangārei District to 2022;
- MBIE’s national sectoral employment forecasts to 2026; and
- Statistics New Zealand’s long-term term population forecasts, adjusted using labour force participation rates, to produce a projection for long term employment growth.

As we joined together several different projections to obtain a projection over the full 30-year evaluation period required by the NPS-UDC, we note that there are some ‘discontinuities’ in growth rates between years, due to differences in different forecast assumptions. In general, we expect that this will result in a slightly higher estimate of demand, and hence a more conservative view on the sufficiency of capacity to meet demand.

Figure 21: Sources of employment forecasts by sector and time

Sectors	2018-2022	2023-2026	2027-2048
Industrial	BERL industrial employment projections (2018-2031) for Whangārei District		
Other Sectors	Infometrics employment projections (to 2022)	MBIE national employment projections by sector (2023-2026)	SNZ medium population projections for Whangārei District and labour force participation rate scenarios

Projections were built up from a detailed sectoral level, using employment data grouped into 214 sectors according to the Australian New Zealand Standard Industrial Classification (ANZSIC) at the 3-digit level. This employment data was aggregated into following four sectors and subsectors within them:²¹

- Industry²²
- Office based activities
- Retail and personal services
- Health, education and community services

The activity tables in the Draft District Plan distinguish between activities of different sizes, especially for retail businesses. To estimate the likely distribution of demand for business land between these sizes of activity, we drew upon data on the current and projected size distribution of different retail activities in Auckland, published as Tables 19 and 20 in Fairgray (2013). The estimated share of land required by each size category is shown in Table 21. These breakdowns should be considered indicative and, ideally, revised using data on Whangārei resource consents or other local data.

Table 21: Estimated breakdown of retail sub-sectors by gross floor area

Sub-sector	Size category	Share of land required
Trade retail	Under 600m ² GFA	25%
	Over 600m ² GFA	75%
Supermarkets / food retail	Under 600m ² GFA	25%
	600-2000m ² GFA	45%
	Over 2000m ² GFA	30%
Cafes, restaurants and bars	Under 250m ² GFA	100%
	Over 250m ² GFA	0%

The resulting sectoral and size breakdown is shown in Table 22. It is designed to align as much as possible with the activity tables in the Draft District Plan, in order to compare demand with capacity provided in that Plan.

²¹ The model also calculates employment projections for “Other” sectors (agriculture; aquaculture; forestry and logging; fishing, hunting and trapping; mining; electricity, gas water and waste). However as these do not use urban business land, the model does not carry these employment projections forward into its calculations of future business land demand.

²² The industry sector and sub-sectors are those used in the BERL model, plus transport services, residential and civil construction.

Table 22: Sectors and sub-sectors used in the model

Broad sector	Sub-sector	Notes
Industry	Food Industry	These groupings are based on the categories used in the BERL report. Transport services have also been included in the warehousing sub-sector as they are likely to co-locate with warehouses and storage facilities. Residential and civil construction has also been included in the industrial services sub-sector.
	Light Industry	
	Noxious Industry	
	Heavy Industry	
	Industrial Services	
	Warehousing	
Office based activities	Office based activities	Defined as activities that predominantly occur in office-based environments, which are less space-intensive per employee and able to locate in multi-storey buildings.
Retail and personal services	Trade retail <ul style="list-style-type: none"> Under 600m² GFA Over 600m² GFA 	These categories have been defined to align, as much as possible, with the activity tables envisaged in the draft Whangārei Urban Zone plan change. ANZSIC codes do not always match neatly to activity tables. In addition, supplementary estimates were needed to disaggregate activities by size.
	Service stations	
	Supermarkets / food retail <ul style="list-style-type: none"> Under 600m² GFA 600-2000m² GFA Over 2000m² GFA 	
	Department stores /durable goods retail	
	Boutique shopping and personal services	
	Cafes, restaurants and bars <ul style="list-style-type: none"> Under 250m² GFA Over 250m² GFA 	
	Accommodation	
Other	Other	Activities that do not occur in urban zones, i.e. agriculture, mining, and utility services.

3.5.2.2 Land consumption per employee by sector

Different types of economic activity use very different amounts of land per employee. Overall, Industrial and some retail activities are very land-extensive, while Office-type activities, Health, education and community services, and Cafes, restaurants and bars use much less land per worker.

For non-industrial sectors we used a three-step process to estimate land consumption per employee:

- First, we estimated the average floor space required per added employee by comparing Statistics New Zealand building consents data for non-residential buildings with Infometrics data on growth in employment by industry over the 2000-2017 period.

- Second, we converted floorspace requirements into land requirements by using floor to land area ratios derived from similar locations elsewhere in New Zealand.²³
- To estimate different ratios for retail sub-sectors, we drew upon data on floor space per employee for different retail activities in Auckland.²⁴ We used the Auckland data to adjust the average ratio for the entire Whangārei retail sector to account for differences between sub-sectors.

A comparison with ratios derived from Auckland and Wellington data suggests that these ratios are generally on the conservative side. For instance, the retail sector in Auckland or suburban Wellington is estimated to use an average of 75 to 80 m² of land per employee. We would expect Whangārei District to have a lower intensity of business land use based on its lower land prices and absence of binding geographical constraints. Nonetheless, we note that these ratios are more likely to be too high than too low.

For the industrial land per employee ratios, we started with the ratios calculated by BERL for their industrial and model and study for UNISA. BERL undertook a detailed analysis of patterns of employment and land consumption for industrial activities by sub sector and location to produce these ratios. The ratios were set in 2013 and projected forward to remain constant over the long term.

We reviewed these ratios with Colliers International, Whangārei District Council and Northland Regional Council and agreed that they are too high and distort the business land demand projections.

In part, the BERL ratios reflect the end of a recessionary period where industrial businesses had shed almost 15 percent of their labour force while maintaining their land holdings. BERL's land per employee ratios for Whangārei are also considerably higher than the UNISA-wide average in the Heavy Industry and Noxious Industry sub-sectors. They do not anticipate that new industrial employment growth may use less land than in the past, which is the trend elsewhere in the UNISA area. Our review of new industrial / warehouse space consented in Whangārei District shows a considerably lower ratio of new industrial floorspace per added employee during the 2013-2017 period than over the entire 2000-2017 period. It suggests an average ratio of 520m² of added industrial land per added employee. This is very close to the UNISA-wide average of 530m² of land per employee that was observed in 2013, which provides support for using lower ratios that are closer to the UNISA-wide average.

As a result, we use a modified set of ratios to project future growth in industrial land demand:

- For the base land per employee ratios, we used the UNISA-level ratios for Heavy Industry, Food Industry, Light Industry, and Noxious Industry, and the lower Whangārei District ratio for Warehousing, and Industrial Services.
- We also specified high land per employee ratios as a sensitivity test. This uses the higher ratios from Whangārei District or the UNISA area for each sub-sector.
- We also defined a low ratio by reducing the base ratios by 25 percent. The resulting lower ratios are in the range of ratios observed in Auckland and other larger cities.

Table 23 summarises the ratios used in analysis, including high and low ratios used as sensitivity tests. We suggest that Whangārei District Council review these ratios in the future, based on monitoring data on resource consents for new business activities.

²³ In particular, Kapiti Coast District, Lower Hutt City, and Upper Hutt City, which we analysed as sub-consultants in a recent study of future business land demand in Greater Wellington. Sense Partners. 2018. *Future Demand for Business Land*. A report for Wellington City Council. We also drew upon previous work in Auckland.

²⁴ Sourced from Fairgray, S. 2013. *Auckland Retail Economic Evidence Base*. Auckland Council technical report 2013/046. See Table 6 on page 79 for data.

Table 23: Estimated land per employee ratios for business sectors in Whangārei District

Broad sector	Sub-sector	Square metres per employee		
		Low	Base	High
Industry	Food Industry	90	120	130
	Light Industry	278	370	590
	Noxious Industry	675	900	4600
	Heavy Industry	2,400	3,200	11,000
	Industrial Services	308	410	520
	Warehousing	188	250	360
Retail and personal services	Trade retail	308	410	513
	Service stations	122	162	203
	Supermarkets / food retail	111	148	185
	Department stores / durable goods retail	215	287	359
	Boutique shopping and personal services	122	162	203
	Accommodation	311	414	518
	Cafes, restaurants, and bars	52	69	86
Office based activities	N/A	17	23	29
Health, education, and community services	N/A	32	43	54
Other	N/A	N/A	N/A	N/A

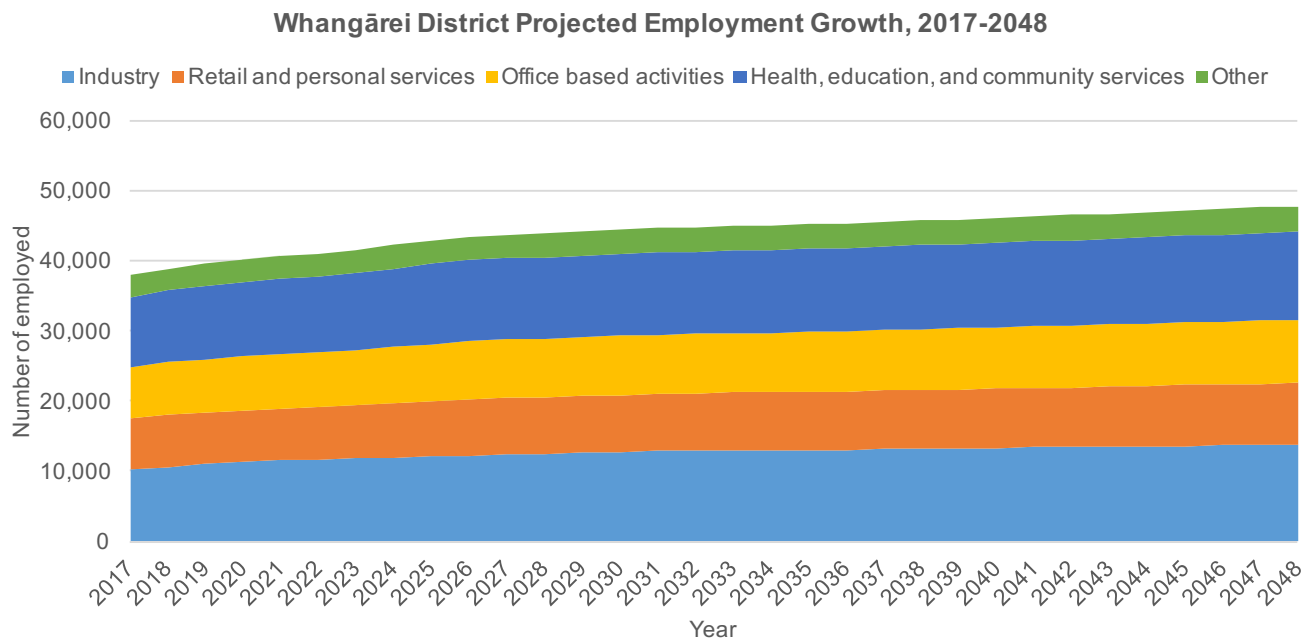
Source: Consultants' estimates based on data from BERL (2015), SNZ Building Consents data, SNZ Business Demographics data, and data from previous studies of business land consumption in Auckland and Wellington.

3.5.3 Projected growth in employment and business land demand

Figure 22 shows the projected employment growth in Whangārei by sector under the Base scenario. Employment is projected to grow from 37,900 jobs in 2017 to 47,800 in 2048 – with the highest rates of growth occurring during the next five years and tapering off long term.

Underpinning this growth, there are variations in the extent of growth projected for each sector. Industrial activities and health, education and community services are projected to grow at a faster rate than retail trade and personal services, office activities and other activities. However, the sectoral composition of Whangārei's economy is not forecast to change considerably.

Figure 22: Employment growth by sector in Whangārei (base scenario settings)



This employment growth translates to demand for an additional 219 hectares of business land by 2048 (or 258 hectares once the NPS-UDC margins are added). Table 24 presents this growth in the short, medium and long term. It shows that the dominant demand for land use does stem from the industrial sector in Whangārei with Retail and personal services coming a distant second.

Table 24: Projected additional land required in the short, medium and long term by sector (hectares)

Sector	Short term (2018-2021)		Medium term (by 2028)		Long term (by 2048)	
	Growth	Plus margin	Growth	Plus margin	Growth	Plus margin
Industry	46.3	123.7	100.9	121.0	177.8	209.5
Retail and personal services	0.7	0.9	13.2	15.8	27.6	32.4
Office based activities	0.5	0.6	2.0	2.4	3.6	4.3
Health, education, community services	2.2	2.7	5.8	6.9	9.8	11.6
Total	49.8		121.7		218.8	
Total with NPS-UDC margins		59.8		146.1		257.8

Within the broad 'Industry' sector, the food sub-sector is projected to decline in the future, reflecting BERL's medium-term outlook. However, this decline is at a very slow rate, and hence it may be more realistic to interpret this as a projected flattening of employment growth in this sector. All other industries however are increasing with Heavy Industry as the largest with Noxious Industries very close in behind. Overall, this suggests that the composition of Whangārei's industrial sector will remain similar to today in the near future.

Projections are for more structural change to occur within the retail trade sector. By 2048, the largest sub-sector would be trade retail, overtaking accommodation and food services in the long-term projections. This suggests population growth will be an important long-run driver of employment growth.

Our business land demand, capacity and sufficiency model provides a range of settings for testing the sensitivity of these results to assumptions made about employment growth and business land consumption per employee. The different

assumptions produce large ranges in the estimates of demand for business land, as presented in Table 25. At one end of the spectrum, assuming the low employment growth scenario and low land consumption rates, the model estimates that there will be demand for an additional 189 hectares of business land. However, if it uses the maximum employment growth scenario plus high land consumption rates, it estimates demand for an additional 1047 hectares of business land.

Table 25: Business land demand projections by employment growth/land consumption scenario

Demand scenario: Employment growth/Land consumption per employee	Projections of total business land demanded plus NPS-UDC margin (hectares)		
	Short term (by 2021)	Medium term (by 2028)	Long term (by 2048)
Low/Low	44.9	105.9	189.4
Base/Low	44.9	109.7	193.4
Low/Base	59.8	141.1	252.4
<i>Base</i>	<i>59.8</i>	<i>146.1</i>	<i>257.8</i>
High/Base	84.4	225.2	437.2
Base/High	136.7	328.3	585.6
High/High	212.3	550.6	1046.7

Given how sensitive the results are to the assumptions about growth scenarios and land per employee ratios, we recommend that Whangārei District Council track the scenarios playing out in the Whangārei area over time, and update the model using new employment projections from Infometrics and MBIE.

3.6 Business land capacity

3.6.1 Overview of methodology

Our business land demand, capacity and sufficiency spreadsheet model includes a three-step process for estimating the quantitative sufficiency of capacity in the Operative and Draft District Plans for different business activities in the short, medium and long term (outlined in more detail in Appendix G. This process is to:

- Quantify the total vacant land capacity available in each Environment for business activities
- Identify which business activities are permitted or discretionary in each zone and quantify resulting plan-enabled capacity by sector, sub-sector and size grouping
- Match the land that is enabled to be used by each sector, sub-sector and size grouping to the projected short, medium and long term demand (plus the NPS-UDC margins) for additional hectares of business land by sector, sub-sector, and size grouping.

As a final step, we separately evaluated how well the more qualitative attributes of the vacant land parcels match the particular demands of industrial versus retail activities. This evaluation focused on location, parcel size, tenure and physical constraints.

3.6.1.1 Quantifying available business land capacity by Environment

For this assessment we included only vacant (and select 'vacant potential') land in the count of business land capacity. Redevelopment potential or re-use of vacant buildings in the City Centre was excluded, which means that the assessment is likely to be conservative about capacity and particularly to meet demands for some industries such as office based activities. We consider this to be appropriate because most of the projected future business land demand is for industrial activities, which generally require greenfield sites rather than redevelopment sites. See section 5.2 for a dedicated discussion about the City Centre, which currently has some empty buildings and potential for redevelopment.

We augmented the vacant land database provided by Whangārei District Council by adding 60 large 'vacant potential' sites that were missing from the database. This more than doubled total business land capacity with some notably large vacant or vacant potential sites in Marsden Point / Ruakaka added to the database. Vacant potential land is defined as sites with an existing building, but where a large share of the site was likely to be available for business expansion or subdivision. Using GIS mapping, sites with formed yards or other evidence that vacant land was in use were excluded. Scaling factors were also applied to exclude site area that is already developed.

Sites with designations or a slope over 15 percent were also excluded for the count of business land capacity. Finally, sites that were identified in feasibility modelling as being feasible for residential development were removed from the business land capacity to avoid double-counting capacity. This affected less than one hectare of the total vacant business land.

Zoning information for the Operative and Draft District Plans was added to the land parcels included in the business land capacity dataset. This produced information about the number of sites, hectares and other attributes of land available for business activities in each Zone or Environment.

There is an additional 70 hectares of land that will be available to business in the Marsden Primary Centre and Point Nikau, but the planning has not yet advanced to the point that this could be allocated for particular business uses. We have therefore not included this in our calculations in the business land model (which means that our business land sufficiency assessment is conservative).

3.6.1.2 Availability of development infrastructure

As noted in the Housing capacity section of this report, we reviewed Whangārei District Council's Long Term Plan and Infrastructure Strategy and worked with the Council's infrastructure managers to confirm the availability of development infrastructure in areas zoned for urban development in the Operative and Draft District Plans.

This process confirmed that all key water and wastewater infrastructure required to support capacity zoned in the Operative and Draft District Plans is either in place, funded in the Long Term Plan for the medium term or in the Infrastructure Strategy for the long term.

The exception to this is at Ruakaka/Marsden Point, where future infrastructure capacity will not be sufficient to support all of development projected on land zoned as "Future Environment" under the Operative District Plan. The Council proposes to address this by rezoning one-third that land for Countryside Living and allocating two-thirds to the Urban Residential Environment (as identified in the Draft District Plan). We have not included any of the un-serviced land in our modelling. Likewise, transport infrastructure exists or is planned to support development capacity enabled in the District Plans, with the exception of some roading infrastructure required to support Nikau Point in the long term. This may be soon resolved, but in the meantime we have not counted business development capacity at Nikau Point.

Key New Zealand Transport Agency improvements to State Highway 1 between Whangārei and Warkworth are currently under review. This does not affect development capacity, but it may influence growth in housing and business demand, especially at Ruakaka/Marsden Point, and limit the likelihood of a high growth scenario.

3.6.1.3 Identifying which business activities are permitted on which land

We translated the objectives, policies and rules relating to business activities in each Zone or Environment in the Operative and Draft District Plan into tables that enable capacity to be quantified for each sector, sub-sector and size. The Operative District Plan has only four primary business zones and relatively permissive or enabling activity tables: most types of business activities are enabled in the plan.

The Draft District Plan is considerably more complex and selective about which business activities are allowed where (in order to protect industrial land and the city centre). It has 11 Environments within which some different business activities are permitted and/or discretionary, shown in Table 27. New business developments listed as discretionary require resource consent process and would be assessed on a case-by-case basis on effects, specific Environment objectives and policies and other objectives and policies within the District Plan.

The number of activities listed as discretionary in various Environments under the Draft District Plan means that it is very difficult to provide a certain measure of the amount of capacity provided for each sector, sub-sector and size grouping. We addressed this by testing two scenarios for what might be enabled in each Environment:

- A “Permitted only” scenario, which assumes that activities are plan-enabled in an Environment only if they have a permitted activity status
- A “Permitted and discretionary” scenario, which assumes that activities are plan-enabled if they have permitted, restricted discretionary, or discretionary activity status, and if there is a policy direction that is generally enabling of the activity. This results in more capacity for some activities, assuming that case-by-case assessments through resource consents will generally be more enabling.

This step produces four sets of information about which sectors, sub-sectors and sizes would be plan-enabled in each Zone and Environment in the Operative and Draft District Plans (shown in Table 26).

Table 26: Four scenarios for enabling business activities in the Operative and Draft District Plans

Policy implementation approach	Policy Scenario	
	Operative District Plan	Draft District Plan
Permitted only	A	C
Permitted and discretionary	B	D

3.6.1.4 Matching capacity to demands

The amount of land identified as available for each of these sectors, sub-sectors and sizes under each District Plan and implementation scenario is added up to produce gross plan-enabled capacity. This entails some double-counting as multiple activities can occur in Zones or Environments.

We addressed double-counting using a linear programming algorithm (using Excel’s Solver tools). This is a mathematically efficient approach to matching capacity to specific types of business activities, and excluding them from being used for other activities. We set the algorithm to fit within the planning rules, and within these to allocate land first to retail, then office, education, health and community services, and finally to industrial activities. This reflects currently observed patterns in many New Zealand urban areas.

This produces a potential capacity allocation under each District Plan and implementation scenario, but not the capacity allocation that *will* result, as this will be determined by case-by-case planning decisions are made on applications for different types of business developments over time. A manual allocation of the available capacity to each business activity and size would provide a good alternative to using the linear programming algorithm.

Once the double-counting is removed, this capacity is then compared to the projected short, medium and long term demand for additional hectares of business land of these sectors, sub-sectors and size groupings. The model identifies whether there is sufficient capacity for each business sector, sub-sector and size grouping, and in total, under each of the four District Plan/implementation capacity scenarios outlined in Table above.

Table 27: Permitted and discretionary business activities in the Draft District Plan, by Environment

Broad sector	Sub-sector	Draft District Plan Environments										
		City Core	Waterfront	City Fringe	Local centres suburban	Local centres neighbour-hoods	Shopping Centre	General Business	Trade Retail	Heavy Industry	Whangārei Airport	Whangārei Hospital
Industry	Food Industry				D			D	P	P	D	
	Light Industry				D			D	P	P	D	
	Noxious Industry								D	P	D	
	Heavy Industry								D	P	D	
	Industrial Services				D			D	P	P	D	
	Warehousing				D			D	P	P	D	
Retail and personal services	Trade retail>600m ²				D			D	P		D	
	Trade retail<600m ²				D			P			D	
	Service stations			D	D			P	P	P	D	
	Supermarkets / food retail <600m ²	P		P	D						D	
	Supermarkets/ food retail >600m ² <2000m ²			D	D						D	
	Supermarkets/ food retail >2000m ²			D	D			P			D	
	Department stores / durable goods retail		D	D	P	D	P	D			D	
	Boutique shopping and personal services	P	D	P	P	P	D				D	
	Accommodation	P		P	D			D				
	Cafes, restaurants and bars >250m ²	P	D	D	P	D	D	D			D	
	Cafes, restaurants and bars <250m ²	P	D	D	P	P			P		D	
Office based activities		P	P	P	P	P		P			D	
Health, education, and community services		D		D	P	D		D			D	P

3.7 Results

3.7.1 Operative District Plan

3.7.1.1 Business land capacity

The Operative District Plan has four primary business zones (Business 1, Business 2, Business 3 and Business 4). Table 27 identifies how the sites and amount of land in each of these zones.

Together, these zones provide 430 hectares of vacant business land. Most of the land is in the Business 4 zone (54 sites and 301 hectares) and Business 2 Zone (51 sites and 118 hectares).

Table 28: Business land available under the Operative District Plan, by zone type

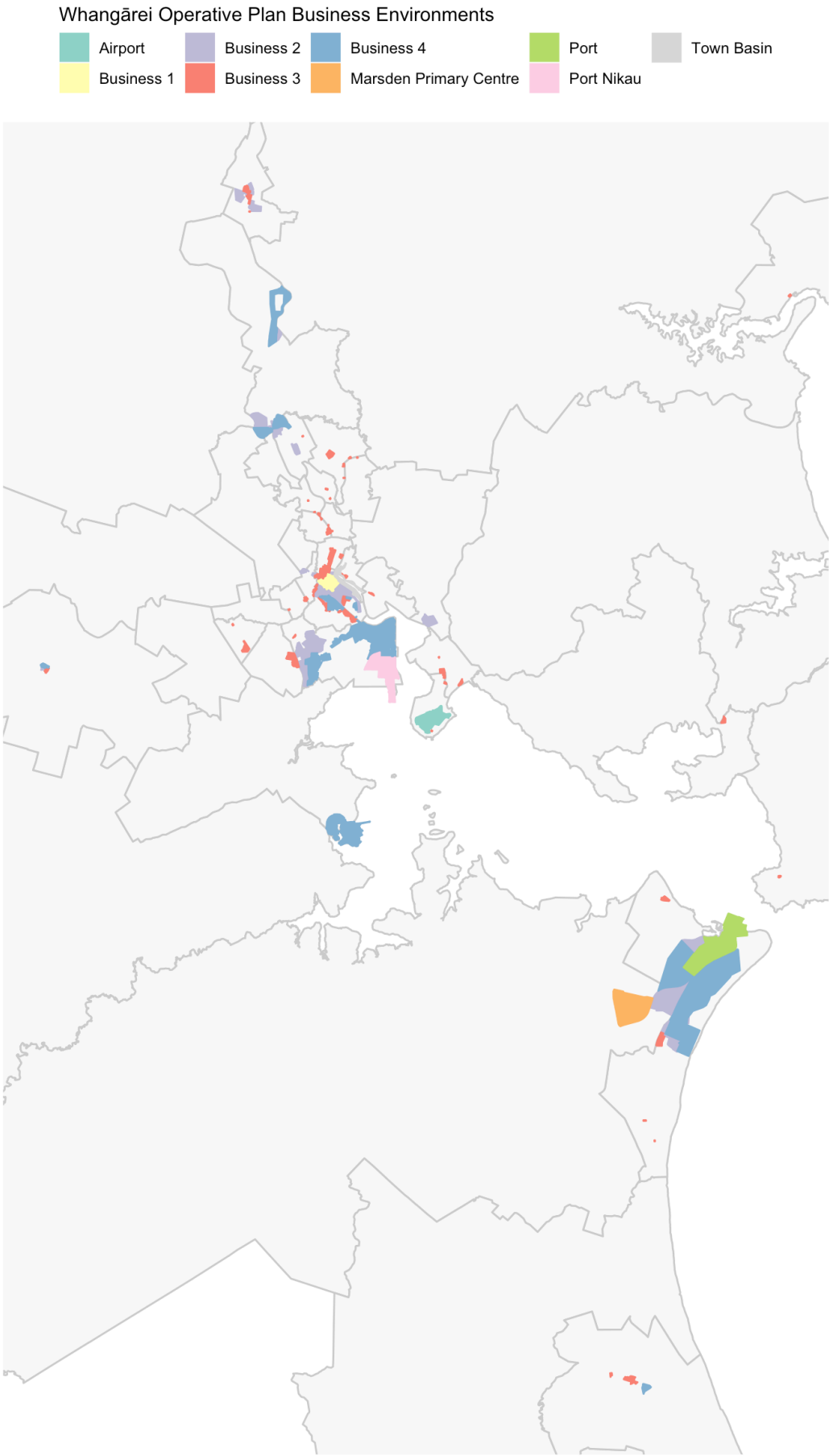
		Business 1	Business 2	Business 3	Business 4	Total
Available for Business (Vacant)	# sites	2	51	20	54	127
	Area (ha)	0.1	118.3	11.0	300.7	430.2
% of vacant area available for business		6 %	66 %	45 %	69 %	67 %

Marsden Primary Centre would provide another 57 hectares and Port Nikau 14 hectares for business activities. We have not included this land in our capacity as the planning for these areas has not advanced to the point of determining which activities would be enabled in these locations.

Figure 23 shows where these zones are located, including the Marsden Primary Centre, Port and Port Nikau which we have not included in our capacity counts.

While the Operative District Plan is relatively permissive, each zone does make some business activities discretionary. This particularly applies to trade retail, supermarkets and large format retail activities, which are permitted as of right only in the Business 3 zone, i.e. on only 11 hectares across the District. Office activities are discretionary in the Business 3 zone and Accommodation and food services are discretionary in the Business 4 zone. However, implementation of the Operative District Plan has probably led to some such discretionary activities being approved in these zones.

Figure 23: Location of zones in which business activities are permitted in Whangārei’s Operative District Plan



3.7.1.2 Sufficiency of business land capacity

Table 29 shows the total amount the business land that would theoretically be available to each business sector, subsector and size under the Operative District Plan for two implementation scenarios:

- Where only permitted activities are plan-enabled
- Where both permitted and discretionary activities would be plan-enabled

It then compares these scenarios to land demand for each sector, subsector, and size of activity in the short, medium and long term (under the Base demand scenario). The table shows the gross count of capacity available to each sector, i.e. data may over-allocate the total land in a given zone to competing activities that are both permitted.

The table shows that the Operative District Plan would theoretically provide sufficient development capacity to meet the demand of all types and sizes of business activity in the short, medium and long term. However, this conclusion assumes sufficient land is available in each zone to satisfy the demands of competing permitted activities.

When we ran the linear programme to ensure land in each zone is not overallocated, a different picture emerged as shown in Table 30. If only those business activities that are permitted under the Operative District Plan were to be approved, in the long term (i.e. by 2048) there would not provide enough business land to meet the demands of some retail businesses. Shortfalls would emerge for:

- Trade retail (7 hectares)
- Supermarkets / food retail (4 hectares)
- Visitor accommodation (1.4 hectares)
- Small cares, restaurants and bars (1.3)

If the Operative District Plan were more permissively implemented (i.e. if discretionary activities were also to be approved) there would be sufficient vacant land for retail activities through to 2048.

The modelling shows that there is more than sufficient land zoned for industrial activities in the Operative District Plan to meet projected demand in the short, medium and long term. This is despite the linear programming tool prioritising the allocation of land to retail, then office followed by industrial activities (within the rules).

Table 29: Sufficiency of business land capacity under the Operative District Plan for each sector, sub-sector and size (over-allocates land to multiple activities in some zones)

BUSINESS SECTORS		BUSINESS CAPACITY		SUFFICIENCY TO MEET DEMAND								
Broad sector	Sub-sector	Max land available		Short term (2021)			Medium Term (2028)			Long Term (2048)		
				Demand (ha)	Sufficient?		Demand (ha)	Sufficient?		Demand (ha)	Sufficient?	
		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary
Industry	Food Industry	430.2	430.2	-0.7	Sufficient	Sufficient	-1.7	Sufficient	Sufficient	-1.6	Sufficient	Sufficient
	Light Industry	430.2	430.2	9.6	Sufficient	Sufficient	22.4	Sufficient	Sufficient	36.1	Sufficient	Sufficient
	Noxious Industry	419.1	430.2	7.9	Sufficient	Sufficient	18.6	Sufficient	Sufficient	28.3	Sufficient	Sufficient
	Heavy Industry	419.1	430.2	12.3	Sufficient	Sufficient	28.8	Sufficient	Sufficient	62.3	Sufficient	Sufficient
	Industrial Services	430.2	430.2	23.1	Sufficient	Sufficient	42.5	Sufficient	Sufficient	65.5	Sufficient	Sufficient
	Warehousing	430.2	430.2	3.4	Sufficient	Sufficient	10.3	Sufficient	Sufficient	18.9	Sufficient	Sufficient
Retail and personal services	Trade retail>600m2	11.1	430.2	0.0	Sufficient	Sufficient	1.4	Sufficient	Sufficient	3.3	Sufficient	Sufficient
	Trade retail<600m2	11.1	430.2	-0.1	Sufficient	Sufficient	4.3	Sufficient	Sufficient	9.8	Sufficient	Sufficient
	Service stations	430.2	430.2	-0.1	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.3	Sufficient	Sufficient
	Supermarkets / food retail <600m2	11.1	430.2	0.0	Sufficient	Sufficient	0.4	Sufficient	Sufficient	0.9	Sufficient	Sufficient
	Supermarkets / food retail >600m2<2000m2	11.1	430.2	0.0	Sufficient	Sufficient	0.7	Sufficient	Sufficient	1.6	Sufficient	Sufficient
	Supermarkets / food retail > 2000m2	11.1	430.2	0.0	Sufficient	Sufficient	0.5	Sufficient	Sufficient	1.0	Sufficient	Sufficient
	Department stores / durable goods retail	11.1	430.2	0.0	Sufficient	Sufficient	1.8	Sufficient	Sufficient	4.1	Sufficient	Sufficient
	Boutique shopping and personal services	430.2	430.2	0.2	Sufficient	Sufficient	2.0	Sufficient	Sufficient	4.1	Sufficient	Sufficient
	Accommodation	129.5	430.2	0.5	Sufficient	Sufficient	2.4	Sufficient	Sufficient	3.8	Sufficient	Sufficient
	Cafes, restaurants and bars >250m2	129.5	430.2	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient
	Cafes, restaurants and bars <250m2	129.5	430.2	0.4	Sufficient	Sufficient	2.2	Sufficient	Sufficient	3.6	Sufficient	Sufficient
Office based activities		311.8	430.2	0.6	Sufficient	Sufficient	2.4	Sufficient	Sufficient	4.3	Sufficient	Sufficient
Health, education and community services		430.2	430.2	2.7	Sufficient	Sufficient	6.9	Sufficient	Sufficient	11.6	Sufficient	Sufficient
Total		430.2	430.2	59.8	Sufficient	Sufficient	146.1	Sufficient	Sufficient	257.8	Sufficient	Sufficient

Table 30: Sufficiency of business land under the Operative District Plan for each sector, sub-sector and size (with linear programming to avoid land being over-allocated to multiple activities)

BUSINESS SECTORS		BUSINESS CAPACITY		SUFFICIENCY TO MEET DEMAND								
Broad sector	Sub-sector	Max land available		Short term (2021)			Medium Term (2028)			Long Term (2048)		
				Demand (ha)	Sufficient?		Demand (ha)	Sufficient?		Demand (ha)	Sufficient?	
		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary
Industry	Food Industry	430.2	430.2	-0.7	Sufficient	Sufficient	-1.7	Sufficient	Sufficient	-1.6	Sufficient	Sufficient
	Light Industry	430.2	430.2	9.6	Sufficient	Sufficient	22.4	Sufficient	Sufficient	36.1	Sufficient	Sufficient
	Noxious Industry	419.1	430.2	7.9	Sufficient	Sufficient	18.6	Sufficient	Sufficient	28.3	Sufficient	Sufficient
	Heavy Industry	419.1	430.2	12.3	Sufficient	Sufficient	28.8	Sufficient	Sufficient	62.3	Sufficient	Sufficient
	Industrial Services	430.2	430.2	23.1	Sufficient	Sufficient	42.5	Sufficient	Sufficient	65.5	Sufficient	Sufficient
	Warehousing	430.2	430.2	3.4	Sufficient	Sufficient	10.3	Sufficient	Sufficient	18.9	Sufficient	Sufficient
Retail and personal services	Trade retail>600m2	11.1	430.2	0.0	Sufficient	Sufficient	1.4	Sufficient	Sufficient	3.3	Insufficient (by 1.83 ha)	Sufficient
	Trade retail<600m2	11.1	430.2	-0.1	Sufficient	Sufficient	4.3	Sufficient	Sufficient	9.8	Insufficient (by 5.49 ha)	Sufficient
	Service stations	430.2	430.2	-0.1	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.3	Sufficient	Sufficient
	Supermarkets / food retail <600m2	11.1	430.2	0.0	Sufficient	Sufficient	0.4	Sufficient	Sufficient	0.9	Insufficient (by 0.48 ha)	Sufficient
	Supermarkets / food retail >600m2<2000m2	11.1	430.2	0.0	Sufficient	Sufficient	0.7	Sufficient	Sufficient	1.6	Insufficient (by 0.86 ha)	Sufficient
	Supermarkets / food retail > 2000m2	11.1	430.2	0.0	Sufficient	Sufficient	0.5	Sufficient	Sufficient	1.0	Insufficient (by 0.57 ha)	Sufficient
	Department stores / durable goods retail	11.1	430.2	0.0	Sufficient	Sufficient	1.8	Sufficient	Sufficient	4.1	Insufficient (by 2.31 ha)	Sufficient
	Boutique shopping and personal services	430.2	430.2	0.2	Sufficient	Sufficient	2.0	Sufficient	Sufficient	4.1	Sufficient	Sufficient
	Accommodation	129.5	430.2	0.5	Sufficient	Sufficient	2.4	Sufficient	Sufficient	3.8	Insufficient (by 1.42 ha)	Sufficient
	Cafes, restaurants and bars >250m2	129.5	430.2	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient
	Cafes, restaurants and bars <250m2	129.5	430.2	0.4	Sufficient	Sufficient	2.2	Sufficient	Sufficient	3.6	Insufficient (by 1.32 ha)	Sufficient
	Office based activities	311.8	430.2	0.6	Sufficient	Sufficient	2.4	Sufficient	Sufficient	4.3	Sufficient	Sufficient
Health, education and community services		430.2	430.2	2.7	Sufficient	Sufficient	6.9	Sufficient	Sufficient	11.6	Sufficient	Sufficient
Total		430.2	430.2	59.8	Sufficient	Sufficient	146.1	Sufficient	Sufficient	257.8	Sufficient	Sufficient

3.7.2 Draft District Plan

3.7.2.1 Business land capacity

The Draft District Plan enables business activity on a total of 540 hectares of vacant or vacant potential land. This is 120 hectares more than the Operative District Plan.

However, the Draft District Plan is considerably more complex and selective about which business activities are allowed where. It has 11 Environments within which some different business activities are permitted and/or discretionary.

Table 31 shows the vacant business land available in each these Environments, excluding the Whangārei Airport and Hospital and Shopping Centre Environments, which have no vacant business land. Most business land capacity is in the Heavy Industry Environment (43 sites covering 407 hectares) and Trade Retail Environment (53 sites and 121 hectares).

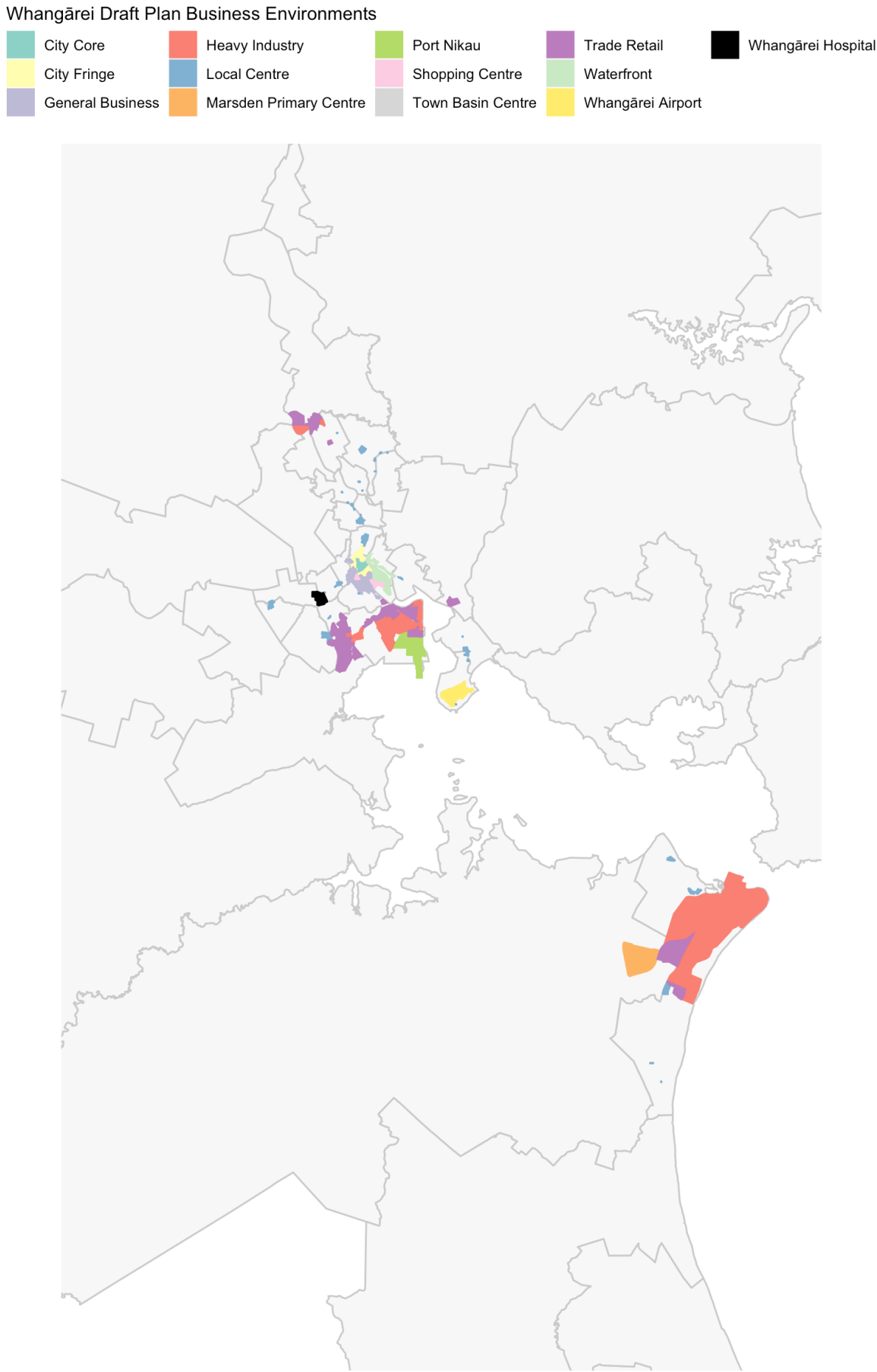
Table 31: Business land available under the Draft District Plan, by Environment

		City Centre	Waterfront	City Fringe	Suburban Local Centre	Neighbourhood Local Centre	General Business	Trade Retail	Heavy Industry	Total
Available for Business (Vacant)	# sites	1	3	4	4	6	11	53	43	125
	Area (ha)	0.2	0.2	0.9	1.7	7.8	1.9	120.9	406.7	540.2
% of vacant area available for business		33 %	4 %	20 %	19 %	72 %	19 %	66 %	67 %	62 %

Marsden Primary Centre would provide another 57 hectares and Port Nikau 14 hectares for business activities. We have not included this land in our capacity as the planning for these areas has not advanced to the point of determining which activities would be permitted.

Figure 24 shows where these environments are located (along with the Marsden Primary Centre, Port and Port Nikau which we have not yet included in our capacity counts).

Figure 24: Location of Environments permitting business activities in Whangārei’s Draft District Plan



3.7.2.2 Sufficiency of business land capacity

Table 32 shows the total amount the business land that would theoretically be available to each business sector, subsector and size under the Draft District Plan for two implementation scenarios:

- Where only permitted activities are plan-enabled
- Where both permitted and discretionary activities would be plan-enabled

It then compares this to the demand of these sectors, subsectors and sizes in the short, medium and long term (under the Base demand scenario). The table shows the gross count of capacity available to each sector across all Environments and may over-allocate the total land in a given Environment to competing activities that are both permitted.

In the short term, if no discretionary activities were approved the Draft District Plan would probably provide sufficient capacity for all business activities. We do note that:

- Supermarkets between 600m² and 2000m² do not seem to be permitted in any of the Environments
- The model suggests insufficient capacity for health, education and community services, but this may reflect its inability to accurately measure the detail of the Draft District Plan policies relating to these activities.

If these issues are real they could be addressed through approving some supermarkets or health, education and community services developments as discretionary activities.

Of more concern, it appears that the Draft District Plan would not provide sufficient capacity for several types and sizes of business activities in the medium term. While there would be sufficient vacant business land in total, the rules in the District Plan Environments would not permit this land to be allocated so that it could meet projected demands of each sector.

On the face of it this situation could be alleviated by approving discretionary activities. The only shortfall would be for Trade retail outlets smaller than 600m². However, this conclusion is arrived at by double-counting land in each Environment that permits more than one activity. In reality, there would be insufficient land in some Environments for all of these activities.

Table 33 provides a more realistic picture of sufficiency because it shows the results of linear programming to remove double-counting. The table shows that in the medium term, because there is insufficient land in a range of Environments for all permitted activities, a shortfall would arise for:

- Trade retail outlets smaller than 600m² (3 hectares)
- Supermarkets / food retail outlets (1 hectare)
- Visitor accommodation (1.6 hectares)
- Health, education and community services (5 hectares)

Permitting discretionary activities would redistribute these shortfalls but would not remove them. This is because there is not enough vacant land zoned in the Draft District Plan for business in the relevant Environments (Local Centres Suburban, General Business, City Fringe and City Core) that permit retail activities and health, education and community services.

In the long term this situation would compound: the shortfalls would grow and the District would also run out of vacant business land for Department stores /durable goods retail, boutique shopping and personal services and office based activities.

If all discretionary activities in the Draft District Plan were approved, this would simply redistribute the shortfalls within these sectors. There simply would not be enough land for them to go around.

We note that these shortfalls may be mitigated by vacant business land in the Marsden Primary Centre and Nikau Point, and redevelopment opportunities in the City Centre.

The modelling shows that there is more than sufficient land zoned for industrial activities in the Draft District Plan to meet projected demand in the short, medium and long term. This is despite the linear programming tool prioritising allocation of land to retail, then office followed by industrial activities (within the rules).

Table 32: Sufficiency of business land under the Draft District Plan for each sector, sub-sector and size (over-allocates land to multiple activities in some Environments)

BUSINESS SECTORS		BUSINESS CAPACITY		SUFFICIENCY TO MEET DEMAND								
Broad sector	Sub-sector	Max land available		Short term (2021)			Medium Term (2028)			Long Term (2048)		
		Permitted only	Permitted and discretionary	Demand (ha)	Sufficient?		Demand (ha)	Sufficient?		Demand (ha)	Sufficient?	
					Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary
Industry	Food Industry	527.6	531.2	-0.7	Sufficient	Sufficient	-1.7	Sufficient	Sufficient	-1.6	Sufficient	Sufficient
	Light Industry	527.6	531.2	9.6	Sufficient	Sufficient	22.4	Sufficient	Sufficient	36.1	Sufficient	Sufficient
	Noxious Industry	406.7	527.6	7.9	Sufficient	Sufficient	18.6	Sufficient	Sufficient	28.3	Sufficient	Sufficient
	Heavy Industry	406.7	527.6	12.3	Sufficient	Sufficient	28.8	Sufficient	Sufficient	62.3	Sufficient	Sufficient
	Industrial Services	527.6	531.2	23.1	Sufficient	Sufficient	42.5	Sufficient	Sufficient	65.5	Sufficient	Sufficient
	Warehousing	527.6	531.2	3.4	Sufficient	Sufficient	10.3	Sufficient	Sufficient	18.9	Sufficient	Sufficient
Retail and personal services	Trade retail>600m2	120.9	124.5	0.0	Sufficient	Sufficient	1.4	Sufficient	Sufficient	3.3	Sufficient	Sufficient
	Trade retail<600m2	1.9	3.6	-0.1	Sufficient	Sufficient	4.3	Insufficient (2.4 ha)	Insufficient (0.68 ha)	9.8	Insufficient (7.89 ha)	Insufficient (6.17 ha)
	Service stations	529.5	532.1	-0.1	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.3	Sufficient	Sufficient
	Supermarkets / food retail <600m2	1.1	2.8	0.0	Sufficient	Sufficient	0.4	Sufficient	Sufficient	0.9	Sufficient	Sufficient
	Supermarkets / food retail >600m2<2000m2	0.0	2.6	0.0	Insufficient (0.02 ha)	Sufficient	0.7	Insufficient (0.72 ha)	Sufficient	1.6	Insufficient (1.57 ha)	Sufficient
	Supermarkets / food retail >2000m2	1.9	4.5	0.0	Sufficient	Sufficient	0.5	Sufficient	Sufficient	1.0	Sufficient	Sufficient
	Department stores / durable goods retail	1.7	12.5	0.0	Sufficient	Sufficient	1.8	Insufficient (0.06 ha)	Sufficient	4.1	Insufficient (2.38 ha)	Sufficient
	Boutique shopping and personal services	10.6	10.7	0.2	Sufficient	Sufficient	2.0	Sufficient	Sufficient	4.1	Sufficient	Sufficient
	Accommodation	1.1	4.7	0.5	Sufficient	Sufficient	2.4	Insufficient (1.33 ha)	Sufficient	3.8	Insufficient (2.75 ha)	Sufficient
	Cafes, restaurants and bars >250m2	1.9	12.6	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient
	Cafes, restaurants and bars <250m2	130.5	131.6	0.4	Sufficient	Sufficient	2.2	Sufficient	Sufficient	3.6	Sufficient	Sufficient
Office based activities		12.6	12.6	0.6	Sufficient	Sufficient	2.4	Sufficient	Sufficient	4.3	Sufficient	Sufficient
Health, education and community services		1.7	12.5	2.7	Insufficient (by 0.98 ha)	Sufficient	6.9	Insufficient (by 5.19 ha)	Sufficient	11.6	Insufficient (by 9.86 ha)	Sufficient
Total		540.2	540.2	59.8	Sufficient	Sufficient	146.1	Sufficient	Sufficient	257.8	Sufficient	Sufficient

Table 33: Sufficiency of business land capacity under the Draft District Plan for each sector, sub-sector and size (with linear programming to avoid double counting of land being allocated to multiple activities)

BUSINESS SECTORS		BUSINESS CAPACITY		SUFFICIENCY TO MEET DEMAND								
Broad sector	Sub-sector	Max land available		Short term (2021)			Medium Term (2028)			Long Term (2048)		
				Demand (ha)	Sufficient?		Demand (ha)	Sufficient?		Demand (ha)	Sufficient?	
		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary		Permitted only	Permitted and discretionary
Industry	Food Industry	527.6	531.2	-0.7	Sufficient	Sufficient	-1.7	Sufficient	Sufficient	-1.6	Sufficient	Sufficient
	Light Industry	527.6	531.2	9.6	Sufficient	Sufficient	22.4	Sufficient	Sufficient	36.1	Sufficient	Sufficient
	Noxious Industry	406.7	527.6	7.9	Sufficient	Sufficient	18.6	Sufficient	Sufficient	28.3	Sufficient	Sufficient
	Heavy Industry	406.7	527.6	12.3	Sufficient	Sufficient	28.8	Sufficient	Sufficient	62.3	Sufficient	Sufficient
	Industrial Services	527.6	531.2	23.1	Sufficient	Sufficient	42.5	Sufficient	Sufficient	65.5	Sufficient	Sufficient
	Warehousing	527.6	531.2	3.4	Sufficient	Sufficient	10.3	Sufficient	Sufficient	18.9	Sufficient	Sufficient
Retail and personal services	Trade retail >600m2	120.9	124.5	0.0	Sufficient	Sufficient	1.4	Sufficient	Sufficient	3.3	Sufficient	Sufficient
	Trade retail <600m2	1.9	3.6	-0.1	Sufficient	Sufficient	4.3	Insufficient (by 2.87 hectares)	Insufficient (by 4.29 hectares)	9.8	Insufficient (by 8.36 hectares)	Insufficient (by 9.78 hectares)
	Service stations	529.5	532.1	-0.1	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.3	Sufficient	Sufficient
	Supermarkets /retail trade <600m2	1.1	2.8	0.0	Sufficient	Sufficient	0.4	Insufficient (by 0.39 hectares)	Insufficient (by 0.39 hectares)	0.9	Insufficient (by 0.86 hectares)	Insufficient (by 0.86 hectares)
	Supermarkets /retail trade >600m2 <2000m2	0.0	2.6	0.0	Insufficient (by 0.02 hectares)	Sufficient	0.7	Insufficient (by 0.72 hectares)	Insufficient (by 0.7 hectares)	1.6	Insufficient (by 1.57 hectares)	Insufficient (by 1.56 hectares)
	Supermarkets /retail trade >2000m2	1.9	4.5	0.0	Sufficient	Sufficient	0.5	Sufficient	Insufficient (by 0.47 hectares)	1.0	Insufficient (by 0.57 hectares)	Insufficient (by 1.04 hectares)
	Department stores / durable goods retail	1.7	12.5	0.0	Sufficient	Sufficient	1.8	Insufficient (by 1.78 hectares)	Sufficient	4.1	Insufficient (by 4.09 hectares)	Insufficient (by 2.31 hectares)
	Boutique shopping and personal services	10.6	10.7	0.2	Sufficient	Sufficient	2.0	Sufficient	Sufficient	4.1	Insufficient (by 0.57 hectares)	Insufficient (by 2.09 hectares)
	Accommodation	1.1	4.7	0.5	Sufficient	Sufficient	2.4	Insufficient (by 1.57 hectares)	Insufficient (by 1.93 hectares)	3.8	Insufficient (by 2.99 hectares)	Insufficient (by 3.35 hectares)
	Cafes, restaurants and bars >250m2	1.9	12.6	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient	0.0	Sufficient	Sufficient
	Cafes, restaurants and bars <250m2	130.5	131.6	0.4	Sufficient	Sufficient	2.2	Sufficient	Sufficient	3.6	Sufficient	Sufficient
	Office based activities	12.6	12.6	0.6	Sufficient	Sufficient	2.4	Sufficient	Sufficient	4.3	Insufficient (by 1.87 hectares)	Insufficient (by 1.87 hectares)
Health, education and community services		1.7	12.5	2.7	Insufficient (by 0.98 hectares)	Sufficient	6.9	Insufficient (by 5.19 hectares)	Insufficient (by 2.99 hectares)	11.6	Insufficient (by 9.86 hectares)	Insufficient (by 7.66 hectares)
Total		540.2	540.2	59.8	Sufficient	Sufficient	146.1	Sufficient	Sufficient	257.8	Sufficient	Sufficient

3.7.3 Sensitivity testing

Conclusions about whether or not Whangārei's District Plans provide sufficient business land are sensitive to the assumptions used to project demand for business land. These projections are driven by both employment projections and assumptions about land consumption per employee.

Table 34 shows how the sufficiency of capacity to meet economy-wide demands is affected by these assumptions. There is sufficient capacity in both the Operative and Draft District Plans to meet total demand as projected in our Base demand scenario. This scenario does err on the side of being conservative about whether the District Plans provide sufficient capacity to meet that demand.

However, if the economy grows more quickly, then the Operative District Plan would provide insufficient capacity for total business demand in the long term. If land consumption per worker increases, then the Draft District Plan would also provide insufficient capacity for total business demand in the long term. If the economy grows more quickly *and* land consumption per worker increases (unlikely) then under either District Plan Whangārei would run out of vacant business land in the medium term (within 10 years).

The high employment growth scenario assumes that major new land-intensive industrial activities will be attracted to Whangārei District, potentially due to policy changes or investments in improved transport connections to the rest of the Upper North Island. If this scenario occurred, it is likely that it would be accompanied by significant land use planning processes to unlock new industrial land.

Table 34: Business land demand projections by employment growth/land consumption scenario

Demand scenario: Employment growth/Land consumption per employee	Projections of total business land demanded plus NPS-UDC margin (hectares)		
	Short term (by 2021)	Medium term (by 2028)	Long term (by 2048)
Low/Low	44.9	105.9	189.4
Base/Low	44.9	109.7	193.4
Low/Base	59.8	141.1	252.4
Base	59.8	146.1	257.8
High/Base	84.4	225.2	437.2
Base/High	136.7	328.3	585.6
High/High	212.3	550.6	1046.7

This only summarises the impact of different demand scenarios on the sufficiency of capacity to meet total economy-wide demand for business land. As highlighted in sections 3.1 and 3.2 above, even under our Base demand scenario the Draft District Plan would allocate capacity such that it would not meet the demands of specific sectors.

There are two additional qualifications that need to be made about the conclusions we have drawn:

- Marsden Primary Centre and Nikau Point may provide enough additional vacant business land to meet total demands for business land (as well as sector-specific demands) in the medium and long term.
- The results also exclude the potential for redevelopment in the City Centre Environment, which may provide additional capacity for office-based activities, health, education and community services.

3.7.4 Feasibility and take-up

The feasibility of developing vacant land that is zoned for business in the District Plans depends on how well this land meets a range of locational and other requirements that different types of businesses have.

To assess this for Whangārei, we undertook a multi-criteria analysis (MCA) of the attributes of the vacant land available for new industrial and retail activities. These sectors make up the largest share of overall projected business land demand. We did not evaluate the land available for office uses which are likely to have demands more similar to retail than industrial activities. We did not distinguish between the Operative and Draft District Plans in undertaking this review. A detailed explanation of the approach is available in Appendix [G](#).

3.7.4.1 Method

Based on a review of previous business land studies, plus consideration to the local context, we identified eight key criteria that influence the relative attractiveness of developing different sites for new business uses:

- Access to the freight network
- Site size
- Topography
- Availability for purchase
- Reverse sensitivity
- Proximity to market catchment
- Access to labour
- Visibility.

We assigned different weightings to each criterion for the industrial and retail sectors, reflecting the likely relative importance of each factor for businesses in those broad sectors. These weightings were revised following a review with Whangārei District Council staff. Table 35 summarises the resulting criteria, weightings and evaluation method.

For industrial activities, accessibility to the State Highway network is weighted the most highly (30 percent) and the availability of large sites (20 percent) next most important, followed by topography and availability of sites for purchase. These criteria and weightings echo the results of a survey of local industrial businesses that BERL undertook for its UNISA industrial land study.

For retail businesses, the things that matter the most include visibility to customers (25 percent), proximity to the local market catchment (20 percent), and accessibility to the State Highway network (20 percent). This reflects the customer-facing nature of the retail industry. The high weight placed on access to State Highways reflects the fact that Whangārei is a retail hub for Northland as a whole, in addition to serving local demands.

These criteria do not include information on either infrastructure availability or land prices, although these are important determinants of business location decisions. We excluded these measures because:

- The NPS-UDC directs councils to assess the availability of development infrastructure as a constraint on capacity, rather than as a factor that affects feasibility. With identified exceptions, vacant business-zoned land is expected to be serviced by development infrastructure. Where businesses have additional requirements, e.g. for telecommunications infrastructure or private wastewater solutions, it is expected that they will be able to work with private infrastructure suppliers or self-service.
- Land prices reflect the attractiveness of different sites for development, and as a result including them would 'double count' the measurable criteria we have identified below. We consider business land prices when discussing housing-business interactions.

Table 35: MCA criteria and weightings for business land feasibility

Criteria	How it was measured	Weighting for:	
		Industry	Retail
1. Accessibility: Proximity to State Highway network	GIS analysis used to estimate straight-line distance to nearest State Highway. Sites were considered 'close' if they were within 1km.	30%	20%
2. Topography: Flat sites, not in flood zones	GIS analysis used to identify share of land that has an average slope less than 2.5% and is not in a flood plain	15%	10%
3. Ownership: Extent to which land is likely to be available to purchase	Qualitative assessment of large (>1 hectare) sites, based on information on ownership intentions and sales trends	15%	5%
4. Site size: Availability of large sites	GIS analysis used to identify what share of sites are larger than 1 hectare	20%	5%
5. Reverse sensitivities: Close proximity to residential activities	Qualitative assessment of proximity of vacant sites to residential land, taking into account buffer provisions	10%	5%
6. Market catchment: Proximity to current and future customers	GIS analysis of number of dwellings (existing or feasible capacity) within a 5km radius of vacant sites	5%	20%
7. Access to labour: Proximity to current and future workers	GIS analysis of number of dwellings (existing or feasible capacity) within a 5-10km radius of vacant sites	5%	10%
8. Visibility / promotion to customers	Qualitative assessment of vacant sites' presence in a town centre or on a key arterial route where they will be visible to customers	0%	25%

We reviewed the attributes of vacant land zoned for industrial compared to retail using the Operative Urban District Plan zoning rules. We identified sites zoned Business 2 or Business 4 as industrial, and those zoned Business 1, Business 2, or Business 3 as retail.

GIS analysis was undertaken at the parcel level, and parcel-level results were aggregated up to Census area units for reporting. Qualitative assessments were undertaken at the Census area unit level (and at the District level for the ownership criterion).

3.7.4.2 Results

The MCA suggests that overall, most of the land available for industrial uses scores very well against the criteria that are likely to matter most to these businesses, while the land available for retail scores also quite well. One qualification to this finding is that more than half of the land available for both uses is in flood zones: this may be a significant detractor if it cannot be addressed.

A further point is that a qualitative review by Colliers of the likely availability to purchase the largest vacant industrial sites revealed that there are unlikely to be any significant issues around inability to secure ownership. As a result, we assumed that all areas are likely to have a similar high score on this measure, and hence we have focused scoring on other criteria for comparative purposes.

The results of the MCA of industrial land are shown in Table 36 and Figure 25.

Table 36: Multiple Criteria Analysis of the attributes of industrial land by area unit

Area unit	Vacant land (ha)	MCA score Max score = 85%	Criteria							
			1. Accessibility	2. Topography	3. Ownership	4. Site size	5. Reverse sensitivities	6. Market catchment	7. Access to labour	8. Visibility / promotion
			Weighting							
			30%	15%	15%	20%	10%	5%	5%	0%
Marsden Point-Ruakaka	306.82	62.80	0.79	0.61		0.99	0.80	0.25	0.20	0.8
Waiotira-Springfield	54.13	59.93	1.00	-		0.98	0.80	0.26	0.19	0.9
Springs Flat	24.15	64.31	0.93	0.03		0.91	1.00	0.81	0.71	0.5
Port-Limeburners	23.98	50.72	0.71	-		0.78	0.60	0.75	0.86	0.5
Abbey Caves	6.59	26.59	-	-		0.59	0.70	0.57	1.00	0.7
Kamo East	2.17	39.31	0.67	0.49		-	0.40	0.82	0.71	0.5
Morningside	0.72	19.63	0.15	-		-	0.70	0.95	0.69	0.5
Whangārei Central	0.55	29.01	0.69	-		-		0.99	0.65	
Vinetown	0.06	38.22	1.00	-		-		1.00	0.64	
Total	419.17	63.62	0.81	0.45		0.96	0.80	0.60	0.96	0.77

As Table 36 shows, most industrial land is located close to the State Highway network, there are plenty of large sites, that are or would be for sale, and 80 percent of the sites have no observable reverse sensitivity issues.

Figure 25 shows how the MCA scores align with the quantity of vacant industrial-zoned land in each area unit.

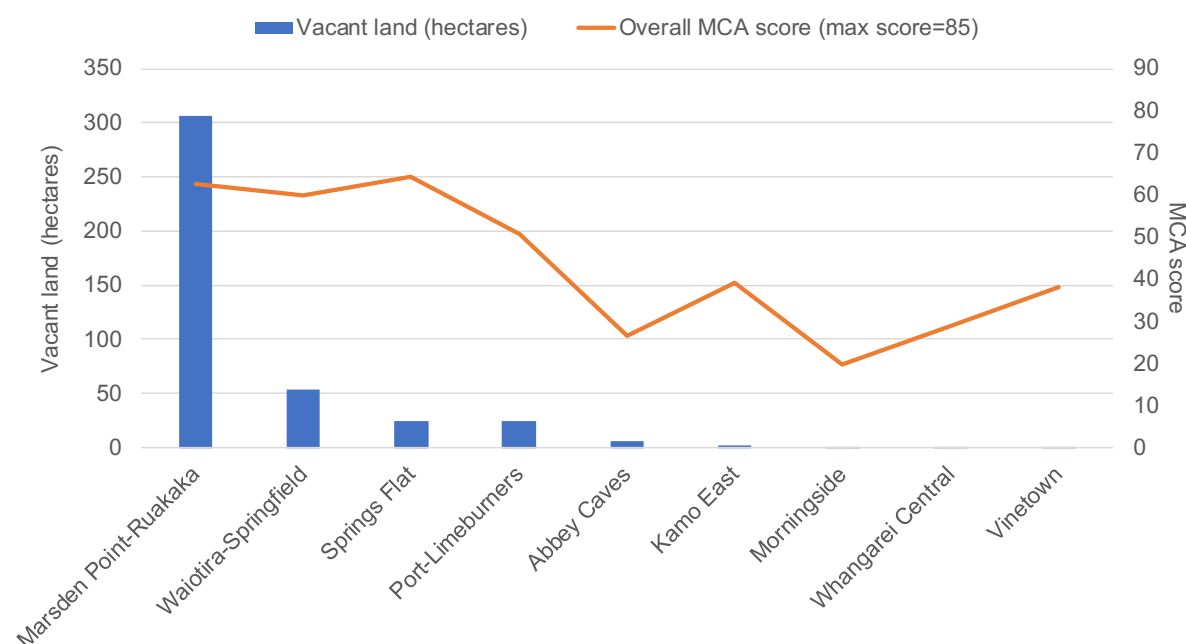
Significant amounts of vacant industrial land are only present in seven area units, Marsden Point-Ruakaka contains the majority (73 percent of the District-wide total). This location has the second highest MCA score (63 out of a maximum of 85). This score reflects:

- Good access to the State Highway network via SH15A
- A moderate level of geographic constraints – all sites are flat, but half are in flood zones
- A high proportion of large sites
- Limited reverse sensitivity issues, although these may rise in the future with residential development
- A comparatively small catchment of local workers due to the distance from Whangārei City

Springs Flat has the highest MCA score (64 out of a maximum of 85). This reflects:

- Good access to SH1
- Few geographic constraints – around 30% of sites are not flat, however very few are affected by flood zones
- A high proportion of large sites
- No reverse sensitivity issues
- A relatively high market and labour catchment
- Moderate visibility concerns

Figure 25: Vacant industrial-zoned land and MCA feasibility scores



The results of the MCA of industrial land are shown in Table 37 and Figure 26.

Table 37: Multiple Criteria Analysis of the attributes of industrial land by area unit

Area unit	Vacant land (ha)	MCA score Max score = 95%	Criteria							
			1. Accessibility	2. Topography	3. Ownership	4. Site size	5. Reverse sensitivities	6. Market catchment	7. Access to labour	8. Visibility / promotion
			Weighting							
			20%	10%	5%	5%	5%	20%	10%	25%
Marsden Point-Ruakaka	106.33	53.52	0.93	0.04		0.97	0.70	0.21	0.20	0.8
Waiotira-Springfield	54.13	53.77	1.00	-		0.98	0.50	0.23	0.19	0.8
Port-Limeburners	38.36	58.21	0.39	-		0.97	0.90	0.64	0.83	0.8
Springs Flat	16.73	64.48	1.00	-		0.99	0.80	0.68	0.69	0.6
Otaika-Portland	10.18	71.17	1.00	-		1.00	0.70	0.59	0.83	0.9
Abbey Caves	6.59	41.35	-	-		0.59	0.80	0.49	0.96	0.6
Raumanga West	5.42	63.76	1.00	-		0.85	0.80	0.57	0.90	0.6
Kamo East	2.17	57.49	0.67	0.49		-	0.60	0.71	0.68	0.6
Whangārei Central	1.30	65.20	0.87	0.46		-	0.90	0.89	0.60	0.6
Sherwood Rise	0.71	33.37	-	-		-	0.50	0.29	1.00	0.6
Morningside	0.69	42.98	1.00	-		-		0.82	0.66	
Regent	0.48	45.84	1.00	0.12		-		0.98	0.51	
Maunu	0.25	40.54	1.00	-		-		0.56	0.93	
Tikipunga West	0.14	32.40	-	1.00		-		0.80	0.64	
Vinetown	0.06	43.52	1.00	-		-		0.87	0.62	
Mairtown	0.05	54.76	1.00	1.00		-		1.00	0.48	
Total	243.59	57.82	0.84	0.02		0.94	0.69	0.44	0.45	0.77

Vacant retail land is more widely distributed throughout the District than industrial land – it is present in ten area units. However, it is still relatively concentrated in Marsden Point-Ruakaka rather than matching the distribution of housing in the District. Possibly for this reason the land scores more moderately against the criteria that matter for retail businesses. Most of it is accessible to the State Highway network (and therefore the regional market), and 77 percent of the land has good visibility for customers. However only 44 percent of the land is close to existing or feasible future residential capacity (the local market).

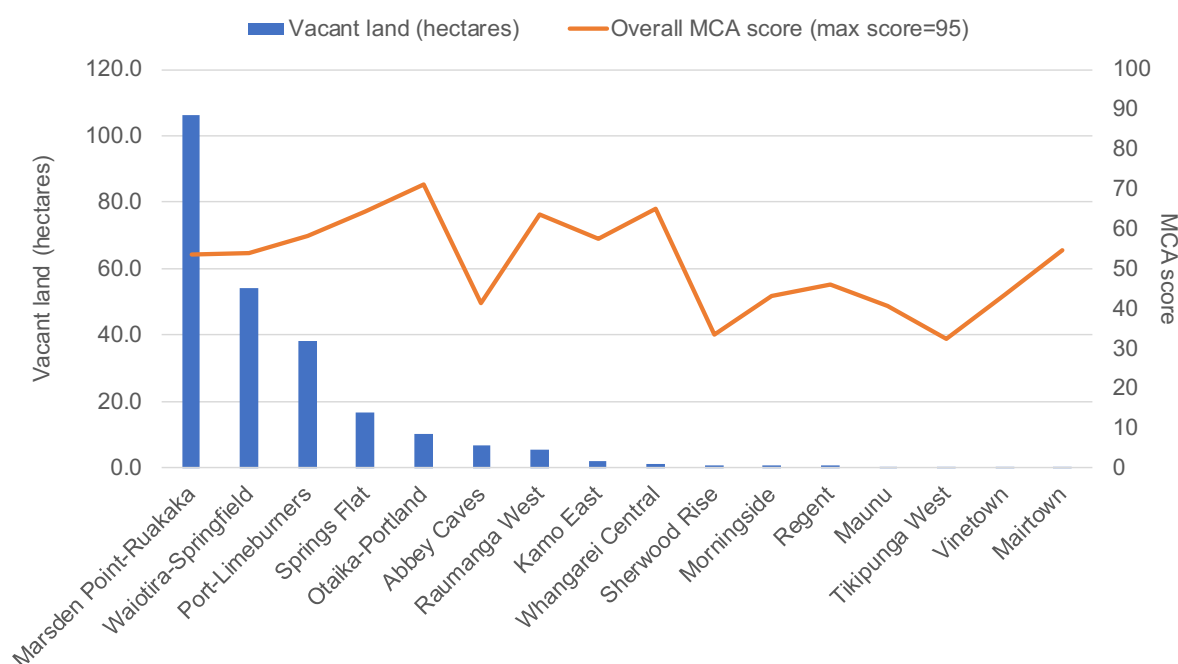
Figure 26 shows how MCA scores for retail align with the quantity of vacant retail-zoned land in each area unit.

Marsden Point-Ruakaka contains the majority of vacant retail land (44 percent of the District-wide total) and has a moderate MCA score (54 out of a maximum of 95). This score reflects similar benefits as the land available for industrial use, however is lower due to the higher weightings that retail business place on proximity to the local market catchment and labour.

Otaika-Portland has the highest MCA score (71 out of a maximum of 95), however has just 10 hectares of land available for retail development. The high MCA score for this area reflects:

- Good access to the State Highway network, being at the intersection of SH1 and SH15
- No geographic constraints – all sites are flat, and none are in flood zones
- All vacant business sites are large
- Limited reverse sensitivity issues
- A moderate catchment of residential capacity within 5km and a relatively high catchment of residential capacity within 10km of the sites
- Very high visibility of sites, due to their presence at the intersection of SH1 and SH15

Figure 26: Vacant retail-zoned land and MCA feasibility scores



4 Housing and business interactions

In this section, we consider potential interactions between housing and business capacity. This includes:

- Addressing the potential for ‘double counting’ capacity between alternative uses;
- Considering the potential for positive or negative interactions between alternative uses, and between land uses and the transport system; and
- Considering whether there is evidence of an imbalance between demands for alternative uses in some locations.

4.1 How we avoided double counting capacity between uses

4.1.1 Residential activities in business zones

A number of business zones, such as the City Centre Environment, enable residential activities. In order to avoid double-counting capacity between housing and business uses, we tagged sites that were identified as feasible for residential development at current prices and costs and excluded them from the dataset we used to calculate business land capacity.

For the large Marsden Primary Centre Environment, we adopted the activity thresholds (in hectares) for each key business activity identified in the Precinct Plan. These are separate to the housing thresholds and so no double counting occurs in this Environment.

4.1.2 Business activities in residential zones

To understand the degree to which business activities may locate in residential zones, we analysed Census data on the share of people employed in each industry who reported working from home. This data captures people with home offices or construction / trades businesses based at home. This data suggests that, although some business activities are likely to locate in residential zones, the scale of these activities is not large enough to fundamentally alter our conclusions about the sufficiency of business or housing capacity.

As shown in Table 31, in 2013 10.4 percent of employed people worked from home. Roughly one third of these workers are in agriculture. Excluding non-urban business activities, 6.9% of employed people work from home. The urban industries with the highest shares in home employment are:

- Accommodation and food services (11 percent)
- Information media and telecommunications (12.9 percent)
- Rental, hiring, and real estate (19.0 percent)
- Professional, scientific, and technical services (16.0 percent)
- Arts and recreation services (12.4 percent)

The share of construction industry employees working from home dropped from 7.6 percent to 6.8 percent between the 2006 and 2013 Censuses. This may be due to the fact that self-employed builders working from home tend to drop out of the market when building demand drops, as it did after the GFC. Hence it is likely that home employment in construction has risen since 2013.

Table 38: Share of people who reported working from home in Whangārei District, 2013

Industry sector	Total people stated	Work from home	Share
Agriculture, forestry and fishing	2490	1134	45.5%
Mining	78	3	3.8%
Manufacturing	2883	153	5.3%
Electricity, gas, water and waste services	303	6	2.0%
Construction	2679	183	6.8%
Wholesale trade	1140	75	6.6%
Retail trade	3051	129	4.2%
Accommodation and food services	1449	159	11.0%
Transport, postal and warehousing	1281	48	3.7%
Information media and telecommunications	279	36	12.9%
Financial and insurance services	648	48	7.4%
Rental, hiring and real estate services	807	153	19.0%
Professional, scientific and technical services	2022	324	16.0%
Administrative and support services	918	87	9.5%
Public administration and safety	1464	42	2.9%
Education and training	2640	105	4.0%
Health care and social assistance	4410	159	3.6%
Arts and recreation services	483	60	12.4%
Other services	1242	123	9.9%
Total people stated	30264	3030	10.0%
Not elsewhere included	828	192	23.2%
Total all industries	31092	3219	10.4%
Total ex agriculture, mining, and utilities	27396	1884	6.9%

Source: Statistics New Zealand Census 2013

This data suggests that office-based industries tend to be more susceptible to home employment than other sectors. This has two impacts:

- First, it will reduce demand to construct new offices. The method we used to estimate required land per worker accounts for these trends, as it is based on new consented office space versus added office-based employment over the 2000-2017 period. Office land demand is small relative to land demand for other business activities and hence any changes are unlikely to be material to the results.
- Second, it will increase demand to own a home with a spare bedroom. This is already captured in prices for dwellings of different size. Hence, we have already implicitly accounted for this in feasibility modelling.

Health care and education activities are more likely to locate in residential zones than indicated by this data - e.g. small medical centres or early childhood education services setting up in residential zones. The scale of these demands over the period – added demand for ~10 hectares of land in the long term – is not large enough to undermine our broad conclusions about residential sufficiency. Even if all of that demand went to residential-zoned sites, it would only reduce housing capacity by ~200-300 dwellings, assuming 15-20 dwellings per net hectare.

Construction employment is likely to expand in residential zones, but it is difficult to estimate the quantity of land that may be required per builder working from home. The approach we have taken to assessing land demand for construction (i.e. allocating it to the "industrial services" category) is likely to be a conservative approach.

In addition, given the mix of existing housing and lot sizes in Whangārei, there are unlikely to be major practical barriers to setting up small construction businesses from home, as properties with a bit of extra space are abundant. Feasibility results suggest that this is likely to continue to be the case.

4.2 Development opportunities in the City Centre

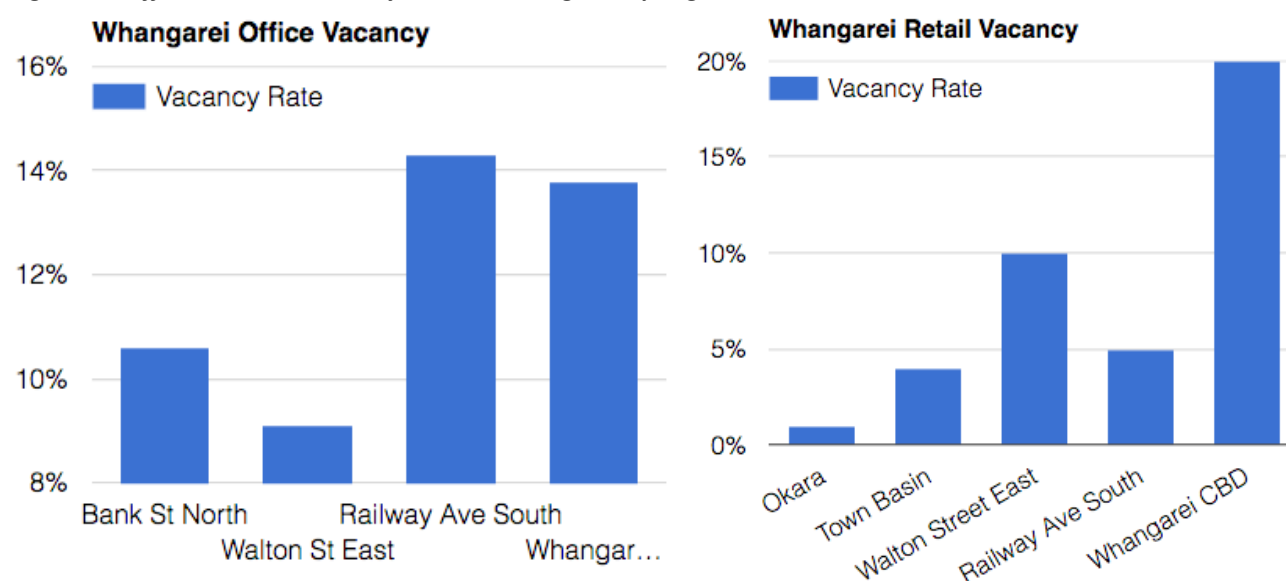
Whangārei's city centre performs an important function in the future urban development of the District. A well-functioning and high amenity city centre acts as an "urbanisation magnet", attracting residential development and sympathetic business activities both to the centre and surrounding city fringe areas.

Whangārei District Council has recognised this by enabling these activities in its District Plan and by adopting a City Centre Plan in December 2017. This City Centre Plan incorporates projects and opportunities that received considerable community input in its 20/20 Momentum Plan. These include improvements to transport connections, carparking, cycleways and walkability; waterfront development; street revitalisation and design guidelines; events; land acquisition/disposal; and working with the private sector to develop strategic sites.

Currently about one third of the District's workforce works in the city centre in office, retail, and cafes, restaurants and bars. However very few people live in the centre and the feasibility of housing development in the city centre is relatively low.

In addition, the city centre faces some economic challenges due to recent increases in vacancy rates as some retailers and office tenants have moved out to peripheral locations. Whangārei District Council's *CBD Regeneration Information Pack* recorded retail vacancies averaging 9.5 percent in 2013. By 2017, this had risen to 19.8 percent, due to the shift of trade retail and 'big box' retail to out of centre locations such as Okara Park (see Figure 27 which shows data from *Bayley's MarketBeat: Whangārei Commercial & Industrial – Spring 2017*).

Figure 27: Office and retail vacancy rates in Whangārei, spring 2017



Source: Bayley's MarketBeat: Whangārei Commercial & Industrial – Spring 2017²⁵

Rising vacancy rates can be observed in various New Zealand city centres, partly reflecting the ongoing, economy-wide transformation of demand in the retail sector. Retailers of bulky items are increasingly seeking 'big box' locations, often in transitioning industrial zones, while growth in traditional town centre or city centre locations is increasingly shifting into hospitality and specialised retail offerings, which can occupy smaller sites and which benefit from higher foot traffic. High vacancy rates may also reflect some of the weaknesses already identified by the Council, such as the poor connections between different areas in the centre; areas of low amenity and poor surveillance; and existing buildings not meeting Building Act and Code requirements²⁶.

To turn this around and also attract inner city living the Council will need to commit resources to action its City Centre Plan. We note that Whangārei District Council (and Northland Regional Council) have significant levers to affect change in the city centre, by using their infrastructure investments and land-holdings to address flooding, upgrade buildings and attract anchor tenants to Whangārei's city centre.

Refurbishment and conversion of underutilised office / warehouse space for other uses is likely to be the first key move for the private sector. We have not modelled this in the core assessment due to its idiosyncratic nature. However, Colliers International undertook a hypothetical evaluation of the feasibility of refurbishing a representative building in the city centre (on Lower Tawera Road) for office and retail use in today's market – see Figure 28.

This shows that refurbishment could attract a developer that can fund much of it from equity if:

- The building was purchased at the 2015 rating valuation
- It was refurbished according to the *Rider Levett Bucknall* refurbishment cost guidelines and allowing for the costs of contingencies, development management services, leasing and sales fees and bank financing
- It was leased at market rates following refurbishment, then sold at 8 percent yield.

²⁵ <http://www.marketbeat.co.nz/Whangarei-commercial-industrial-spring-2017/>

²⁶ Whangārei District Council's *CBD Regeneration Information Pack* identified that in 2013 Whangārei's vacancy rates were at the higher end of rates that varied between 7.5 percent (in Auckland) and 15 percent (in areas of lower growth such as Wellington, Hastings and Rotorua).

Figure 28: Refurbishment case study: 30 Lower Tawera Road, Whangārei.



7700m² site, including 100 car parks.
2380m² would be rentable for offices, 1260m² for retail.
Current valuation is \$3.84m

Estimated refurbishment costs would total \$14.7m. Half of this comprises the physical costs of refurbishment. The other half is to cover finance costs for three years, contingencies, development management fees, development contributions, sales commission, marketing etc.

This would require rental rates of \$275 per metre² for office or \$350 per metre² for retail, plus \$2640 per park per annum for three years, and a sales price yield of 8 percent.

Total profit = 15 percent.

The feasibility and likelihood of refurbishing current buildings would increase if rents were to increase in the city centre. This would reflect successful implementation of City Centre Plan actions that make the city centre more attractive.

The opportunity is to initiate a 'virtuous cycle' of public and private investment in the Whangārei city centre. This would entail a mix of:

- Public investment in improved amenity and accessibility of the city centre, to make it attractive as a place to be and to differentiate it from suburban shopping centres and 'out of centre' retail locations;
- Private investment in housing, to provide local customers for a more '24/7' city centre; and
- Private investment in office employment and retail, to provide 'daytime' vitality and to provide local services to enable people to live conveniently in the city centre.

We describe this as a 'virtuous cycle' as each activity can bolster demand for other activities. For instance, improved amenity in a public space may increase the number of office workers visiting an area during the day, leading to new cafes and retailers setting up, leading to underutilised buildings in the area being converted to residential apartments, which in turn will increase demand for local retail. The overall effect of this will be to progressively support increased feasibility of higher-value and higher-amenity activities.

As this report has a broader scope than the city centre, we do not investigate these steps in detail. However, our analysis suggests that Whangārei's District Plan is relatively enabling in the city centre – it allows a range of activities to occur and facilitates redevelopment of land for apartments and townhouses. As a result, achieving the full potential of the Whangārei city centre is likely to depend upon non-regulatory activities, including master-planning to take advantage of new investments such as the Hundertwasser Wairau Maori Arts Centre.

4.3 Transport implications of location

As discussed in Section 2.2, the *Whangārei District Growth Strategy* outlines an aspirational future development path for the district via a tiered settlement pattern. This consists of Whangārei City as the primary district and regional urban centre with an enduring CBD; a satellite town at Marsden Point/Ruakaka; five urban villages within the greater Whangārei urban area; one rural and two coastal growth nodes; and two rural villages along with eight coastal villages.

As this report demonstrates, all elements of the settlement pattern, with the exception of significant infill and redevelopment in the existing urban area of Whangārei, contain currently feasible development capacity to assist with meeting the future development path.

Whangārei City and its five urban villages (Kamo, Maunu, Titipunga, Otaiku and Onerahi) form a relatively compact city, not so much in density as in distance. While residential greenfield and rural residential capacity will enable the city to expand around its northern flanks the majority of future employment opportunities (via vacant land) are to the south of the City Centre (largely in Otaika).

However, housing growth opportunities to the northern greenfields of the city will be no more than a 12km drive away from most existing and future employment opportunities within the city itself. In the future while localised congestion is likely to worsen, roading, public transport and walking and cycling improvements are planned to address this and to expand transport choices.

The *Growth Strategy* recognises the transport benefits of a consolidated city. However, the analysis in this report suggests that the current feasibility of urban infill and redevelopment is lower than for new greenfield development or the take up of rural residential and coastal opportunities. This creates a risk that dependence of private vehicles in new subdivisions may persist or even increase into the future as the city and outlying areas expand.

The two key nodes of Waipu and Hikurangi have some localized employment capacity (existing and future opportunities). However, household growth opportunities are anticipated to grow more quickly than their employment opportunities and further commuting to the key employment areas at Whangārei and Marsden Point / Ruakaka is likely from these nodes.

While there are few existing and planned employment opportunities along most coastal villages, notably those along the Tutakaka Coast, many of these villages are also within a 20 to 30 minutes commute of the employment opportunities within Whangārei City. However, they are a relatively long distance from the significant employment opportunities at Marsden Point / Ruakaka.

The *Growth Strategy* states that ferry services, including a car ferry, may again become viable between the Whangārei Heads and Ruakaka/Marsden Point areas, and possibly between Parua Bay and Ruakaka/Marsden Point. This would assist with addressing future accessibility issues.

The take-up of significant employment capacity at Marsden Point / Ruakaka, while matched with commensurate levels of housing opportunity, will likely exacerbate some currently experienced transport issues in the District including localized congestion, some safety issues and private vehicle dependency.

While Marsden Point / Ruakaka has significant housing capacity and is experiencing household growth the current and projected future socio demographic makeup of the population may not match well with the types of employment being created. Some employment opportunities in Marsden Point / Ruakaka may need to be filled by those living in Whangārei. This is a 60km round trip, which will be prohibitive for those that do not or cannot drive and may be prohibitive for those households with only one vehicle and/or for those who cannot afford to drive long distances.

This may affect disadvantaged communities within the Whangārei District the most, if newly created employment opportunities matched to their skills and qualifications are established further away from their communities.

Conversely, households taking up housing opportunities in Marsden Point / Ruakaka may also need to travel to Whangārei for certain types of employment or to access health and education services not available in Marsden Point / Ruakaka.

Northland Regional Council has begun to address these accessibility issues via trials of public transport services to Hikurangi, Whangārei Heads, Ruakaka, and Waipu. Longer term there have also been options mooted for running a passenger service to Whangārei on the future Marsden Point Branch Line.

As stated in the *Growth Strategy*, linking Marsden Point/Ruakaka and growth nodes (Parua Bay, Hikurangi and Waipu) with Whangārei City will be an important step to decreasing dependency on private vehicles in the district. It will also improve access to important services for the elderly and other members of the population with limited mobility.

4.4 Relative demands for different activities

In order to understand relative levels of demand for different business and residential activities in certain locations, we used data on land price differentials across zoning boundaries published on MBIE's NPS-UDC market indicators dashboard.

We also considered this data in light of data on vacancies and price trends for business floorspace. As shown in Figure 29, retail floorspace currently commands higher rents than office floorspace, which in turn commands higher rents than industrial floorspace. The recent trend and near-term outlook for all three broad sectors is stable, with mixed demands and some expected shortages of supply, e.g. for industrial floorspace.

This data is qualitatively consistent with our analysis of projected future business land demand, which shows that there is expected to be more demand for retail land than for office land, and that there will be steady ongoing growth in industrial land demand. It also highlights some relativities between sectors, and the potential for retail activities to 'outbid' industrial activities for sites in the right location.

Figure 29: Recent trends in demands for office, industrial, and residential property

WHANGAREI OFFICE LEASING TRENDS SEPT 2017						
Quality of Space	Rental Range (\$/m ²)	Trend last 12 months	Forecast next 12 months	Opex (\$/m ²)	Leasing Market Demand Supply	
Prime	180 - 250	►	►	30 - 40	Weak	Shortage
Secondary	130 - 175	►	►	30 - 40	Weak	Surplus

WHANGAREI INDUSTRIAL LEASING TRENDS SEPT 2017					
Quality of Space	Rents (\$/m ²)	Trend last 12 months	Forecast next 12 months	Leasing Market Demand Supply	
Office/Showroom	90 - 130	►	►	Steady	Shortage
Warehouse	60 - 90	►	►	Steady	Shortage

WHANGAREI RETAIL LEASING TRENDS SEPT 2017					
Quality of Space	Rents (\$/m ²)	Trend last 12 months	Forecast next 12 months	Investment Market Demand Supply	
Prime	275 - 500	►	►	Steady	Sufficient
Secondary	95 - 250	►	►	Weak	Sufficient

Source: Bayley's MarketBeat: Whangārei Commercial & Industrial – Spring 2017²⁷

Land value differentials near industrial zone boundaries provide additional information on the relative level of demands for different activities in specific locations. Broadly speaking, statistically and practically significant 'jumps' in land values across zone boundaries indicate that there is higher demand for one activity than for another. (Or, alternatively, that there are differences in the quality or developability of land that are reflected in land values and aligned with zoning boundaries.) Conversely, if land values on either side of zoning boundaries are similar, it suggests that demands for the activities that are enabled in different zones are in balance with supply at that place.

We considered the four largest industrial zones by land area in Whangārei District, which are identified in the following map.

²⁷ <http://www.marketbeat.co.nz/Whangarei-commercial-industrial-spring-2017/>

Figure 30: Location of industrial zoned land in Whangārei, based on 2015 valuations data

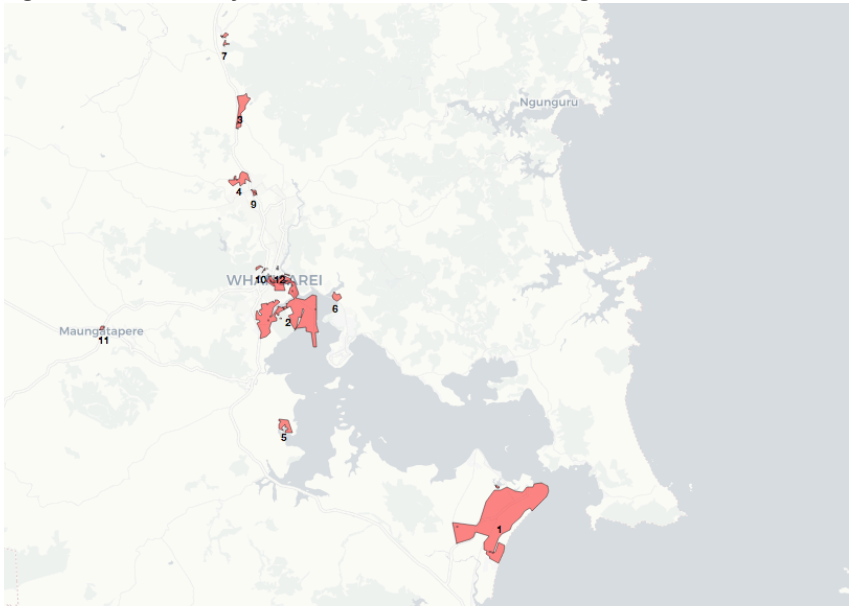


Table 39 summarises the average value of industrial-zoned land and commercial, residential, and rural-zoned land near the edge of these zones, and compares the differences. This shows that:

- At Marsden Point, industrial land is worth slightly more than rural-zoned land, but this difference is not statistically significant. This is consistent with the observation that there is abundant industrial-zoned land at that location, some of which is currently in rural use while awaiting development. However, it may also suggest that industrial land projections in this area should be taken with a grain of salt, as there is no urgent, unaccommodated development pressure.
- Residential land at Marsden Point is estimated to be valued significantly higher than industrial land. This is consistent with ongoing demand residential development in the area, and the findings of our feasibility assessment. However, given the transport issues noted above, it highlights a risk associated with ensuring that local employment opportunities are available for Ruakaka’s growing population.
- In central Whangārei, industrial zoned land is valued at a discount from surrounding commercial and residential land. The differential is higher for commercial land. This is consistent with trends observed in the area, including the movement of some ‘big box’ retail activities into industrial areas and the master planning of new housing development at Nikau Point.
- At Kauri and Kamo / Springs Flat, industrial-zoned land appears to be valued more highly than adjacent rural-zoned land. This may reflect higher demand for some business activities in these areas, relative to rural uses, or it may reflect the fact that remaining rural land is more likely to have constraints to development, such as sloping land or native bush cover.
- However, at Kamo / Springs Flat, industrial-zoned land has a similar value to commercial- and residential-zoned land. This suggests that demands for different urban activities are roughly ‘in balance’ in that part of the city.

Table 39: Land value differentials at the edge of industrial zones in Whangārei

Industrial zone ID	Adjacent non-industrial zone	Number of industrial parcels	Average industrial land value (\$/m2)	Number of non-ind parcels	Average non-ind land value (\$/m2)	Difference in land value (\$/m2)	Statistically significant at 5% level?
1 (Marsden Point)	commercial	2	\$20	3	\$91	-\$71	FALSE
	residential	46	\$22	157	\$176	-\$154	TRUE
	rural	109	\$46	15	\$20	\$26	FALSE
2 (central Whangārei, including Nikau Point)	commercial	201	\$210	150	\$333	-\$123	TRUE
	residential	235	\$85	751	\$118	-\$33	TRUE
	rural	37	\$103	17	\$10	\$93	TRUE
3 (Kauri)	rural	6	\$47	32	\$12	\$35	TRUE
4 (Kamo / Springs Flat)	commercial	25	\$129	4	\$115	\$14	FALSE
	residential	41	\$95	387	\$113	-\$18	FALSE
	rural	29	\$109	5	\$18	\$92	TRUE

This analysis highlights some spatial interactions between different uses, and in general reinforces the conclusions arising from city-wide projections of housing demand and business land demand. It highlights the potential for transformation in land uses in some locations, particularly in central Whangārei, as well as the need to monitor market trends closely to ensure a positive interaction between housing growth and employment growth in Ruakaka.

5 Conclusions and policy implications

To conclude, we briefly review our key findings and highlight some potential policy implications of these findings.

5.1 Sufficiency of district-wide capacity for housing

In our assessment, both Whangārei District Council's Operative and Draft District Plans, and infrastructure existing or identified in its Long Term Plan and Infrastructure Strategy, provide enough plan-enabled and feasible capacity to meet demand for housing in the short and medium term. The Operative District Plan would not provide enough capacity for the long term, but the Draft District Plan would - just. Table 1 shows a high-level summary of our results.

Our calculations show that Whangārei's Operative and Draft District Plans provide a maximum capacity for between 26,000 and 30,000 new dwellings. Slightly less than half of these would be feasible to build in today's market conditions (i.e. taking into account both house sales prices and the costs of development). The Operative District Plan falls short of providing enough capacity to cover the number of dwellings we project would be needed by 2048, plus the 15 percent NPS-UDC margin (13,050). However, the Draft District Plan would just provide sufficient long term capacity.

Table 40: Sufficiency of housing capacity to meet demand

Time period	Short term (2018-21)	Medium term (2021-28)	Long term (2028-48)
Demand			
Projected dwelling growth	1,750	5,370	11,120
Growth + NPS margin	2,100	6,440	13,050
Operative District Plan			
Plan-enabled capacity	26,210		
Feasible capacity	11,130		
Sufficient to meet demand?	Yes	Yes	No
Draft District Plan			
Plan-enabled capacity	29,520		
Feasible capacity	13,050		
Sufficient to meet demand?	Yes	Yes	Yes

Note: Capacity includes the total of greenfield capacity, infill capacity, and redevelopment capacity for the District as a whole.

5.1.1 Greenfield versus infill and redevelopment capacity

Most (about 90 percent) of the feasible development capacity for housing is located in greenfield sites on vacant land of one hectare or more. About 80 percent of the greenfield capacity provided for in the Plans would be market feasible. Both District Plans provide capacity for about 15,000 dwellings through infill and redevelopment, but only a small proportion of this (about 15 percent) would be feasible in Whangārei's current market conditions, and much of this is infill in coastal areas where reduced minimum lot sizes have been provided for where reticulated services are available, via rezoning under the recent Rural Plan Change.

Future changes in prices and costs will change what housing is feasible to develop, both in terms of the total capacity and the location and typology of future dwellings. In order for a greater proportion of plan-enabled infill and redevelopment (i.e. townhouses and apartments) to become possible in Whangārei, sales prices would need to increase relative to costs.

5.1.2 Sufficiency of capacity by location within the District

Both District Plans concentrate capacity for housing in Whangārei City, but only a third of this would be feasible to develop. Nevertheless, about half the feasible development capacity is located in Whangārei City, while the rest is divided between Ruakaka and Whangārei's Rural Areas.

This locational distribution of feasible capacity does not match or fully cover locational demands. The Operative District Plan does not provide sufficient capacity to cover long term demands in either Ruakaka or Rural Areas, and the Draft District Plan would also fall short in Rural Areas. However, this finding is the result of our comparing District-wide demand projections with capacity in a more focused area that excludes Rural Countryside and Rural Living Environments. The capacity in these Environments may meet rural demands.

In the Operative District Plan most of the feasible development capacity for housing is located in the Living 1 and Living 3 zones in the city, and Rural Village Residential (serviced) zone. In the Draft Plan most of the feasible development capacity is in the Urban Residential and large Lot Residential Environments in the City, Urban Residential Environment in Ruakaka, and the Rural Village Residential (serviced) Environment. We present detailed results for the number of dwellings that would be plan enabled and feasible in each zone and environment in the Operative and Draft District Plans, at the end of the Housing demand and capacity section of this report.

It is notable that so much of Whangārei's feasible development capacity for housing is located in the serviced Rural Residential Village Residential environments. (Indeed, most of the feasible infill and redevelopment capacity is located there). This result both reflects relatively high prices and demands in these locations and is a consequence of the Rural Zone plan change, which renamed and consolidated two different zones and enabled higher density development where reticulated services are available.

5.2 Sufficiency of business land capacity

This draft report summarises the results of comparing projected demand to vacant land only, in zones and Environments which would permit business activities - excluding Marsden Primary Centre and Nikau Point. While about 70 hectares would be available for business in these latter Environments, the planning has not yet advanced to the point that it is clear how the land would be allocated to different activities.

Even without the capacity in these Environments, the Operative District Plan appears to provide, sufficient zoned vacant business land to meet economy-wide demand and the demand of individual sectors in the short, medium and long term.

Whangārei's Draft District Plan would provide more zoned business land in total than the Operative District Plan (so would also provide sufficient land to in the aggregate for the short, medium and long term).

However, it would also be more selective about which business activities can occur in different Environments. This responds to perceptions that industrial land uses are subject to competition and reverse sensitivities from other business activities entering their zones. It also responds to the impacts of a Whangārei's past relatively permissive policy around retail location that has 'hollowed out' some existing centres.

The number of activities listed as discretionary in various Environments under the Draft District Plan makes it very difficult to provide a single measure of the amount of capacity provided for each sector, sub-sector and size grouping. We have addressed this by testing two extreme scenarios for what might be enabled in each Environment:

- A "Permitted only" scenario, which assumes that activities are plan-enabled in an Environment only if they have a permitted activity status
- A "Permitted and discretionary" scenario, which assumes that activities are plan-enabled if they have permitted, restricted discretionary, or discretionary activity status, and if there is a policy direction that is generally enabling of the activity. This results in more capacity for some activities, assuming that case-by-case assessments through resource consents will generally be more enabling.

We also used a linear programming method to ensure that the Business Land Model does not over-allocate land in Environments where multiple competing activities are permitted.

The Draft District Plan would appear to provide sufficient vacant business land to meet all specific sector demands in the short term, with any potential shortfalls under a "Permitted only" implementation scenario addressed by approving some discretionary activities²⁸.

However in the medium term, there would be insufficient land in some Environments where specific business activities are permitted or discretionary under the Draft District Plan. Our calculations suggest that there would be shortfalls for small trade retail outlets, supermarkets / food retail, visitor accommodation, and health education and community services. Approving some discretionary activities would simply redistribute the short falls, which are due to insufficient land being available in particular Environments.

In the long term total these shortfalls would grow and extend to Department stores /durable goods retail, Boutique shopping and personal services, and offices.

Table 41: Sufficiency of business land capacity to meet demand

Time period	Short term (2018-21)	Medium term (by 2028)	Long term (by 2048)
Land demand by sector (in hectares, including NPS-UDC margins)			
Industry	55.6	121.0	209.5
Retail and personal services	0.9	15.8	32.4
Office based activities	0.6	2.4	4.3
Health, education, and community services	2.7	6.9	11.6
Total demand	59.8	146.1	257.8
Operative District Plan			
Total vacant plan-enabled capacity (hectares)	430.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	Yes	Yes
Draft District Plan			
Total vacant plan-enabled capacity (hectares)	540.2		
Sufficient to meet demand in the aggregate?	Yes	Yes	Yes
Sufficiency by sector	Yes	No	No

Note: This is a simplified version of our assessment. See Section 4.2 for full details of this analysis.

We note that these shortfalls may be mitigated by vacant business land in the Marsden Primary Centre and Nikau Point, and redevelopment opportunities in the City Centre.

5.3 The Whangārei City Centre

Whangārei's city centre performs an important function in the future urban development of the District. A well-functioning and high amenity city centre acts as an "urbanisation magnet", attracting residential development and sympathetic business activities both to the centre and surrounding city fringe areas.

²⁸ The Draft District Plan does not appear to permit supermarkets between 600m² and 2000m² in any environment and may not permit sufficient land to be used for health, education and community services in the short term.

Whangārei District Council has recognised this by enabling these activities in its District Plan and by adopting a City Centre Plan in December 2017.

Currently about one third of the District's workforce works in the city centre in office, retail, and cafes, restaurants and bars. However very few people live in the centre and the feasibility of housing development in the city centre is relatively low.

In addition, the city centre faces some economic challenges due to recent increases in vacancy rates as some retailers and office tenants have moved out to peripheral locations. Rising vacancy rates can be observed in various New Zealand city centres, partly reflecting the ongoing, economy-wide transformation of demand in the retail sector. Retailers of bulky items are increasingly seeking 'big box' locations, often in transitioning industrial zones, while growth in traditional town centre or city centre locations is increasingly shifting into hospitality and specialised retail offerings, which can occupy smaller sites and which benefit from higher foot traffic. High vacancy rates may also reflect some of the weaknesses already identified by the Council, such as the poor connections between different areas in the centre; areas of low amenity and poor surveillance; and existing buildings not meeting Building Act and Code requirements²⁹.

To turn this around and also attract inner city living the Council will need to commit resources to action its City Centre Plan. We note that Whangārei District Council (and Northland Regional Council) have significant levers to affect change in the city centre, by using their infrastructure investments and land-holdings to address flooding, upgrade buildings and attract anchor tenants to Whangārei's city centre.

Refurbishment and conversion of underutilised office / warehouse space for other uses is likely to be the first key move for the private sector. We have not modelled this in the core assessment due to its idiosyncratic nature. However, in Section 5.2 of this report we provide a hypothetical case study using a site in Lower Tawera Road. This suggests that while some developers could be attracted to such a refurbishment in particular conditions now, it would become a more feasible option if rents were to increase in the city centre. This would reflect successful implementation of City Centre Plan actions that make the city centre more attractive.

The opportunity is to initiate a 'virtuous cycle' of public and private investment in the Whangārei city centre. This would entail a mix of:

- Public investment in improved amenity and accessibility of the city centre, to make it attractive as a place to be and to differentiate it from suburban shopping centres and 'out of centre' retail locations;
- Private investment in housing, to provide local customers for a more '24/7' city centre; and
- Private investment in office employment and retail, to provide 'daytime' vitality and to provide local services to enable people to live conveniently in the city centre.

As this report has a broader scope than the city centre, we do not investigate these steps in detail. However, our analysis suggests that Whangārei's District Plan is relatively enabling in the city centre – it allows a range of activities to occur and facilitates redevelopment of land for apartments and townhouses. As a result, achieving the full potential of the Whangārei city centre is likely to depend upon non-regulatory activities, including master-planning to take advantage of new investments such as the Hundertwasser Wairau Maori Arts Centre.

5.4 Policy implications

This report highlights some issues and opportunities that should be taken into account when devising planning responses.

First, the analysis of housing demand and capacity suggests that both the Operative and Draft District Plans are likely to provide sufficient capacity to meet short, medium, and long term demand for housing in Whangārei District. The Draft District plan results in some incremental increases in capacity, particularly for infill and redevelopment in the existing urban area.

On the face of it, there does not appear to be a significant need to make further changes to ensure sufficient capacity. However, it will be important to incrementally review this assessment and to update it in light of ongoing changes to

²⁹ Whangārei District Council's *CBD Regeneration Information Pack* identified that in 2013 Whangārei's vacancy rates were at the higher end of rates that varied between 7.5 percent (in Auckland) and 15 percent (in areas of lower growth such as Wellington, Hastings and Rotorua).

demand growth (which may result in upwards or downwards revisions of housing demand estimates) and changes to prices and costs for new housing development (which may increase the feasibility of some infill and redevelopment if Whangārei converges to trends seen in other fast-growing urban areas in the upper North Island). Monitoring take-up of development capacity and changes to prices over time will be especially important.

Second, our analysis of business demand and capacity suggests that there would be sufficient zoned vacant land in both the Operative and Draft District Plans to meet economy-wide demands in the short, medium and long term. However, the analysis also suggests that the Draft District Plan would not provide sufficient capacity in some Environments where particular activities are either permitted or discretionary, leading to business land short falls for some retail activities and health, education and community services in the medium term, which increase and extend to other sectors in the long term. This may be mitigated by land for business available at Marsden Primary Centre and Nikau Point which are still being planned, and with redevelopment opportunities in the city centre. (These other sources of capacity are currently not included in the Business Land Model). Nevertheless we suggest the Council review the land available in the new Environments with detailed activity lists in its Draft District Plan.

Third, our assessment suggests some potential directions for Whangārei District's Future Development Strategy, which will encompass an update of the *Whangārei District Growth Strategy*. The 2010 *Growth Strategy* outlined an aspiration to move towards a more consolidated urban form, with growth focused on key urban and rural nodes. Achieving this will require a mix of policy changes, which are addressed in recent plan changes, and changes to market conditions and demand that lead to more development in these locations.

Following the *Growth Strategy*, recent plan changes signal an intention to move away from a 'reactive' approach to planning, in which new capacity is released via private plan changes and resource consents for new subdivision, towards a 'proactive' approach that aims to direct and shape growth. In order for this approach to succeed, the Future Development strategy and subsequent planning decisions must be based on robust information on long-term demand and capacity, as well as regular monitoring of market information to understand how things are progressing towards the long term.

Although most infill and redevelopment capacity is not commercially feasible to develop based on current prices and costs, changes to demand are likely to shift this equation. This may involve District-wide changes to prices, e.g. due to ongoing inflows of population from international migrants and from other New Zealand regions, leading to increasing feasibility of more housing options throughout the District. This may be bolstered by transport improvements between Whangārei and Auckland, which may make it increasingly attractive to live or locate businesses in Whangārei City, Marsden Point / Ruakaka and other rural and coastal settlements.

Alternatively, it may arise from changes to the relative attractiveness of different areas, e.g. due to the effects of improvements to public amenity or improvements to the local built environment, including the local retail offering. This is a particularly important opportunity to take into account, and seek to shape, in the Whangārei city centre.

In our view, it is important to take the potential for future changes in demand and development patterns into account when devising Whangārei's Future Development Strategy. As its name implies, this strategy must be *future-focused*, and should consider how Whangārei District Council can react to different scenarios that may play out over a multi-decade period.

For instance, in a scenario in which house prices rise to the levels experienced in other high-growth upper North Island cities, but in which land price inflation is moderated, then more infill and redevelopment is likely to become feasible, facilitating a more compact urban form. This could also occur locally via price uplift in selected areas such as the City Centre Environment and the Kamo Walkability Environment, which could be further facilitated by public and private investments in improved amenity and accessibility.

Alternatively, in a scenario in which dwelling prices remain low relative to construction costs, especially for higher-density typologies, more greenfield land is likely to be taken up, and there may be more demand for low-density residential activity and countryside living.

A key to success in both scenarios will be having policy settings that provide abundant development capacity, so as to moderate pressure on land prices. While land prices will rise in response to demand, signalling opportunities to redevelop sites for higher-value uses, excess land price growth may undermine redevelopment by eating away at developer margins.

A fourth and final consideration is that a rigorous monitoring framework and a process for updating analysis as prices and costs change will be important for understanding the interplay between policy settings and market changes. This is important to understand how demands and prices are evolving, and hence which of the above scenarios the District is headed towards. This monitoring can build upon the Council's strong history of monitoring new development trends.

Monitoring will be important given the policy approach outlined in the Draft District Plan. This entails significant levels of discretion in the assessment of resource consents. For this approach to succeed in providing sufficient capacity to meet demand for new development while managing environmental and urban effects arising from that demand, it must be implemented well and applicants must perceive the consenting process to be efficient and fair.

Monitoring take-up of industrial land will be especially crucial to understanding whether there are emerging sufficiency issues over the long term, or a locational issues with so much vacant industrial land capacity being located in one location (Marsden Point / Ruakaka).

Plan Change 88A: [City Centre Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 2** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives and policies standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88A (**PC88A**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the City Centre Zone (**CC**). PC88A proposes to amend the spatial extent of and replace the existing Business 1 Environment (**B1**) with the CC PC88A will include:
 - A new 'City Centre Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the CC.
 - Consequential changes to the WDP.
3. PC88A includes a description of the proposed CC to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. The central area of Whangarei City is referred to as the City Centre. The City Centre has not been explicitly defined in previous strategic documents or plans. However, in 2014 Council notified Plan Change 130 (**PC130**) to the WDP which sought to provide for a new zone called Bulk Format Retail Environment. Upon appeal, PC130 was disallowed by the Environment Court which concluded that the plan change was not supported by the WDP. However, within the decision it was considered that the "core CBD" of Whangarei constitutes the area identified in as a car parking exemption area Appendix 6A of the WDP, which is shown as unshaded in Figure 1 below:



Figure 1: WDP Appendix 6A Car Parking Exemption Area

5. The WDP describes the B1 as generally comprising Whangarei's City Centre. The B1 extends beyond the Appendix 6A area shown above and covers an area of approximately 25ha and is shown in red in Figure 2 below:



Figure 2: WDP Environment Map Indicating B1 in Red

6. The WDP permits a range of activities within the B1, except for activities which are generally considered noxious or offensive. There are also a number of building performance standards including a maximum permitted building height of 20m, daylight angle restrictions, living court requirements for residential units, and verandah requirements on specific road frontages. Existing uses in the B1 include retailing, accommodation and food services, entertainment activities, offices, commercial services, industrial activities, health care, and professional and real estate services.
7. The policy framework of the WDP envisions a hierarchy of urban centres within Whangarei which includes a high density, mixed use City Centre. It is anticipated that the City Centre will provide the majority of business, commercial and retailing for the District while supporting a range of mixed use

activities (e.g. high density residential activities, recreational and entertainment facilities, and visitor and community facilities). The City Centre is also intended to form the District's central public transport hub linking the area to surrounding suburban centres via a range of transport choices.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.7 discuss the following key resource management issues in relation to the City Centre.

- Commercial sprawl
- Connectivity and transport
- Urban design outcomes
- Recreational and entertainment activities
- Safety
- Lack of residential activity
- Spatial Extent of the City Centre

2.2.1 Commercial sprawl

9. Over the last decade there has been an ongoing decline of the City Centre as the primary retail and service centre for the District. This is resulting in a significant number of empty shops and office space, limited foot traffic, and a subsequent lack of vibrancy including a limited night-time and weekend economy.

10. One of the drivers identified for this decline is 'commercial sprawl', or businesses locating outside of normal business areas. Commercial sprawl usually manifests in three main ways:

- Sporadic retail and commercial development throughout Whangarei City, including within areas zoned for industrial purposes.
- Sizeable retail centres locating outside of the City Centre (e.g. Okara and Tarewa Shopping Centres).
- Commercial activities spreading into residential areas, particularly around the City Centre fringe and along arterial routes.

11. The issue of commercial sprawl is primarily caused by the inadequacy of planning provisions in Environments (zones) outside of the B1 (i.e. the Business 2 – 4 and Living 1 – 3 Environments). Often these provisions are not restrictive enough to effectively manage commercial sprawl. Supporting objectives and policies in the WDP also do not give sufficient guidance or weight to clearly preclude certain types of commercial development from some areas. This allows a wide range of commercial activities to exist within different Environments, undermining any preference to preclude particular activities (e.g. office or retail) from operating within light industrial or residential areas in proximity to

the City Centre. The effects of commercial sprawl are often cumulative, as once out-of-zone activities are established it becomes easier for more out-of-zone activities to establish, exacerbating the issues.

12. While the issue of commercial sprawl is not directly related to the City Centre area or the planning provisions relevant to that area, it does have significant effects on the City Centre. PC88A proposes a new CC chapter which will clearly define the outcomes and expectations within the City Centre and provide for appropriate activities. PC88B – H also aim to address commercial sprawl by revising the planning framework outside of the City Centre and encouraging appropriate activities to locate in the City Centre.

2.2.2 Connectivity and transport

13. Historically the City Centre has been dominated by, and designed for, motor vehicles. This has, in part, resulted in poor connectivity between the City Centre and surrounding areas such as the Town Basin and the Civic Centre at Forum North. For example, the roading network forms a barrier to pedestrian movement, and is particularly detrimental to the connection between the City Centre and the Town Basin. Additional hindrances to connectivity include a lack of wayfinding information and limited public transport options.
14. Projects such as the Laneway on James Street and Cameron Street Mall and the Hatea Loop have been completed to improve the connectivity within the City Centre and between the City Centre and surrounding areas. Planned projects such as Parking to Park and the Green Blue Network will further pedestrianise the City Centre and enhance connectivity. While pedestrian connectivity has been enhanced in recent years there is still room for improvement to allow easier access on foot (as well as cycle), and improve the experience of people within Whangarei City.
15. The issue of connectivity and transport are largely addressed through Plan Change 109 – Transport, as well as through mechanisms outside the District Plan and RMA. However, this is a key issue within the City Centre and is central to the consideration of PC88A. It is vital to retain a pedestrian scale within the City Centre and provide for activities which are primarily pedestrian-centric rather than vehicle-centric.

2.2.3 Urban design outcomes

16. Sense of place is made up of a sense of belonging/attachment to a location, and physical and intangible elements of a place that contribute to its special character or 'familiarity'. A strong sense of place is important for people to positively identify with where they live, and to attract visitors and businesses. A sense of place is also important for the promotion or 'branding' of a city and can strengthen stewardship towards the urban environment. Sense of place can be improved through urban design methods such as controlling the design and scale of buildings, improving wayfinding, and framing streets and view shafts.
17. Generally, there is a lack of quality urban design and landscaping in Whangarei City and the urban environment does little to encourage a strong sense of ownership and belonging. Positive urban design outcomes are required if the City Centre is to create an attractive environment for people to

live, work and visit. PC88A considers different approaches to addressing urban design as discussed further in section 4.

2.2.4 Recreational and entertainment activities

18. Culture, arts and entertainment are an important part of the wellbeing of individuals and communities as a whole. With a growing population, Whangarei City needs to support a sufficient level of cultural amenities and entertainment facilities to meet the needs of the population and maintain peoples' quality of life. As the largest City in Northland, Whangarei City also holds an important role as an arts and cultural hub for the region, with its importance likely to increase as the region develops.
19. There is an increasing awareness of the importance of arts and culture for society. The arts, culture, heritage and creative industries sector plays an important role in creating a vibrant, diverse and interesting community, and as a part of creating a unique sense of place for Whangarei. Therefore, there needs to be a diverse range of high quality attractions for both residents and visitors to ensure that Whangarei is an attractive place to live, work and visit.
20. The sector also plays an important role in the economic development of the region employment. As well as offering employment opportunities, a thriving arts and cultural scene also has the ability to attract (and retain) additional businesses and residents to the City and to encourage tourism.
21. Entertainment and nightlife is another significant factor in the cultural fabric of a place. Whangarei City presently has a limited weekend and night-time economy. Efforts therefore need to be made to grow this part of the City's character by providing not just the physical premises but also associated activation with public spaces (i.e. making places more inclusive, accessible and useable), the promotion of evening events, and longer opening hours.
22. Mechanisms beyond the District Plan and RMA are often the primary drivers for enhancing the culture, arts and entertainment scene within a city. However, to promote culture, arts and entertainment the District Plan must acknowledge the importance of this sector while providing for and protecting appropriate activities.

2.2.5 Safety

23. The City Centre is frequently perceived as being an unsafe place, particularly outside of standard business hours. While the built environment contributes in part towards the perception and use of the City Centre, a lack of people using the area during these times also means that there is less passive surveillance within the City Centre.
24. To improve the safety of the City Centre, especially during the evenings or on the weekend, urban design using crime prevention through environmental design (**CPTED**) principles and the presence of people are both important aspects. By having an increased residential population within the City Centre and/or more reasons to attract people into the City Centre, it is considered that safety (and the perceived level of safety) will be enhanced.

2.2.6 Lack of residential activity

25. A key theme throughout many of the resource management issues stated above is the limited number of residents living in, and adjacent to, the City Centre. As at 2013, the Usual Resident Population (URP) of 'Whangarei Central' was 174. 'Whangarei Central' is a meshblock area from Statistics New Zealand and is shown in Figure 3 below outlined in green and black dotted line. It is considered that there is potential for this area to support a far larger residential population.

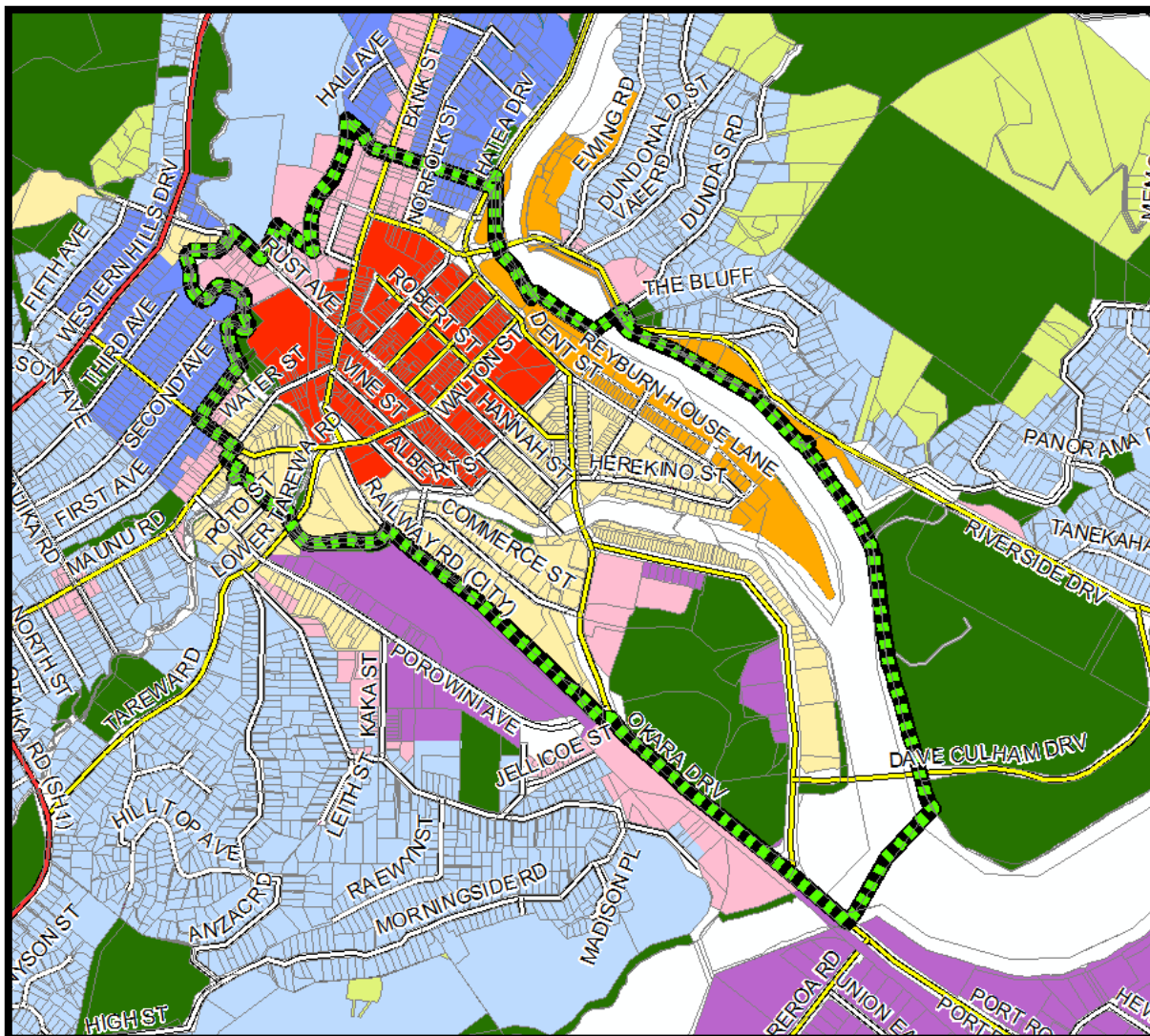


Figure 3: Whangarei Central meshblock outlined in green and black

2.2.7 Spatial extent of the City Centre

26. The spatial extent of the 'City Centre' has not explicitly been defined in previous strategic documents. The B1 has traditionally been considered to generally comprise the City Centre; however, some areas of the B1 have developed in a manner which do not reflect the intended nature of the City Centre and have become fragmented from the City Centre. Therefore, PC88A proposes to amend the spatial extent of the B1 to better encompass areas that are consistent with the expectations of the City Centre and provide for a well-connected, compact City Centre.
27. Capacity and demand must be considered in any proposed rezoning. With regard to the City Centre, the vital aspect is the capacity and demand for retail and office land. In response to the National Policy

Statement on Urban Development Capacity, MRCagney has prepared an assessment of housing and business land development capacity for Whangarei District Council (**Attachment 1 to Part 1**). The report has been prepared to help Council meet the requirements of the NPS:UDC and ensure that sufficient plan enabled and feasible capacity for business activities will be provided for.

28. The majority of the B1 area (except for approximately 3.3ha near Laurie Hall Park) is identified as being flood susceptible – see Figure 4 below. Different approaches can be adopted to manage the flood risk such as enforcing minimum building floor levels, encouraging developers to adopt higher floor levels or encouraging flood proof building design and construction. However, these approaches create additional development costs and can result in significant adverse effects on streetscape due to height differences between the road level, the footpath, floor levels and building accesses.

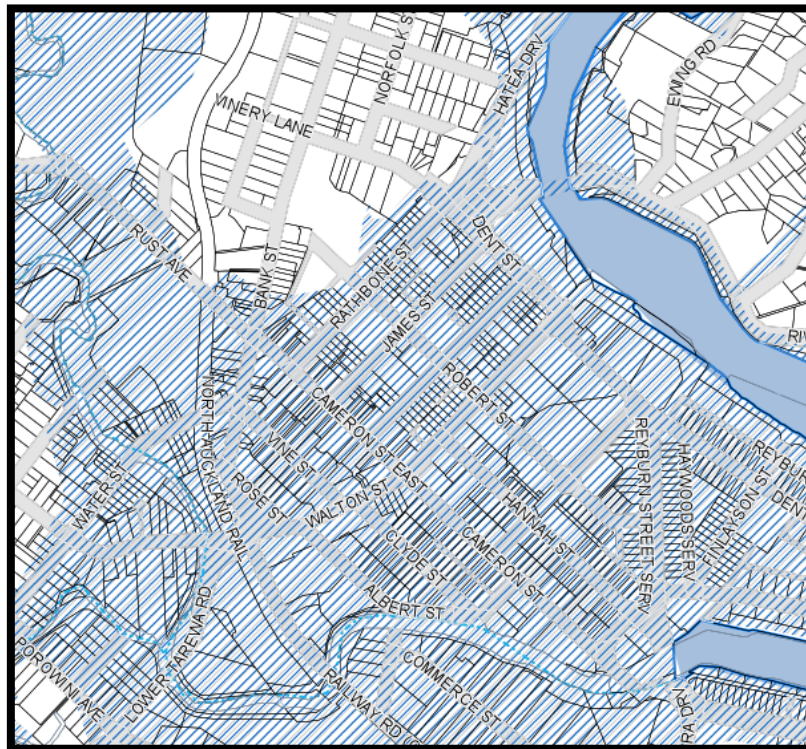


Figure 4: Flood Susceptible Areas in City Centre (shown in blue)

29. As further discussed in section 4, PC88A considers the option of shifting the City Centre zoning to the northwest where there is higher, less vulnerable ground. This would help protect the highly valuable City Centre land from flood hazards.

3. Proposed City Centre Zone

30. The proposed CC aims to strengthen, consolidate and enhance Whangarei's City Centre by providing for a variety of activities for residents and visitors while maintaining and enhancing the vibrancy, vitality and sense of place of the area. The amenity values of the City Centre are highly valued and the CC aims to maintain and enhance the vibrancy, vitality and sense of place of the area. Activities which are not consistent with the anticipated amenity, character and uses within the City Centre are encouraged to be located outside of the CC. It is proposed to achieve these outcomes through zone mapping and a new suite of objectives, policies and provisions specific to the CC.

31. With regard to zone mapping, in order to determine whether or not an area of B1 is consistent with the CC the following criteria have been considered:

TABLE 1: PROPOSED CC ZONING CRITERIA	
Criteria	Reason/Issue
The area maintains a consolidated centre.	Areas which are fragmented from the core City Centre, either caused by road network barriers or poor walkability, are considered less appropriate for the CC.
The area has high amenity values and active frontages at ground floor.	Buildings and developments which do not provide active frontages to cater to pedestrians or are not of a scale or character that is compatible with the CC expectations are considered less appropriate for the CC.
The area largely comprises existing uses and development which support a vibrant and pedestrianised environment.	Activities such as boutique retail, offices, restaurants and visitor accommodation are appropriate for the CC and support the area as an attractive place to live, work and visit. Activities like trade retail, light industry or bulk format retail are not considered appropriate for the CC as they can have adverse effects on amenity, character, walkability, vibrancy and residential activities.

32. Strategic documents such as Whangarei 20/20 Plus (**20/20 Plus**), the Whangarei District Council Growth Strategy – Sustainable Futures 30/50 (**30/50**) and the City Centre Development Plan (**CCDP**) were also used to guide the zone mapping of the CC. These strategic documents are further discussed in **Part 1** of this s32 Report. The proposed CC zoning is shown in red in Figure 5 below:

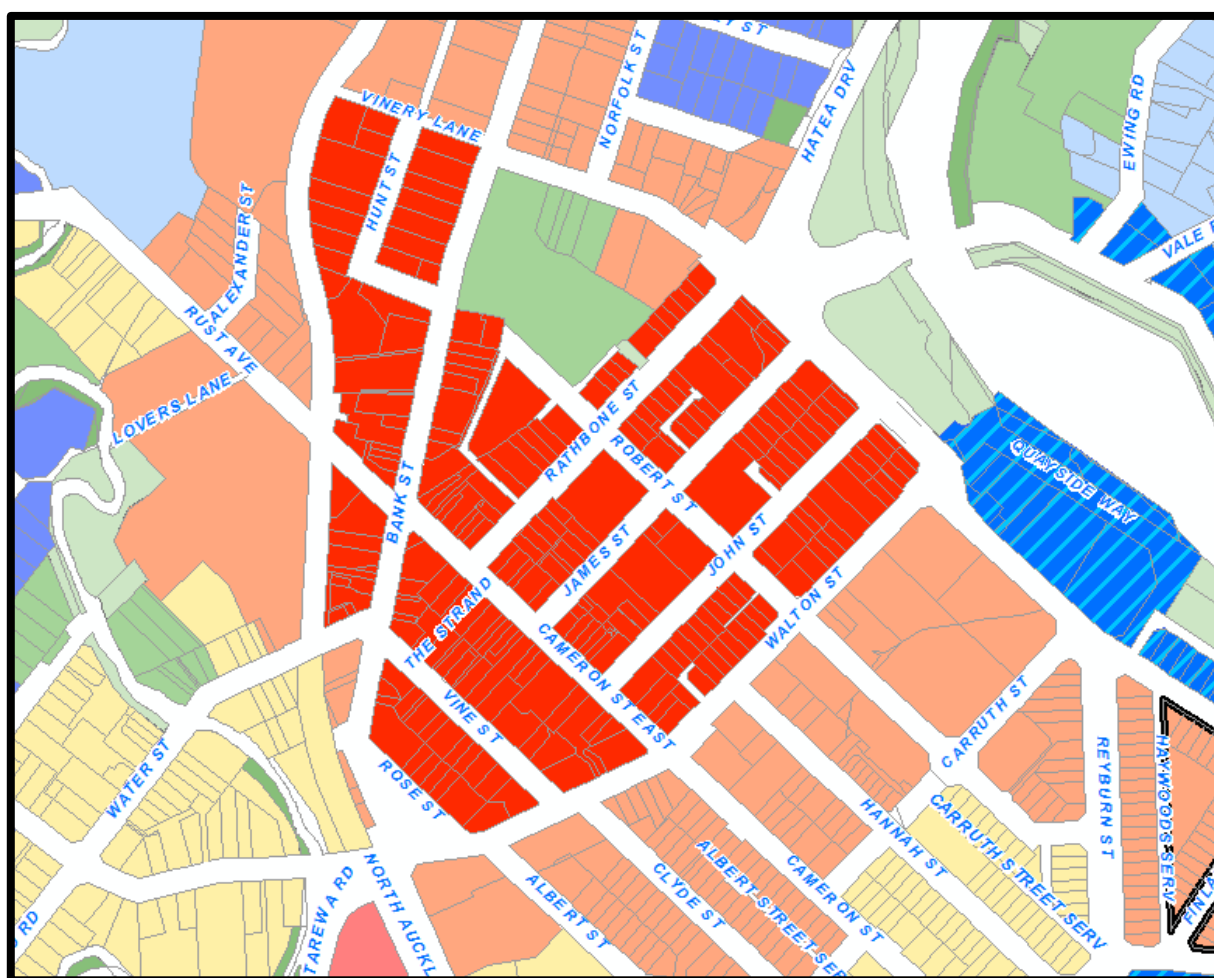


Figure 5: Proposed City Centre Zone shown in red

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

33. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88A is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
34. PC88A seeks to revise the planning framework for the B1. As discussed in section 2.2 above there are several resource management issues present within the B1. Therefore, it is considered appropriate to introduce the proposed CC to provide a more suitable planning framework for the City Centre and address the current resource management issues.
35. PC88A proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED CC OBJECTIVES	
Proposed CC Objectives	Reason/Issue
CC-O1 – Vibrancy Enable the development of the City Centre as an attractive and vibrant place to live, work and visit with a range of residential, commercial, retail and entertainment activities.	This is intended to be an enabling objective for economic growth to facilitate the ongoing development of the City Centre and provide for an appropriate range of activities that are compatible with the character of the CC.
CC-O2 – Discouraged Activities Discourage noxious activities, activities with lower amenity, and activities which cater primarily for customers in private motor vehicles.	Some activities are not anticipated within the City Centre due to their scale, nature and intensity. These activities often have adverse effects and are inconsistent with the anticipated outcomes of the CC.
CC-O3 – Residential Activities Promote residential activities in the City Centre.	A key intention of the CC is to increase residential activities within the CC and it is important to specifically highlight and promote this.
CC-O4 – Urban Design Require high quality urban design outcomes and incentivise exemplary design.	It is intended that the amenity and character of the City Centre will be high. Methods of achieving this include implementing urban design standards and incentivising high quality design.
CC-O5 – Active Frontage Prioritise pedestrians and enhance active frontages at ground floor.	The City Centre is promoted as a walkable pedestrian focused area. Retaining and improving active frontages can help achieve this.

36. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed CC objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88A. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88A is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED CC OBJECTIVES WITH PART 2 OF THE RMA						
Proposed City Centre Zone Objectives						
		CC-O1	CC-O2	CC-O3	CC-O4	CC-O5
RMA Part 2 Sections	5(2)(a)	✓	-	-	-	-
	5(2)(c)	-	✓	-	✓	✓
	7(b)	✓	✓	✓	-	-
	7(c)	✓	✓	-	✓	✓
	7(g)	✓	✓	✓	-	-

37. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

38. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88A. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88 in relation to relevant higher order documents. Table 4 provides an overview of the proposed CC objectives' consistency with the relevant higher order documents.

TABLE 4: LINKAGE OF PROPOSED CC OBJECTIVES WITH HIGHER ORDER DOCUMENTS						
Proposed City Centre Zone Objectives						
		CC-O1	CC-O2	CC-O3	CC-O4	CC-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	-	✓	-	✓	✓
	Whangarei Long Term Plan 2018	✓	✓	✓	-	-
	Whangarei District Growth Strategy – 30/50	✓	✓	✓	✓	-
	20/20 Plus Whangarei CBD Development Guide	✓	✓	✓	-	-
	Whangarei 20/20 Momentum	✓	✓	-	-	-
	Whangarei Urban Growth Strategy	✓	✓	-	-	-
	Weekend and Night Time Economy Strategy	-	-	-	✓	✓
	Whangarei City Centre Plan	✓	✓	✓	✓	✓
	Whangarei Urban Design Strategy	-	-	-	✓	✓

4.3 Appropriateness in Relation to Strategic Direction Chapter

39. The proposed CC objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed CC objectives are shown in Table 5 below. This table illustrates that the objectives of the CC are effectively linked to the relevant

overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND CC OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed CC Objectives
SD-O1 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	CC-O1
SD-O2 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	CC-O2, O4, O5
SD-O3 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	CC-O1, O3
SD-O4 – Sense of Place Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District's unique identity and sense of place.	SD-P18	CC-O1, O4, O5
SD-O5 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	CC-O2
SD-O9 – Land Use and Transport Planning Maintain and enhance accessibility for communities and integrate land use and transport planning.	SD-P6, P7, P9, P13	CC-O5
SD-O11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	CC-O1, O3
SD-O12 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	CC-O1, O2, O4, O5
SD-O13 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	CC-O2

4.4 Appropriateness of Proposed Policies and Methods

40. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed CC Policies

41. The proposed CC objectives seek to ensure that a suitable range of activities are provided for in the CC and that development is appropriately designed so that the vibrancy and vitality of the CC are protected and enhanced. These objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.

42. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the CC.
 - Enabling activities that enhance the vibrancy, economic performance, walkability and amenity of the CC.
 - Promoting residential activities in the CC to increase the number of residents living in proximity to employment and recreational opportunities and to improve the safety and vibrancy of the CC.
 - Requiring development to be well designed by:
 - Locating active uses (e.g. retail, restaurants, etc.) at ground floor.
 - Ensuring buildings are designed with active frontages to create a pleasant and safe place to walk.
 - Managing vehicle crossings and parking areas to re-focus the CC on pedestrians and cyclists rather than vehicles.
 - Requiring verandahs to provide sun and rain cover.
 - Managing subdivision design to avoid rear sites.
 - Managing the scale and design of buildings to achieve quality urban design outcomes and ensure that sunlight access is protected.
 - Ensuring residential activities are designed to protect residential amenity.
 - Incentivising certain activities and urban design standards.
43. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the CC chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below demonstrates that the policies proposed for the CC implement the proposed CC objectives, and that the methods implement the proposed CC policies:

TABLE 6: LINKING OF PROPOSED CC PROVISIONS		
Proposed CC Objective	Proposed CC Policies	Proposed CC Methods
CC-O1 – Vibrancy Enable the development of the City Centre as an attractive and vibrant place to live, work and visit with a range of residential, commercial, retail and entertainment activities.	CC-P1-P10	CC-R2 – R4, R6, R8 – R21, mapping
CC-O2 – Discouraged Activities Discourage noxious activities, activities with lower amenity, and activities which cater primarily for customers in private motor vehicles.	CC-P1, P2	R22 – R47
CC-O3 – Residential Activities Promote residential activities in the City Centre.	CC-P2, P4, P6, P7, P10	CC-R2, R3, R11, R38 – R47

CC-O4 – Urban Design Require high quality urban design outcomes and incentivise exemplary design.	CC-P1, P3, P5, P8 – P10	CC-R2 – R8
CC-O5 – Active Frontage Prioritise pedestrians and enhance active frontages at ground floor.	CC-P1, P2, P3, P5, P9, P10	CC-R2 – R7, R22, R24, R25, SUB-R7

44. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in clearly stating the types of activities that are appropriate within the City Centre, promoting residential activities or incentivising high quality urban design outcomes, as evident by the outcomes which have occurred under the status quo policy regime. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed CC Boundaries

45. Spatial mapping is considered to be an appropriate method of achieving the objectives of the CC as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the CC in achieving the objectives of the CC the following three options were evaluated:

- **Option 1:** Status Quo: Retain the current spatial extent of the B1 and rezone these areas to CC.
- **Option 2:** Map the CC based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
- **Option 3:** Map the CC over the existing B1 area as well as the wider city fringe area (e.g. extending further down Bank St, Cameron St. and Rust Ave.)

46. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental</u> Greater extent of the CC would be subject to flooding compared to Option 2. <u>Economic</u> Reduced opportunities for non-CC activities (e.g. medium scale retail, light industrial activities, etc.) compared to Option 2 as the CC would apply to a larger area. <u>Social</u> Larger and more fragmented City Centre compared to Option 2 which would not be as well connected and walkable. <u>Cultural</u> None identified.	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Larger land supply for activities enabled by CC (e.g. small scale retail, food and beverage activities, etc.) compared to Option 2.
Option 2: Map CC based on	<u>Environmental and Cultural</u> None identified.	<u>Environmental</u>

criteria in section 3	<p><u>Economic and Social</u></p> <p>Reduced opportunities for activities enabled by CC (e.g. small scale retail, food and beverage activities, etc.) compared to Options 1 and 3.</p>	<p>Reduced area of CC that is subject to flooding compared to Options 1 and 3.</p> <p><u>Economic and Social</u></p> <p>More compact and connected City Centre compared to Options 1 and 3 that promotes walkability and can provide for a more vibrant centre by not being spread too thin.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: Map CC over B1 and wider city fringe area	<p><u>Environmental</u></p> <p>Greater extent of the CC would be subject to flooding compared to Option 2.</p> <p><u>Economic</u></p> <p>Reduced opportunities for non-CC activities (e.g. medium scale retail, light industrial activities, etc.) compared to Option 2 as the CC would apply to a larger area.</p> <p><u>Social</u></p> <p>Larger and more fragmented City Centre compared to Option 2 which would not be as well connected and walkable.</p> <p><u>Cultural</u></p> <p>None identified</p>	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic and Social</u></p> <p>Larger land supply for activities enabled by CC (e.g. small scale retail, food and beverage activities, etc.) compared to Option 2.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option has produced a large sprawling City Centre which has resulted in an inefficient pattern of infrastructure investment and development.	This option is not effective as large areas of the B1 are not consistent with the CC objectives and achieving the vision for the CC over this large of an area is not achievable over a 10-year timeframe.
Option 2	This option would efficiently concentrate the City Centre in a more suitable location with existing amenity levels and land uses that are consistent with the CC objectives.	This option would effectively shift a portion of the City Centre away from flood susceptible areas and would provide for a more compact and connected City Centre.
Option 3	This option is similar to Option 1 but is slightly less efficient as it would increase the CC area even further.	This option is similar to Option 1 and would provide for a fragmented City Centre that would not be as walkable and connected as intended.
Economic Growth and Employment Opportunities		
All options provide for a similar level of economic growth and employment opportunities as the City Centre areas would be zoned as one of the available Business Zones under any option. Each zone would enable a different range of activities, but each would provide economic growth and employment opportunities. With regard to the NPS:UDC, Option 2 provides sufficient land supply for the activities enabled by the CC provisions (see Part 1 of this s32 Report).		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 1	The risk associated with not acting and acting is moderate in the instance of Option 1 as retaining the current spatial extent of the zoning could further decrease the walkability of the City Centre as activities spread further to the periphery. Additionally, some of the periphery is identified as flood susceptible and high levels of infrastructure investment in these areas presents a risk.	
Option 2	The risk associated with acting is low as the proposed rezoning would reflect existing patterns of development and land use, and will provide sufficient land supply for on-going development of the City Centre.	
Option 3	Similar to Option 1.	

47. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the CC as it will best reflect patterns of existing land use and development while also providing land supply for the on-going development of the City Centre and creating a compact and walkable area. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.
48. One additional alternative was considered – to relocate the City Centre to higher ground that is not flood susceptible. This has long-term environmental, social and economic benefits. However, the costs and risks associated with relocating the City Centre are significant and there is no higher order strategic policy direction supporting this option. It is considered that this may be an issue for Council to consider in the future but is not appropriate at this stage as part of the Urban Plan Changes.

4.4.3 Proposed CC Rules

49. The proposed provisions in the CC are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height

50. The proposed CC objectives seek to enable and encourage growth while requiring high quality urban design outcomes. To achieve this, larger scale developments need to be provided for while also managing building heights. Additionally, pre-notification consultation feedback identified a strong interest within the public to manage shading from buildings to ensure there is sunlight access within the CC.
51. Proposed Rule CC-R2 manages building height within the CC. The proposed maximum building height of 16m is less than the B1 maximum building height of 20m in the WDP. However, opportunities for increased building heights up to 24m and 32m are provided for as a controlled activity in Rule CC-R3 where certain incentives are met. There is also a minimum height of three stories proposed and there is no height in relation to boundary rule proposed as the CC does not adjoin any Living Zones. The proposed minimum height seeks to ensure that land is used efficiently and not underdeveloped.
52. Proposed Rule CC-R5 manages the internal floor-to-ceiling height of buildings by requiring a minimum 3.5m floor-to-ceiling height at ground floor and a minimum 2.7m floor-to-ceiling height above ground floor. There are currently no floor-to-ceiling height rules in the B1. However, the WDP Kamo Walkability Environment Urban Design Guidelines recommend these heights in the Kamo Activity Precinct.
53. Alternatives considered were:
- **Option 1:** Status Quo: Retain the current B1 building height rules.
 - **Option 2:** Reduce the maximum building height but provide incentives for taller buildings and require a minimum height. (Plan change option)
 - **Option 3:** Have no building height controls in the CC.

54. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>20m building height is not flexible enough to allow taller buildings where adverse effects can be offset by positive outcomes.</p> <p>Without a minimum building height, land has been used inefficiently with only 1-2 storey buildings.</p>	<p><u>Environmental</u></p> <p>Building heights are managed to minimise shading.</p> <p><u>Economic and Social</u></p> <p>None identified.</p> <p><u>Cultural</u></p> <p>View shafts to Parihaka are protected.</p>
Option 2: Plan Change option	<p><u>Environmental</u></p> <p>Buildings up to 32m could increase shading and building dominance in City Centre.</p> <p><u>Economic</u></p> <p>The maximum building height, without any incentive bonuses, is slightly reduced.</p> <p>Minimum building and floor-to-ceiling heights may increase costs for developers.</p> <p><u>Social and Cultural</u></p> <p>None identified.</p>	<p><u>Environmental and Social</u></p> <p>Building heights are managed to minimise shading.</p> <p>Positive outcomes such as green rooves, through-site-links and residential development are encouraged and incentivised.</p> <p>Floor-to-ceiling height requirements provide for well-articulated and ventilated buildings.</p> <p><u>Economic</u></p> <p>Increased development opportunities and flexibility.</p> <p>Minimum building height encourages more efficient use of land.</p> <p>Floor-to-ceiling height requirements encourage flexible and adaptable building design.</p> <p><u>Cultural</u></p> <p>View shafts to Parihaka are protected.</p>
Option 3: No maximum building heights	<p><u>Environmental, Social and Cultural</u></p> <p>Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and compromised view shafts to Parihaka.</p> <p><u>Economic</u></p> <p>Without a minimum building height, land has been used inefficiently with only 1-2 storey buildings.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Increased development opportunities with no height restrictions.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	The status quo is considered to be an efficient and clear method of managing building heights.	The status quo is effective in managing building height to protect amenity and sunlight access but does not provide economic flexibility and does not ensure efficient use of land.
Option 2	Option 2 is considered to be an efficient and clear method of managing building height.	Option 2 is considered to be more effective than the status quo in encouraging positive outcomes through incentives and ensuring efficient use of land.
Option 3	Option 3 is considered to be efficient as it would streamline the CC provisions.	Option 3 would not be effective in managing building height as it would rely on other factors outside of the district plan to limit the scale of buildings and encourage incentives.
Economic Growth and Employment Opportunities		

Option 3 provides the most economic growth and employment opportunities by not managing building height. On balance Options 1 and 2 have similar impacts in terms of economic growth and employment opportunities as Option 1 has a taller baseline maximum but Option 2 provides greater flexibility and incentivises taller buildings.

Risk of acting and not acting if there is uncertain or insufficient information

There is no known risk due to insufficient information.

55. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the CC and achieve the proposed CC objectives.

Active Frontages

56. The proposed CC objectives seek to prioritise pedestrians and enhance active frontages at ground floor. Active frontage is proposed to be defined as:

means building frontages which are designed to have a connection to the road allowing visual interaction between pedestrians and people within buildings.

57. Proposed Rules CC-R4, and R6 – R8 manage active frontage by controlling building setbacks, building frontages, verandahs and fences along road boundaries.

Building Setbacks

58. The operative B1 only imposes building setbacks from Mean High Water Springs (which is not relevant based on the proposed CC mapping) and setbacks from building line restrictions (which is now proposed to be addressed in Plan Change 109 – Transport). The proposed CC building setbacks require buildings to be within 0.5m of the road boundary at ground floor. Exceptions are provided for recessed entrances, pedestrian arcades and through site links. The proposed building setbacks seek to maintain an active building edge and to enable and encourage positive outcomes such as through site links, which help promote the CC as a pedestrian-centric environment.

Building Frontages

59. Proposed Rule CC-R6 requires clear glazing at ground floor and above ground floor, manages the location of public entrances and requires consent for roller doors along site frontages.
60. The B1 does not have any building frontage rules. It has been identified through consultation and research that there is a need for more urban design controls within the CC, particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being overly restrictive.

Verandahs

61. The B1 currently requires verandahs on specific streets identified in Schedule 39.1 of the WDP. The proposed CC verandah rule seeks to apply to the entire CC rather than specific areas because it is proposed to reduce the CC area to a more consolidated area. Proposed Rule CC-R7 aims to slightly reduce the width of verandah required so that there is more sunlight access on the sidewalks and to manage the fascia height of verandahs so they do not dominate the building facades. Additionally, it is

proposed to require consent for any signs located on top of a verandah to make the building facade more visible and avoid clutter from disjointed and excessive signage.

Fences

62. There are no operative rules in the B1 relating to fencing. Proposed Rule CC-R8 would require consent for any fence along a road boundary where the fence is not required by by-law or for public health and safety. There is minimal risk of a fence being erected along a road boundary in the CC, however it is considered important to manage fencing as it could have significant adverse effects on streetscape amenity, walkability and active frontage, particularly when seeking to increase the number of residents living within and in proximity to the CC.
63. There are a wide range of alternatives considered in relation to the proposed active frontage controls. Additional rules were considered as well as different rule thresholds and all options were compared to the status quo. Alternatives considered were:
- **Option 1:** Status Quo: Retain the current B1 provisions with no active frontage controls.
 - **Option 2:** Manage building setbacks, building frontages, verandahs and fences along road boundaries. (Plan change option)
 - **Option 3:** Require consent for all buildings as a restricted discretionary activity and assess each application on its merits.
64. Evaluation of these alternative options have been summarised in Table 9:

TABLE 9: SECTION 32 ASSESSMENT OF ACTIVE FRONTAGE OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental and Social</u></p> <p>Rules would not help to achieve active frontages and would therefore not improve CPTED or pedestrian-centric aspects of the CC.</p> <p><u>Economic</u></p> <p>No management of active frontage could diminish the amenity of the CC which could in turn negatively affect the viability of CC activities.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Reduced costs for developers as there would be less District Plan rules to comply with.</p>
Option 2: Plan Change option	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Additional costs for developers to meet district plan rules.</p>	<p><u>Environmental, Economic and Social</u></p> <p>Improved urban design and active frontages in the CC. Improved amenity could contribute to the vibrancy and vitality of the CC.</p> <p>Some flexibility for developers with regard to building setbacks.</p> <p><u>Cultural</u></p> <p>None identified.</p>

Option 3: Consent for all buildings	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Additional costs as any building would require consent. Degree of uncertainty as there would not be any rule thresholds and design outcomes would rely on policy interpretation.	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the CC. Improved amenity could contribute to the vibrancy and vitality of the CC. <u>Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo is ineffective in achieving quality urban design outcomes. Key objectives of the CC are to enhance active frontage, create a pedestrian-centric environment and promote high quality urban design. Option 1 does not address these issues.	
Option 2	Option 2 is considered to be efficient as the proposed rules are clear and provide guidance as to the design and scale of development anticipated within the CC.	Option 2 would be more effective than the status quo in managing urban design and active frontage as there are currently no rules in the B1.
Option 3	Option 3 would not be efficient as consent would be required for every building, whereas in many cases it is likely more appropriate to state a permitted threshold.	Option 3 would be more effective than the status quo in managing urban design and active frontage as there are currently no rules in the B1. However, outcomes would be less certain with no permitted threshold.
Economic Growth and Employment Opportunities		
There is not considered to be a significant impact in terms of economic growth and employment opportunities; however, Option 2 is considered to be the most beneficial in this regard as it aims to enhance amenity in the CC through active frontage controls while also providing for a permitted threshold to reduce consenting costs.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

65. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the CC and achieve the proposed CC objectives.

Outdoor Areas of Storage

66. The B1 currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce the rules and is therefore not efficient. Proposed Rule CC-R9 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
67. Alternatives considered were to retain the status quo or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the CC.

Parking and Vehicle Crossings

68. Proposed Rules CC-R22, R24 and R25 manage vehicle crossings and parking spaces and propose the following:

- Any new vehicle crossing over a footpath would require consent as a discretionary activity
- Any standalone car parking facility would require consent as a non-complying activity.
- Any car parking space located between the building frontage and any road boundary of a site is a non-complying activity.

69. The proposed rules aim to create a pedestrian-centric environment with safe and walkable frontages. The alternative considered was the status quo which only requires consent for parking spaces within 2m of a road boundary. However, consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Table 10 below demonstrates the appropriateness of the proposed provisions.

TABLE 10: S32 ASSESSMENT OF PARKING AND VEHICLE CROSSING PROVISIONS	
Costs	Benefits
<u>Environmental and Social</u> Could generate more delivery trucks on road frontages adversely affecting the streetscape.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment with safer and more accessible footpaths and improved active frontages.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules. Potential pressure on Council to provide parking spaces.	<u>Economic</u> Improves amenity within the CC which in turn can encourage more investment and generate more economic activity.
<u>Cultural</u> None identified.	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and policy guidance provides direction on effects that need to be considered and methods of managing adverse effects where the rules are infringed.	The proposed rules are considered effective in meeting the objectives of the proposed CC by improving walkability and active frontages.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules. For example, where standalone car parks seek consent to establish there is clear policy direction for them to be sleeved at ground floor by smaller scale retail and active uses. Therefore, proposed rule CC-R24 would not completely restrict standalone car parking facilities, but would manage their design and encourage more economic activity in the form of smaller scale activities along the ground floor frontage.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Definition Grouping Activities

70. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 11 below provides an assessment of the plan change option for the proposed CC rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 11: SECTION 32 ASSESSMENT OF PROPOSED CITY CENTRE ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Non-Complying	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit all rural production activities• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying	<ul style="list-style-type: none">• Not able to apply for consent for rural production activities, excluding farming.• Consenting cost associated with farming.	<ul style="list-style-type: none">• Rural production activities are highly unlikely in the CC so there is minimal risk and costs associated with requiring consent and prohibiting them.• Council is encouraging the development of green rooves and it is considered more appropriate for green rooves to be used as an outdoor living court or commercial activity such as a al fresco dining. However, applicants may wish to undertake a farming activity on a green roof (e.g. beehives) and therefore it is important to provide for the option to apply for consent rather than prohibiting farming.• Sets clear expectations for community that rural production activities are not anticipated in the CC.• Improves amenity within CC and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate Zones.
Plantation forestry	Prohibited			
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Prohibited	<ul style="list-style-type: none">• Permit all industrial activities• Prohibit all industrial activities• Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying	<ul style="list-style-type: none">• Not able to apply for consent for industrial activities, excluding artisan industrial activities. Some industrial activities which are not necessarily noxious (e.g. warehousing and storage) are now prohibited in CC.• Consenting costs for larger artisan industrial activities.• Artisan industrial activities may generate adverse effects as there is an industrial aspect to the activity; however, a 300m² Net Floor Area ensures they are small in scale.	<ul style="list-style-type: none">• Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain CC land for more appropriate activities that are more consistent with the CC objectives.• Improved amenity of CC by avoiding adverse effects from industrial activities.• Small scale artisan industrial activities would be provided for which would be consistent with the intent and objectives of the CC.
Manufacturing and storage				
Repair and maintenance services				
Marine industry				
Waste management facility				
Landfill				
Artisan industrial activities	Permitted with maximum Net Floor Area of 300m ²			
Residential Activities				

Supported Residential Care	Non-Complying	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with effects based controls 	<ul style="list-style-type: none"> • Additional consenting costs when compared to the status quo. 	<ul style="list-style-type: none"> • Supported residential care and retirement village premises are not considered appropriate for the high-density CC due to accessibility issues, costs and amenity for residents. Supported residential care and retirement villages would be encouraged to locate in more appropriate zones.
Retirement Village Premises				
Residential Units	Permitted with controls for minimum internal areas, outdoor living courts and location above ground floor. Notification exemption is provided for residential units which only infringe on-site amenity rules like outdoor living courts.	<ul style="list-style-type: none"> • Status quo – permitted with outdoor living court controls. • Permitted with additional effects based controls such as outlook space and habitable room orientation 	<ul style="list-style-type: none"> • Additional controls (and consenting costs) for residential units compared to the status quo. • Some urban design issues would not be actively managed by the District Plan. • Potential for reverse sensitivity with residential activities in proximity to noisy or late night activities. 	<ul style="list-style-type: none"> • The District Plan would continue to be enabling for City Centre residential activities. • Additional urban design controls to ensure on-site amenity for residents is protected, while not being overly restrictive. • Consistent with CC objectives, higher order policy direction and higher order documents. • Notification exemption helps reduce consenting costs.
Commercial Activities				
Motor Vehicle Sales	Non-Complying	<ul style="list-style-type: none"> • Status quo - permit activities except for offensive trades under the Health Act 1956 which are non-complying • Provide for these activities as either permitted or discretionary with a suite of effects based controls • Prohibited 	<ul style="list-style-type: none"> • Additional consenting costs when compared to the status quo. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities establishing in the CC and having adverse effects if the policies do not appropriately manage effects. 	<ul style="list-style-type: none"> • Consistent with CC objectives, higher order policy direction and higher order documents. • Improved amenity of CC by managing these activities which could have negative effects on character and amenity. • CC land is retained for more suitable activities and these activities are encouraged to locate in more appropriate zones. • Provides for a discretionary tier of trade suppliers of a size consistent with other retail activities envisaged in the CC.
Garden Centres				
Marine Retail				
Drive Through Facilities				
Hire Premise				
Service Stations				
Funeral Home				
Trade Suppliers	Discretionary with maximum Net Floor Area of 600m ²	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with Net Floor Area limit. • Non-complying 		

Grocery Store	Permitted with maximum Net Floor Area of 600m ²	<ul style="list-style-type: none">• Status quo – permitted• Permitted with 450m² Net Floor Area limit• Permitted with 1000m² Net Floor Area limit	<ul style="list-style-type: none">• Consent would now be required beyond the Net Floor Area threshold.• Existing activities would require consent for extensions beyond the Net Floor Area threshold.• Possibility of retail activities which are slightly over the Net Floor Area limits choosing to locate outside of the CC.	<ul style="list-style-type: none">• Consistent with CC objectives, higher order policy direction and higher order documents.• Larger individual activities may be enabled by CC policies but would require careful design consideration to ensure compatibility with the CC.• More permissive than a 450m² Net Floor Area limit.• Net Floor Area limit keeps activities at a human scale and retains fine grain character of CC.• Large scale activities are encouraged to locate in more appropriate zones.
General Retail				
Commercial Services	Permitted	<ul style="list-style-type: none">• Permitted with Net Floor Area limit• Permitted only above ground floor	<ul style="list-style-type: none">• These activities would not be actively managed by the proposed CC rules and there is the potential for reverse sensitivity with visitor accommodation in proximity to noisy or late night activities.• Activities could locate on ground floor but may not necessarily be pedestrian focused activities designed around having an active frontage.	<ul style="list-style-type: none">• Consistent with CC objectives, higher order policy direction and higher order documents.• Enabling for activity and experience based land uses.• Active frontage controls would still manage the ground floor design of buildings.• More flexible than having a Net Floor Area limit as these activities can be quite large and ranging in size.• Retains the status quo.
Food and Beverage Activity				
Entertainment Facilities				
Visitor Accommodation				
Community Activities				
Place of Assembly	Permitted with maximum Net Floor Area of 800m ² and requirement to be above ground floor	<ul style="list-style-type: none">• Status quo – permitted• Discretionary	<ul style="list-style-type: none">• Additional consenting costs when compared to the status quo.• Existing activities would require consent for extensions beyond the Net Floor Area threshold.• Permitted threshold enables these activities to establish without consent which could diminish the CC's capacity for activities like residential units and offices.	<ul style="list-style-type: none">• Consistent with CC objectives, higher order policy direction and higher order documents.• Where these activities exceed Net Floor Area or are at ground floor, consent would be required to ensure compatibility with the CC.• More permissive than requiring discretionary consent.• Net Floor Area limit keeps activities at a human scale and retains fine grain character of CC.• Above ground floor requirement protects active frontage of CC.• Large scale activities are encouraged to locate in more appropriate zones.
Recreational Facilities				
Care Centre				
Educational Facilities				

Emergency Service	Non-Complying	<ul style="list-style-type: none"> • Status quo – permitted • Permitted or discretionary with effects based controls 	<ul style="list-style-type: none"> • Additional consenting costs when compared to the status quo. 	<ul style="list-style-type: none"> • CC land would be retained for higher amenity activities that are more consistent with CC objectives. • Consent would be required to ensure that if these activities established that they would be carefully designed and operated to manage adverse effects. • These activities would be encouraged to locate in more appropriate zones.
Hospital				

Efficiency and Effectiveness

71. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the CC.
 - The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes as the WDP has minimal controls on activities and design in the B1.
 - The proposed rules provide for a permitted threshold of activities, in line with the CC objectives, so that consent requirements are not overly restrictive.

Economic Growth and Employment Opportunities

72. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed CC rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the CC. The fact that the proposed rules are more restrictive for certain activities than the status quo is considered to be beneficial for economic growth and employment opportunities as this will improve CC amenity and in turn encourage more investment and development.
73. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

74. There is no known risk due to insufficient information.

Conclusion

75. It is considered that the proposed plan change provisions to manage activities in the CC are appropriate.

Subdivision

76. The WDP provides for subdivision in the B1 as a controlled activity where the net site area of an allotment is at least 100m² and the minimum allotment frontage is 6m, or 12m in the case of a corner site. The CC proposes to retain these status quo provisions and include a maximum frontage of 30m, or 60m in the case of a corner site. The maximum frontage is proposed to retain the fine grain character of the CC and manage the potential for large uninterrupted sites and/or buildings to establish which could adversely affect walkability. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
77. A number of alternatives have been evaluated in relation to subdivision in the CC. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and lots could potentially be

created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the CC. However, this is considered to be overly restrictive and not proportional to the effects being managed.

78. It is considered that the proposed minimum lot sizes and frontage requirements are enabling as they do not create unreasonable consenting costs. They are considered to be consistent with the proposed CC objectives in achieving a pedestrian-focused and walkable City Centre. Table 12 below demonstrates the appropriateness of the proposed provisions.

TABLE 12: S32 ASSESSMENT OF SUBDIVISION PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment with fine grain street frontages.
<u>Economic</u> Increased consenting costs to exceed maximum frontage lengths.	<u>Economic</u> Improves walkability within the CC which in turn can encourage more investment and generate more economic activity.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and efficient and ensure that sites are of a sufficient size to be efficiently developed.	Rules effectively achieve the proposed CC objectives relating to vibrancy and active frontages.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment but do help promote walkability and encourage a mixture of smaller scale activities.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

5. Conclusion

79. Pursuant to s32 of the RMA, the proposed CC objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
80. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to Whangarei's City Centre.

Plan Change 88B: [Mixed-use Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 3** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88B (**PC88B**) seeks to introduce a new zone into the Operative Whangarei District Plan (**WDP**): the Mixed-use Zone (**MU**). The MU proposes to replace portions of the existing Business 1, 2 and 3 and Living 2 Environments adjacent to the City Centre. PC88B will include:
 - A new 'Mixed-use Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the MU.
 - Consequential changes to the WDP.
3. PC88B includes a description of the proposed MU to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Whangarei's City Centre is surrounded by arterial roads (Walton, Bank and Dent Streets). Adjacent to these arterial roads is a mixture of Business and Living Environments as shown in Figure 1 below:

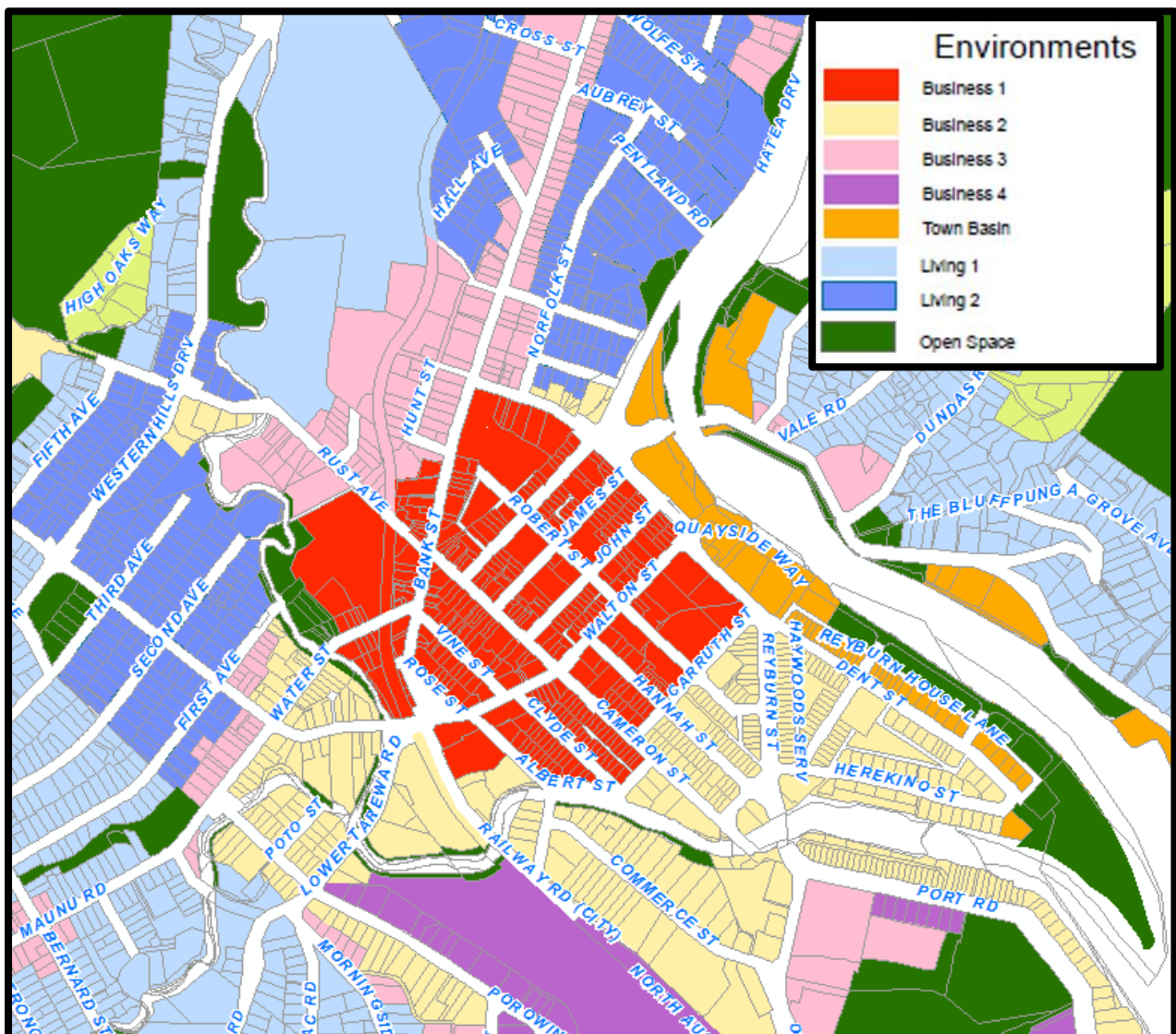


Figure 1: WDP Environment Map of Whangarei Central City

5. The Business 1 (**B1**), Business 2 (**B2**) and Business 3 (**B3**) Environments, which are immediately adjacent to Bank, Walton and Dent Streets, provide for a range of different activities under the WDP and have varying building bulk and location standards. The Living Environments along Bank and Norfolk Streets provide primarily for low to medium density residential uses. The existing uses in these areas include retail, offices, restaurants, light industrial and manufacturing, commercial services, health care services, supermarkets and residential activities (primarily stand-alone residential units). There are also areas of open space and civic facilities in this area such as the public library and Forum North.
6. The policy framework of the WDP envisions a hierarchy of urban centres within Whangarei which includes a high density, mixed use City Centre. It is anticipated that the City Centre will provide the majority of business, commercial and retailing for the District while supporting a range of mixed use activities (e.g. high density residential activities, recreational and entertainment facilities and visitor and community facilities). The City Centre is also intended to form the District's central public transport hub linking the area to surrounding suburban centres via a range of transport choices.

2.2 Resource Management Issues

7. Sections 2.2.1 – 2.2.4 discuss the following key resource management issues in relation to the Mixed-use Zone.

- Lack of consistent outcomes
- Poor connectivity
- Commercial sprawl
- Lack of residential activity

2.2.1 Lack of consistent outcomes

8. As discussed in section 2.1 above, there are several existing Environments in the area adjacent to the City Centre, which have a range of outcomes. However, higher order strategic direction does not envisage such a range of outcomes around the periphery of the City Centre. Rather, this area is anticipated as being a highly accessible, consolidated commerce centre with increased living opportunities.
9. To achieve more consistent outcomes around the City Centre PC88B considers the option of rationalising the existing Environments into one zone. This can provide for a clearer direction and sense of expectations in a key area of the District. Rationalising the Environments into one also provides more certainty for developers in terms of what types of activities and developments can be expected in the area.

2.2.2 Poor connectivity

10. The WDP anticipates that the city fringe area will be accessible and well connected to adjacent pedestrianised areas such as the City Centre and the Waterfront. Historically this area has been dominated by, and designed for, motor vehicles with a prevalence of off-street parking and activities that cater to motorists. The area also has relatively low amenity and very few urban design controls in the WDP. This detracts from the overall pleasantness and discourages pedestrians. Additional hindrances to connectivity include a lack of wayfinding information and limited public transport options.
11. The issue of connectivity and transport are largely addressed through Plan Change 109 – Transport, as well as through mechanisms outside the District Plan and RMA. However, this is a key issue within the city fringe area and is central to the consideration of PC88B. It is vital to retain a pedestrian scale within the area and to encourage pedestrian-centric activities.

2.2.3 Commercial Sprawl

12. Over the last decade there has been an ongoing decline of the City Centre as the primary retail and service centre for the District. This is resulting in a significant number of empty shops and office space, limited foot traffic, and a subsequent lack of vibrancy including a limited night-time and weekend economy.

13. One of the drivers identified for this decline is 'commercial sprawl', or businesses locating outside of normal business areas. Two key drivers of this commercial sprawl are:
- Sporadic retail and commercial development throughout Whangarei City, including within areas zoned for industrial purposes.
 - Sizeable retail centres locating outside of the City Centre (e.g. Okara and Tarewa Shopping Centres).
 - Commercial activities spreading into residential areas, including within the city fringe area.
14. The issue of commercial sprawl is primarily caused by the inadequacy of planning provisions in Environments outside of the B1 (i.e. the Business 2 – 4 and Living 1 – 3 Environments). Often these provisions are not restrictive enough to effectively manage commercial sprawl. Supporting objectives and policies in the WDP also do not give sufficient guidance or weight to clearly preclude certain types of commercial development from some areas. This allows a wide range of commercial activities to establish within different Environments, undermining any preference to preclude particular activities (e.g. restaurants or small scale retail) from operating within light industrial or residential areas in close proximity to the City Centre. The effects of commercial sprawl are often cumulative, as once out-of-zone activities are established it becomes easier for more out-of-zone activities to establish, exacerbating the issues.
15. PC88B proposes to review the zoning adjacent to the City Centre while considering the existing issue of commercial sprawl. PC88B aims to address commercial sprawl by revising the planning framework in the city fringe area and encouraging appropriate activities to locate in the City Centre.

2.2.4 Lack of residential activity

16. As at 2013, the Usual Resident Population (**URP**) of 'Whangarei Central' was 174. 'Whangarei Central' is a meshblock area from Statistics New Zealand and is shown in Figure 2 below outlined in green and black dotted line. It is considered that there is potential for this area to support a far larger residential population. Increasing the resident population in and around the City Centre can generate many benefits, including:
- Improved connectivity and walkability by having more people living in proximity to work and businesses, and walking rather than driving.
 - Enhanced commercial and night-life activity as more people would live in proximity to commercial activities.
 - Improved safety by having more people present in the city fringe area to provide passive surveillance.
 - Improved amenity and urban design as residents would be more likely to develop ownership and stewardship of their local area.

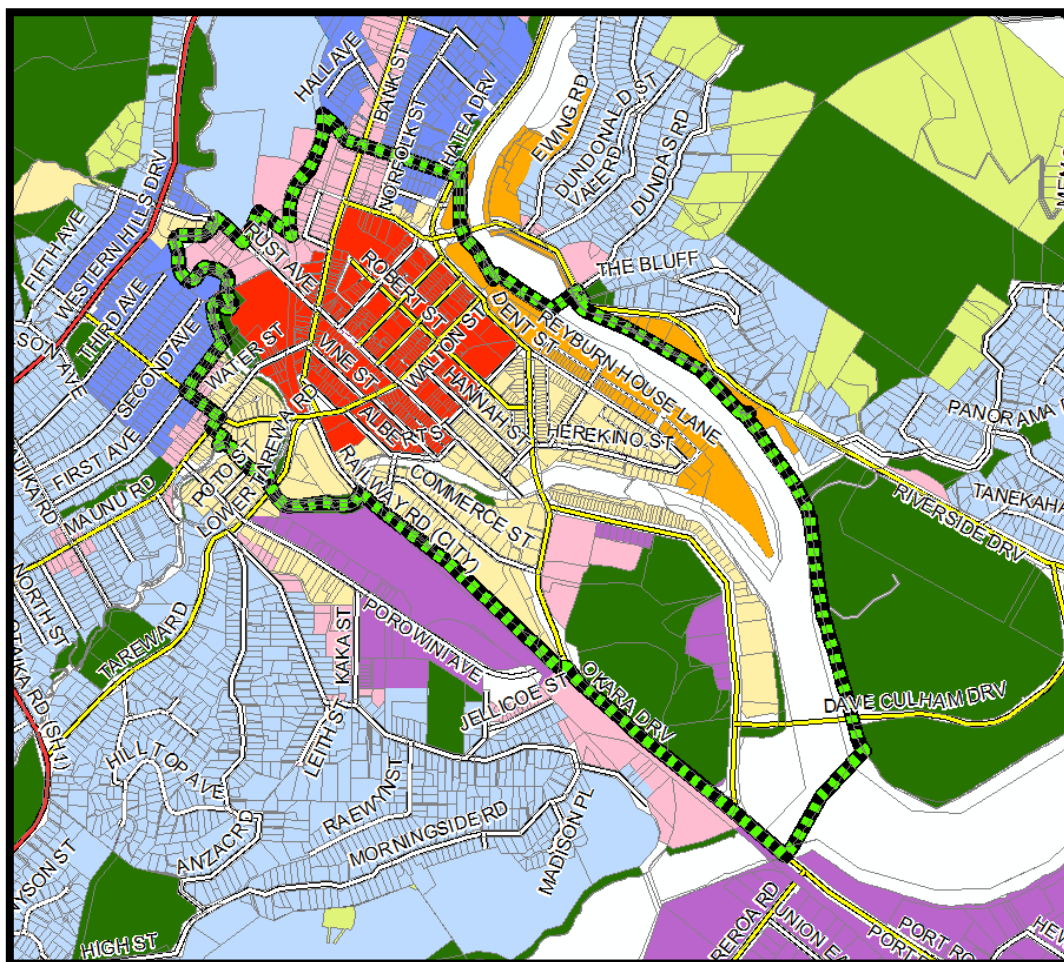


Figure 2: Whangarei Central meshblock outlined in green and black

3. Proposed Mixed-use Zone

17. The proposed MU aims to achieve a high quality built form that complements the City Centre and Waterfront Zones. The MU promotes commercial and residential growth along with active street frontages and activities which are compatible with residential uses. It is anticipated that the MU will experience an incremental change in built form and character over time as amenity is improved and non-compatible landuses are relocated to enhance the walkability of the area and provide more certainty for developers.
18. The MU acts as a transition from the intensive, high amenity City Centre and Waterfront Zones to the lower amenity Commercial Zone. Similarly, the MU provides a buffer between the City Centre Zone and the Living Zones to improve amenity in residential areas by limiting noisy, late-night activities in proximity to Living Zones.
19. To enable change within the MU, a mix of uses are provided for including residential activities, commercial services, retail activities, visitor accommodation and community activities (such as educational and medical facilities). It is intended that these activities are complementary to the City Centre and Waterfront Zones. To protect the viability of these zones, smaller retail activities are limited.

20. As increased residential use is a key objective within the MU it is important to enhance amenity within the zone. Activities which detract from amenity, generate high volumes of traffic or operate outside normal business hours are discouraged.
21. With regard to zone mapping, areas have been considered for the MU based on the following criteria:

TABLE 1: PROPOSED MU ZONING CRITERIA	
Criteria	Reason/Issue
The area is adjacent to the City Centre Zone and in proximity to the Waterfront Zone and key arterial routes.	Areas which are in proximity to or provide key linkages to surrounding pedestrianised zones have been considered for the MU. Additionally, areas along key arterial routes which should have high amenity and walkability have been considered for the MU.
The area has a presence of active frontages at ground floor.	Areas where there is a presence of buildings and developments that provide active frontages and have a moderate to high level of amenity have been considered for the MU.
The existing amenity level of the area is compatible with residential activities.	Areas with a high presence of activities and/or built form which are incompatible with residential activities have been considered less suitable for the MU unless there is strong higher order policy direction that increased residential activities in certain locations is preferable (e.g. Hīhīāua Peninsula).

22. Strategic documents such as Whangarei 20/20 Plus (**20/20 Plus**), The Whangarei District Council Growth Strategy – Sustainable Futures 30/50 (**30/50**), the Hīhīāua Precinct Plan and the City Centre Development Plan (**CCDP**) were also used to guide the zone mapping of the MU. The proposed MU zoning is shown in orange in Figure 3 below:

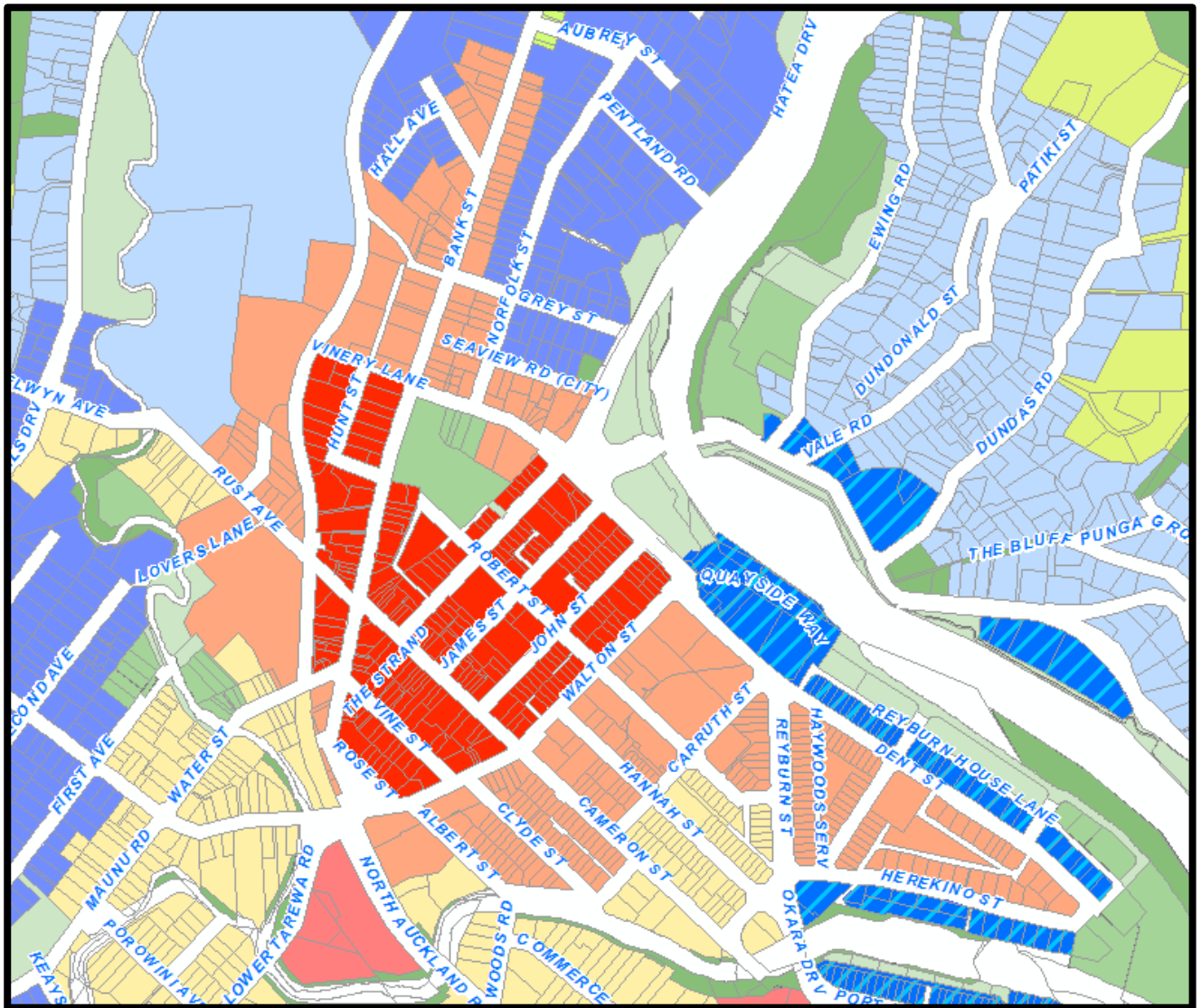


Figure 3: Proposed Mixed-use Zone shown in orange

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

23. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88B is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
24. PC88B seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the MU and address the current resource management issues.
25. PC88B proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED MU OBJECTIVES	
Proposed MU Objectives	Reason/Issue
MU-O1 – Appropriate Activities Accommodate a range of activities that do not undermine the strength, vibrancy and viability of the City Centre or Waterfront Zones.	Historical commercial sprawl into the city fringe has undermined the City Centre and Waterfront. This objective seeks to address this issue by enabling for certain activities while also protecting the economic and social wellbeing of the City Centre and Waterfront Zones.
MU-O2 – Residential Activities Promote residential activities and avoid activities which would materially detract from residential amenity.	There is currently a lack of residential units within the city fringe area and there is strong policy and higher order strategic direction that more residential activity should be encouraged and enabled in this area.
MU-O3 – Urban Form Development achieves high quality urban form that positively interacts with the public realm and is sympathetic to the surrounding environment.	The WDP has minimal urban design controls in the city fringe area. The MU is a key zone in the Whangarei context being located adjacent to the City Centre and Waterfront and it is important that development is sensitively designed.
MU-O4 – Walkability Prioritise pedestrians and improve walkability within the MU.	The city fringe area serves as a key link between many proposed zones within Whangarei city. Historically this area has been vehicle oriented and not pedestrian friendly. This objective seeks to address this issue.
MU-O5 – Cross Boundary Effects Manage adverse effects in relation to amenity, noise, sunlight access, visual dominance and traffic on adjacent Living and Green Space Zones.	The MU is in proximity to the more sensitive Living and Green Space Zones. It is important that the District Plan recognises this interface and manages potential adverse effects.

26. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed MU objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88B. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88B is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED MU OBJECTIVES WITH PART 2 OF THE RMA						
		Proposed Mixed-use Zone Objectives				
		MU-O1	MU-O2	MU-O3	MU-O4	MU-O5
RMA Part 2 Sections	5(2)(a)	✓	-	-	-	-
	5(2)(c)	-	-	✓	-	✓
	7(b)	✓	✓	-	-	-
	7(c)	-	✓	✓	✓	✓
	7(f)	-	-	✓	-	✓
	7(g)	✓	✓	-	-	-

27. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

28. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88B. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88 in relation to relevant higher order documents. Table 4 provides an overview of the proposed MU objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED MU OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		Proposed Mixed-use Zone Objectives				
		MU-O1	MU-O2	MU-O3	MU-O4	MU-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	-	-	✓	✓	-
	Whangarei Long Term Plan 2018	✓	✓	-	✓	-
	Whangarei District Growth Strategy – 30/50	✓	✓	✓	✓	-
	20/20 Plus Whangarei CBD Development Guide	✓	-	-	-	-
	Whangarei 20/20 Momentum	✓	-	-	✓	-
	Whangarei Urban Growth Strategy	✓	-	-	-	-
	Weekend and Night Time Economy Strategy	✓	-	-	-	-
	Whangarei City Centre Plan	✓	✓	✓	✓	-
	Blue/Green Network	-	-	-	✓	-
	Whangarei Urban Design Strategy	-	-	✓	✓	✓

4.3 Appropriateness in Relation to the Strategic Direction Chapter

29. The proposed MU objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed MU objectives are shown in Table 5 below. This table illustrates that the objectives of the MU are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND MU OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed MU Objectives
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	MU-O1, O3 – O5
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	MU-O1, O2
SD-04 – Sense of Place	SD-P18	MU-O1, O3

Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District's unique identity and sense of place.		
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	MU-O5
SD-09 – Land Use and Transport Planning Maintain and enhance accessibility for communities and integrate land use and transport planning.	SD-P6, P7, P9, P13	MU-O4
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	MU-O1, O2
SD-012 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	MU-O3, O4
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	MU-O5

4.4 Appropriateness of Proposed Policies and Methods

30. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed MU Policies

31. The proposed MU objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
32. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the MU.
 - Enabling economic growth while protecting walkability within the MU and the viability and vitality of the City Centre, Waterfront and Local Commercial Zones.
 - Promoting residential activities in the MU (and protecting residential amenity) to increase the number of residents living in proximity to employment and recreational opportunities and to improve the safety and amenity of the MU.
 - Ensuring residential activities are designed to protect residential amenity.
 - Managing cross boundary effects as the MU is located adjacent to the more sensitive Living and Green Space Zones.

- Promoting and protecting walkability by:
 - Protecting esplanade areas from inappropriate development.
 - Managing the location of vehicle crossings.
 - Requiring a level of active frontage in building in site design.
- Incentivising certain activities and urban design standards.

33. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the MU chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below demonstrates that the policies proposed for the MU implement the proposed MU objectives, and that the methods implement the proposed MU policies:

TABLE 6: LINKING OF PROPOSED MU PROVISIONS		
Proposed MU Objective	Proposed MU Policies	Proposed MU Methods
MU-O1 – Appropriate Activities Accommodate a range of activities that do not undermine the strength, vibrancy and viability of the City Centre or Waterfront Zones.	MU-P1, P2	MU-R10 – R20
MU-O2 – Residential Activities Promote residential activities and avoid activities which would materially detract from residential amenity.	MU-P2 – P5, P9	MU-R2, R3, R10, R22 – R47
MU-O3 – Urban Form Development achieves high quality urban form that positively interacts with the public realm and is sympathetic to the surrounding environment.	MU-P1, P4, P8, P9	MU-R2 – R6, R8, R9
MU-O4 – Walkability Prioritise pedestrians and improve walkability within the MU.	MU-P1, P2, P7, P8, P9	MU-R3, R4, R6 – R8, R20, R21, R29, SUB-R7, mapping
MU-O5 – Cross Boundary Effects Manage adverse effects in relation to amenity, noise, sunlight access, visual dominance and traffic on adjacent Living and Green Space Zones.	MU-P6	MU-R2, R5, R11 – R19, mapping

34. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in giving effect to the strategic direction for the city fringe area, promoting residential activities or incentivising high quality urban design outcomes. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed MU Boundaries

35. Spatial mapping is considered to be an appropriate method of achieving the objectives of the MU as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the MU in achieving the objectives of the MU the following three options were evaluated:

- **Option 1: Status Quo:** Do not map a MU and instead have a mixture of Business and Living Zones around the City Centre.
- **Option 2:** Map the MU based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
- **Option 3:** Extend the proposed City Centre (PC88A) to include the city fringe area as well.

36. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental and Social</u></p> <p>Other business zones proposed under PC88A - H are generally lower amenity. Using this suite of zones would not protect amenity or enhance walkability and pedestrianisation as well as Option 2.</p> <p>Applying a variety of zones in the city fringe area could lead to confusing and conflicting outcomes within such a small land area.</p> <p><u>Economic</u></p> <p>Would enable a different range of activities and built form that could adversely affect the amenity of the city fringe and in turn adversely affect the economic vibrancy of the area.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>May enable a wider range of activities and have fewer urban design consenting requirements compared to Options 2 and 3.</p>
Option 2: Map MU based on criteria in section 3	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Additional consenting costs to meet urban design requirements.</p> <p>Existing activities that do not comply with proposed MU rules would need to rely on existing use rights.</p> <p>Reduced opportunities for industrial type activities compared to Option 1.</p>	<p><u>Environmental</u></p> <p>Improved amenity and walkability in proximity to the City Centre and Waterfront areas compared to Option 1.</p> <p>Consistent with MU objectives and higher order strategic direction, such as the WCCP.</p> <p>Protects residential amenity better than Option 1 as there are more consistent and clear outcomes across the whole city fringe area.</p> <p><u>Economic</u></p> <p>Enables a certain range of activities in the city fringe area while protecting the economic viability of the City Centre and Waterfront Zones by limiting commercial sprawl into the fringe.</p> <p><u>Social</u></p> <p>Improved walkability and linkages with other key zones in Whangarei City compared to Option 1.</p> <p>Improved amenity adjacent to Living and Green Space Zones compared to Option 1.</p> <p><u>Cultural</u></p> <p>None identified.</p>

Option 3: Extend City Centre Zone	<p><u>Environmental and Social</u></p> <p>Decreased amenity in adjacent Living and Green Space Zones compared to Option 2 as the City Centre Zone would enable noisy and late night activities next to these zone boundaries.</p> <p>A spread-out City Centre could adversely affect walkability as hospitality and experience based activities would be spread across a wider area that is fractured by the roading network.</p> <p><u>Economic</u></p> <p>A sprawling City Centre Zone could exacerbate the historical commercial sprawl effects.</p> <p>A large City Centre Zone would indicate a higher level of Council investment over a wider area.</p> <p>Increased consenting costs to meet the urban design requirements of the proposed City Centre Zone.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental</u></p> <p>The proposed active frontage rules of the City Centre Zone would apply to a wider area.</p> <p><u>Economic</u></p> <p>Higher density development would be enabled across a wider area.</p> <p><u>Social</u></p> <p>The proposed City Centre Zone rules could improve walkability in the fringe area more than the proposed MU rules.</p> <p><u>Cultural</u></p> <p>None identified.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option has provided a range of zones applying to a relatively small area which has created disjointed outcomes and uncertainty for the community and developers.	This option is not effective in achieving the higher level strategic direction of providing a consolidated City Centre with a high amenity and walkable surrounding city fringe.
Option 2	This option is considered efficient in that it proposes a new zone with clear expectations and outcomes for the city fringe area that are consistent with the higher order strategic direction.	This option would effectively provide for a higher amenity zone in the city fringe area while also protecting the City Centre and Waterfront Zones as the focal points of the District.
Option 3	This option would provide for a large sprawling City Centre which would result in an inefficient pattern of infrastructure investment and development.	Option 3 would be effective in providing a walkable, high amenity fringe area, but would exacerbate commercial sprawl and adverse effects on more sensitive adjacent zones.
Economic Growth and Employment Opportunities		
All options provide for a similar level of economic growth and employment opportunities as the city fringe area would be zoned as one of the available Business Zones under any option. Each zone, or combination of zones, would enable a different range of activities, but each would provide economic growth and employment opportunities. With regard to the NPS:UDC, Option 2 provides sufficient land supply for the activities enabled by the MU provisions (see Part 1 of this s32 Report).		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 1	The risk associated with not acting and acting is moderate in the instance of Option 1 as retaining the current spatial extent of the zoning could decrease the walkability of the city fringe and could exacerbate commercial sprawl effects. Additionally, zones besides the MU may not protect the amenity of adjacent Living and Green Space Zones as well as the MU.	
Option 2	The risk associated with acting is moderate as some existing activities in the city fringe area are not consistent with the MU objectives and if not relocated could undermine the outcomes of the zone.	
Option 3	This option has the highest risk associated with it as the risks from Option 1 are increased and the risks from Option 2 apply as well.	

37. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the MU as it is consistent with higher order strategic directions, will protect adjacent residential amenity as well as the viability of the City Centre and Waterfront Zones, while also enabling an appropriate range of activities and built form that promote walkability. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed MU Rules

38. The proposed provisions in the MU are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height

39. The proposed MU objectives seek to enable and encourage growth while requiring high quality urban design outcomes and managing built form in a tiered approach that still prioritises the City Centre. To achieve this, larger scale developments need to be provided for while also managing building heights. Additionally, pre-notification consultation feedback identified a strong interest within the public to manage shading from buildings to ensure there is sunlight access within the city area.
40. Proposed Rule MU-R2 manages building height within the MU. The proposed maximum building height is 15m; however, opportunities for increased building heights up to 21m are provided for as a controlled activity in Rule MU-R3 where certain incentives are met. Proposed Rule MU-R5 seeks to manage height in relation to boundary adjacent to Living and Green Space Zones.
41. The status quo for building height in the proposed MU area is a range of heights as there are four different operative Environments which have maximum building heights ranging from 8m – 20m. Height in relation to boundary is also managed in the WDP by Appendix 11 – Daylight Angles.
42. Alternatives considered were:
- **Option 1:** Status Quo: Retain a mixture of building heights in the city fringe area and Appendix 11 – Daylight Angles.
 - **Option 2:** Provide a consistent building height across the city fringe with incentives for increased heights, and amend height in relation to boundary rule. (Plan change option)
 - **Option 3:** Have no building height controls in the MU.
43. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>

Option 1: Status Quo	<p><u>Environmental and Cultural</u></p> <p>None identified</p> <p><u>Economic</u></p> <p>In areas where the WDP limits building heights to 8m or 11m this restricts development options and flexibility.</p> <p>Additional consenting costs to exceed height limits.</p> <p><u>Social</u></p> <p>A wide range of building heights enabled over a small area which could contribute to a disjointed city fringe area.</p> <p>Appendix 11 – Daylight Angles is not clear for plan users.</p>	<p><u>Environmental</u></p> <p>Building heights are managed to minimise shading.</p> <p>In areas closer to Living Zones, the building heights are more restrictive.</p> <p><u>Economic and Social</u></p> <p>Additional development opportunities enabled where maximum building height is 20m.</p> <p><u>Cultural</u></p> <p>View shafts to Parihaka are protected.</p>
Option 2: Plan Change option	<p><u>Environmental</u></p> <p>Increased building heights in some city fringe areas with the potential for adverse amenity effects.</p> <p><u>Economic</u></p> <p>The maximum building height, without any incentive bonuses, is slightly reduced in the Operative B1 area which reduces development opportunities.</p> <p><u>Social and Cultural</u></p> <p>None identified.</p>	<p><u>Environmental and Social</u></p> <p>Building heights are managed to minimise shading.</p> <p>Positive outcomes such as through-site-links and residential development are encouraged and incentivised.</p> <p>Consistent height limits provided across the city fringe to achieve consistent outcomes and streamline the provisions.</p> <p>Height in relation to boundary rule provides more clarity for plan users than Appendix 11 – Daylight Angles.</p> <p><u>Economic</u></p> <p>On balance across the entire city fringe area there would be increased development opportunities and flexibility.</p> <p><u>Cultural</u></p> <p>View shafts to Parihaka are protected.</p>
Option 3: No maximum building heights	<p><u>Environmental, Social and Cultural</u></p> <p>Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and compromised view shafts to Parihaka.</p> <p><u>Economic</u></p> <p>High density and large built form in the city fringe area could dominate over the city centre and adversely affect vibrancy.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Increased development opportunities with no height restrictions.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	The status quo is considered to be an efficient and clear method of managing building heights, except for Appendix 11 – Daylight Angles which is considered inefficient.	A wide range of maximum building heights across the relatively small city fringe area is not effective in providing a clear and cohesive city fringe area connected to the higher density city centre.
Option 2	Option 2 is considered to be an efficient and clear method of managing building heights.	Option 2 is considered to be more effective than the status quo in encouraging positive outcomes through incentives and managing adverse effects on adjacent zones.

Option 3	Option 3 is considered to be efficient as it would streamline the MU provisions.	Option 3 would not be effective in managing building height as it would rely on other factors outside of the district plan to limit the scale of buildings and encourage incentives.
Economic Growth and Employment Opportunities		
Option 3 provides the most economic growth and employment opportunities by not managing building height. On balance Option 2 is considered to provide more economic growth and employment opportunities than Option 1 as the maximum height would be increased in several Operative Environments and incentives would enable additional development above the maximum.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

44. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the MU and achieve the proposed MU objectives.

Active Frontages

45. The proposed MU objectives seek to prioritise pedestrians, improve walkability and achieve a high quality urban form. A key method to achieve these objectives is by managing active frontage, which is proposed to be defined as:

means uses/buildings that have a visual connection with the street level (usually from a ground floor) and entrances from the street. It will involve a degree of clear glazing but does not need to be fully glazed. The design should imply to users on the street that there is proximity and interaction between them and people within buildings.

46. Proposed Rules MU-R4, R6 and R8 manage active frontage by controlling building setbacks, building frontages and fences along road boundaries.

Building Setbacks

47. The WDP requires various setbacks in the city fringe area with up to 4.5m setbacks from roads in some locations, as well as setbacks from Living and Open Space Environment boundaries and Mean High Water Springs (**MHWS**). The proposed MU building setbacks retain the setbacks from MHWS and Living and Open Space Environment boundaries, but propose to reduce the road boundary setback to require buildings to be within 1m of the road for at least 75% of the street frontage. Exemptions are provided for recessed entrances and through-site links. The proposed road setback seeks to maintain an active building frontage and to enable and encourage positive outcomes such as through-site links, which help promote the MU as a pedestrian-centric environment.

Building Frontages

48. Proposed Rule MU-R6 requires clear glazing for building frontages, manages the location of public entrances and requires consent for roller doors along site frontages.
49. The WDP does not have any building frontage rules for the city fringe area. It has been identified through consultation and research that there is a need for more urban design controls within Whangarei city,

particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being overly restrictive.

Fences

50. There are no operative rules in the city fringe area relating to fencing. Proposed Rule MU-R8 would require consent for any fence along a road boundary where the fence is not required by by-law or for public health and safety. It is considered important to manage fencing as it could have significant adverse effects on streetscape and active frontage.
51. There are a wide range of alternatives considered in relation to the proposed active frontage controls. Additional rules were considered as well as different rule thresholds and all options were compared to the status quo. At a high level the alternatives considered were:
- **Option 1: Status Quo:** Retain the current WDP provisions for the city fringe area with no active frontage controls.
 - **Option 2:** Manage building setbacks, building frontages and fences along road boundaries. (Plan change option)
 - **Option 3:** Require consent for all buildings as a restricted discretionary activity and assess each application on its merits.
52. Evaluation of these alternative options have been summarised in Table 9:

TABLE 9: SECTION 32 ASSESSMENT OF ACTIVE FRONTAGE OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental and Social</u></p> <p>Rules do not help achieve active frontages and would therefore not improve CPTED or pedestrian-centric aspects of the MU.</p> <p><u>Economic</u></p> <p>No management of active frontage could diminish the amenity of the MU which could in turn negatively affect the viability of MU activities and decrease connectivity with the City Centre.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Reduced costs for developers as there would be less District Plan rules to comply with.</p>
Option 2: Plan Change option	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Additional costs for developers to meet district plan rules.</p>	<p><u>Environmental, Economic and Social</u></p> <p>Improved urban design and active frontages in the MU. Improved amenity could contribute to the vibrancy and vitality of the MU and improve connectivity with the City Centre.</p> <p>Some flexibility for developers with regard to building setbacks.</p> <p><u>Cultural</u></p>

		None identified.
Option 3: Consent for all buildings	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Additional costs as any building would require consent. Degree of uncertainty as there would not be any rule thresholds and design outcomes would rely on policy interpretation.	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the MU. Improved amenity could contribute to the vibrancy and vitality of the MU and improve connectivity with the City Centre. <u>Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Key MU objectives are to enhance active frontage, create a pedestrian-centric environment, and promote high quality urban design. Option 1 does not address these issues.	
Option 2	Option 2 is considered to be efficient as the proposed rules are clear and provide guidance as to the design and scale of development anticipated within the MU.	Option 2 would be more effective than the status quo in managing urban design and active frontage as there are currently no rules in the WDP.
Option 3	Option 3 would not be efficient as consent would be required for every building, whereas in many cases it is likely more appropriate to state a permitted threshold.	Option 3 would be more effective than the status quo in managing urban design and active frontage. However, outcomes would be less certain with no permitted threshold.
Economic Growth and Employment Opportunities		
There is not considered to be a significant impact in terms of economic growth and employment opportunities; however, Option 2 is considered to be the most beneficial in this regard as it aims to enhance amenity in the MU through active frontage controls while also providing for a permitted threshold to reduce consenting costs.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

53. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the MU and achieve the proposed MU objectives.

Outdoor Areas of Storage

54. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is not efficient. Proposed Rule MU-R9 aims to retain the general intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
55. Alternatives considered were to retain the status quo or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the MU.

Parking and Vehicle Crossings

56. Proposed Rules MU-R20, R21 and R29 manage vehicle crossings and parking spaces and propose the following:

- Any new vehicle crossing over a footpath would require consent as a discretionary activity
- Any standalone car parking facility would require consent as a discretionary activity.
- Any car parking space located between the building frontage and any road boundary of a site is a non-complying activity.

57. The proposed rules aim to create a pedestrian-centric environment with safe and walkable frontages. The alternative considered was the status quo which only requires consent for parking spaces within 2m and 2.5m of a road boundary depending on the Environment. However, consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Table 10 below demonstrates the appropriateness of the proposed provisions.

TABLE 10: S32 ASSESSMENT OF PARKING AND VEHICLE CROSSING PROVISIONS	
Costs	Benefits
<u>Environmental and Social</u> Could generate more delivery trucks on road frontages adversely affecting the streetscape. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules. Potential pressure on Council to provide parking spaces. <u>Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment with safer and more accessible footpaths and improved active frontages. <u>Economic</u> Improves amenity within the MU which in turn can encourage more investment and generate more economic activity. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and policy guidance provides direction on effects that need to be considered and methods of managing adverse effects where the rules are infringed.	The proposed rules are considered effective in meeting the objectives of the proposed MU by improving walkability and active frontages.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules. For example, where standalone car parks seek consent to establish there is clear policy direction for them to be sleeved at ground floor by smaller scale retail and active uses. Therefore, proposed rule MU-R21 would not completely restrict standalone car parking facilities, but would manage design and encourage more economic activity in the form of smaller scale activities along the ground floor frontage.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Impervious Areas Setbacks

58. The WDP only manages building setbacks from MHWS in the city fringe area. However, research has confirmed that impervious areas, such as car parks, adjacent to MHWS can compromise the future use of the esplanade area as a pedestrian walkway and can have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.

59. Proposed Rule MU-R7 requires impervious areas to be setback at least 5m from MHWS. The alternative considered was the status quo; however, it is important that the District Plan protects areas immediately adjacent to MHWS from inappropriate development. Table 11 below demonstrates the appropriateness of the proposed provisions.

TABLE 11: S32 ASSESSMENT OF IMPERVIOUS AREAS SETBACKS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff. <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the proposed MU objectives by improving walkability.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of MU adjacent to MHWS.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Boundary Effects

60. A portion of the proposed MU is located adjacent to proposed Living Zones along Bank Street (however, a majority of this area is designated for education purposes), and three sites within the proposed MU are adjacent to proposed Green Space Zones. Proposed Rules MU-R12 – 14.2 and MUR15 – 20.1 seek to require landscaping along these shared boundaries to reduce adverse effects on Living and Green Space Zones and manage potential reverse sensitivity effects.
61. The WDP does not have any landscaping requirements adjacent to Living or Open Space Environments. Due to the higher scale of development enabled in the MU and the range of activities enabled in the MU it is considered important to manage potential cross boundary effects. Table 12 below demonstrates the appropriateness of the proposed provision.

TABLE 12: S32 ASSESSMENT OF PARKING AND VEHICLE CROSSING PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive zones. Protects residential amenity.

Potential additional costs for developers to comply with rules.	<u>Economic</u> Manages reverse sensitivity effects. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be too onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed MU by protecting amenity in adjacent zones.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of MU adjacent to Living and Green Space Zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Definition Grouping Activities

62. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 13 below provides an assessment of the plan change option for the proposed MU rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 13: SECTION 32 ASSESSMENT OF PROPOSED MIXED-USE ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Non-Complying	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit all rural production activities• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying	<ul style="list-style-type: none">• Not able to apply for consent for rural production activities, excluding farming.• Consenting cost associated with farming.	<ul style="list-style-type: none">• Rural production activities are highly unlikely in the MU so there is minimal risk and costs associated with requiring consent and prohibiting them.• Council is encouraging the development of green rooves and it is considered more appropriate for green rooves to be used as an outdoor living court or commercial activity such as a garden bar. However, applicants may wish to undertake a farming activity on a green roof and therefore it is important to provide for the option to apply for consent rather than prohibiting farming.• Sets clear expectations for community that rural production activities are not anticipated in the MU.• Improves amenity within the MU and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate zones.
Plantation forestry	Prohibited			
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Non-Complying	<ul style="list-style-type: none">• Permit certain industrial activities with effects based controls• Prohibit all industrial activities• Status quo – range of permitted industrial activities in the city fringe area depending on underlying zone (B2 is very permissive for industrial uses)	<ul style="list-style-type: none">• Restrictive rules and policies for industrial activities. Some industrial activities which are not necessarily noxious (e.g. warehousing and storage) would need non-complying consent.• Existing industrial activities would need to rely on existing use rights.• Not able to apply for consent for waste management facilities and landfills	<ul style="list-style-type: none">• Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain MU land for more appropriate activities that are more consistent with the MU objectives.• Improved amenity by avoiding adverse effects from industrial activities.• Amenity in adjacent Living and Green Space Zones is protected as MU is in proximity to more sensitive zones.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility	Prohibited			
Landfill				
Residential Activities				

Supported Residential Care	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with effects based controls 	<ul style="list-style-type: none"> • Additional consenting costs when compared to the status quo. 	<ul style="list-style-type: none"> • Supported residential care and retirement village premises need to be designed, located and operated carefully to ensure appropriateness with the MU due to accessibility issues and amenity for residents. • Supported residential care and retirement village premises would be encouraged to locate in more appropriate zones.
Retirement Village Premises				
Residential Unit	Permitted with controls for minimum internal areas, outdoor living courts and location above ground floor. Notification exemption is provided for residential units which only infringe on-site amenity rules like outdoor living courts.	<ul style="list-style-type: none"> • Status quo – permitted with outdoor living court controls • Permitted with additional effects based controls such as outlook space and habitable room orientation 	<ul style="list-style-type: none"> • Additional controls (and consenting costs) for residential units compared to the status quo. • Some urban design issues would not be actively managed by the District Plan. • Potential for reverse sensitivity with residential activities in proximity to non-residential activities. 	<ul style="list-style-type: none"> • Would continue to be enabling for inner city residential activities. • Additional urban design controls compared to status quo to ensure on-site amenity for residents is protected, while not being overly restrictive. • Consistent with MU objectives and higher order policy direction. • Notification exemption helps reduce consenting costs.
Commercial Activities				
Motor Vehicle Sales	Non-Complying	<ul style="list-style-type: none"> • Permitted • Restricted Discretionary or Discretionary with a suite of effects based controls such as Net Floor Area limits, hours of operation, setbacks from Living Zones, etc. • More restrictive rules – i.e. increasing non-complying to prohibited and discretionary to non-complying 	<ul style="list-style-type: none"> • Additional consenting costs when compared to the status quo. • Existing activities would rely on existing use rights. • Plan change option does allow for consent to be applied for which could result in these activities establishing in the MU and having adverse effects if the policies do not appropriately manage effects. 	<ul style="list-style-type: none"> • Plan change option seeks to manage large scale, vehicle oriented commercial activities and activities that often have adverse external effects. This approach is consistent with MU objectives, higher order policy direction and higher order documents. • MU land is retained for more suitable activities. • These activities are encouraged to locate in more appropriate zones. • Supports the enabling approach for residential activities as activities which may affect amenity require consent. • Food and beverage activities and entertainment facilities are encouraged to located in the more active City Centre Zone to help improve vibrancy within the City Centre.
Garden Centres				
Marine Retail				
Hire Premise				
Funeral Home				
Drive Through Facilities	Discretionary			
Service Stations				
Food and Beverage Activity				
Entertainment Facility				
Trade Suppliers	Permitted with Net Floor Area between 250m ² and 600m ²	<ul style="list-style-type: none"> • Permitted 	<ul style="list-style-type: none"> • Consent would now be required beyond the Net Floor Area threshold and existing activities would require 	<ul style="list-style-type: none"> • Very small-scale, boutique retail activities would not be permitted in MU and instead would be encouraged in

Grocery Store		<ul style="list-style-type: none"> Permitted with increased maximum Net Floor Area limits (e.g. 800m² or 1000m²) 	<p>consent for extensions beyond the Net Floor Area threshold.</p> <ul style="list-style-type: none"> Potential for commercial sprawl as small scale general retail is enabled outside City Centre. 	<p>the City Centre Zone to improve vibrancy in the City Centre.</p> <ul style="list-style-type: none"> Enables a specific range of commercial activities to support a mixed-use environment but manages scale and nature of activities to avoid, remedy or mitigate adverse effects.
General Retail				
Commercial Services	Permitted	<ul style="list-style-type: none"> Permitted with Net Floor Area limit Permitted only above ground floor 	<ul style="list-style-type: none"> These activities would not be actively managed by the proposed MU rules and would rely on other effects based rules to manage adverse effects. Potential for reverse sensitivity with visitor accommodation in proximity to noisier activities. Activities could locate on ground floor but may not necessarily be pedestrian focused activities with active frontage – building design rules would need to manage active frontage instead. 	<ul style="list-style-type: none"> Consistent with MU objectives, higher order policy direction and higher order documents. Enabling visitor accommodation encourages tourist related economic activity. Active frontage controls would manage the ground floor design of buildings. More flexible than having a Net Floor Area limit as these activities can be quite large and ranging in size. Retains the status quo for a majority of the area.
Visitor Accommodation				
Community Activities				
Place of Assembly	Permitted	<ul style="list-style-type: none"> Permitted with effects based controls such as Net Floor Area limits and hours of operation Different rules and thresholds for each activity 	<ul style="list-style-type: none"> Permitted activity enables these activities to establish without consent which could diminish the MU's capacity for activities like residential units and offices. 	<ul style="list-style-type: none"> Consistent with MU objectives, higher order policy direction and higher order documents to provide for a mix of uses in the city fringe. Activities would not significantly detract from residential amenity or detract from the City Centre vibrancy. Retains status quo and simplicity of provisions rather than having specific rules for each different type of activity.
Recreational Facilities				
Emergency Service				
Educational Facilities				
Care Centre	Discretionary	<ul style="list-style-type: none"> Status quo – permitted for a majority of the city fringe area Discretionary with effects based controls 	<ul style="list-style-type: none"> Consent would now be required and any existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> MU land would be retained for higher amenity activities that are more consistent with MU objectives. Consent would be required to ensure that if these activities established that they would be carefully designed and operated to manage adverse effects. These activities would be encouraged to locate in more appropriate zones.
Hospital	Non-Complying			

Efficiency and Effectiveness

63. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the MU.
 - The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes as the WDP has a minimal level of control of activities and design.
 - The proposed rules provide for a permitted threshold of activities, in line with the MU objectives, so that consent requirements are not overly restrictive.

Economic Growth and Employment Opportunities

64. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed MU rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the MU and prioritising the City Centre as the District's focal point. The fact that the proposed rules are more restrictive for certain activities than the status quo is considered to be beneficial for economic growth and employment opportunities as this will improve MU amenity and in turn encourage more investment and development.
65. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

66. There is no known risk due to insufficient information.

Conclusion

67. It is considered that the proposed plan change provisions to manage activities in the MU are appropriate.

Subdivision

68. The WDP provides for subdivision in the B1 and B3 as a controlled activity where the net site area is at least 100m² and the minimum site frontage is 6m, or 12m in the case of a corner site. In the B2 the minimum site size is 300m² and the frontages are 15m, and 30m for corner site.
69. The MU proposes to retain the status quo of the B1 and B3 and include a maximum frontage for every site of 30m, or 60m in the case of a corner site. The maximum frontage is proposed to achieve a fine grain character within the MU and manage the potential for large uninterrupted sites and/or buildings to establish which could adversely affect walkability. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.

70. A number of alternatives have been evaluated in relation to subdivision in the MU. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and lots could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the MU. However, this is considered to be overly restrictive and not proportional to the effects being managed.
71. It is considered that the proposed minimum lot sizes and frontage requirements are enabling as they do not create unreasonable consenting costs and are consistent with the proposed MU objectives in achieving a walkable city fringe area next to Whangarei's City Centre. Table 14 below demonstrates the appropriateness of the proposed provisions.

TABLE 14: S32 ASSESSMENT OF SUBDIVISION PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a pedestrian-centric environment with fine grain street frontages.
<u>Economic</u> Increased consenting costs to exceed maximum frontage lengths.	<u>Economic</u> Improves walkability within the MU which in turn can encourage more investment and generate more economic activity.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and considered to efficient and ensure that sites are of a sufficient size to be efficiently developed.	Rules effectively achieve the proposed MU objectives relating to walkability.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment but do help promote walkability and encourage a mixture of smaller scale activities.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

5. Conclusion

72. Pursuant to s32 of the RMA, the proposed MU objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
73. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to the city fringe area.

Plan Change 88C: Waterfront Zone

Section 32 Evaluation Report

Prior to Notification

Day Month Year

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms Part 4 of the Section 32 (s32) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other Parts 1 – 11. The general introduction, statutory assessment and analysis of higher order policy documents are contained within Part 1. Strategic Direction objectives, policies and performance standards are evaluated within the s32 evaluation report for Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88C (**PC88C**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): Waterfront Zone (**WZ**). The WZ proposes to replace portions of the existing Town Basin Environment (**TBE**) and to extend the existing TBE zone boundaries along portions of the Hīhītaua Peninsula, Riverside Drive and Port Road. PC88C will include:
 - A new 'Waterfront Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the WZ, and two Areas within it: the Waterfront Commercial Area and the Waterfront Mixed-use Area.
 - Consequential changes to the WDP.
3. PC88C includes a description of the proposed WZ to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. The open space and mixed-use environment located adjacent to the Hatea River and Whangarei's City Centre has traditionally been referred to as the 'Town Basin'. This area has been managed by the WDP through the TBE. Figure 1 below shows the Sub-Environments of the TBE. Under the Whangarei City Centre Plan 2017 (**WCCP**), this area is now being referred to as the 'Waterfront'. PC88C seeks to manage activities, development and subdivision within the Waterfront.

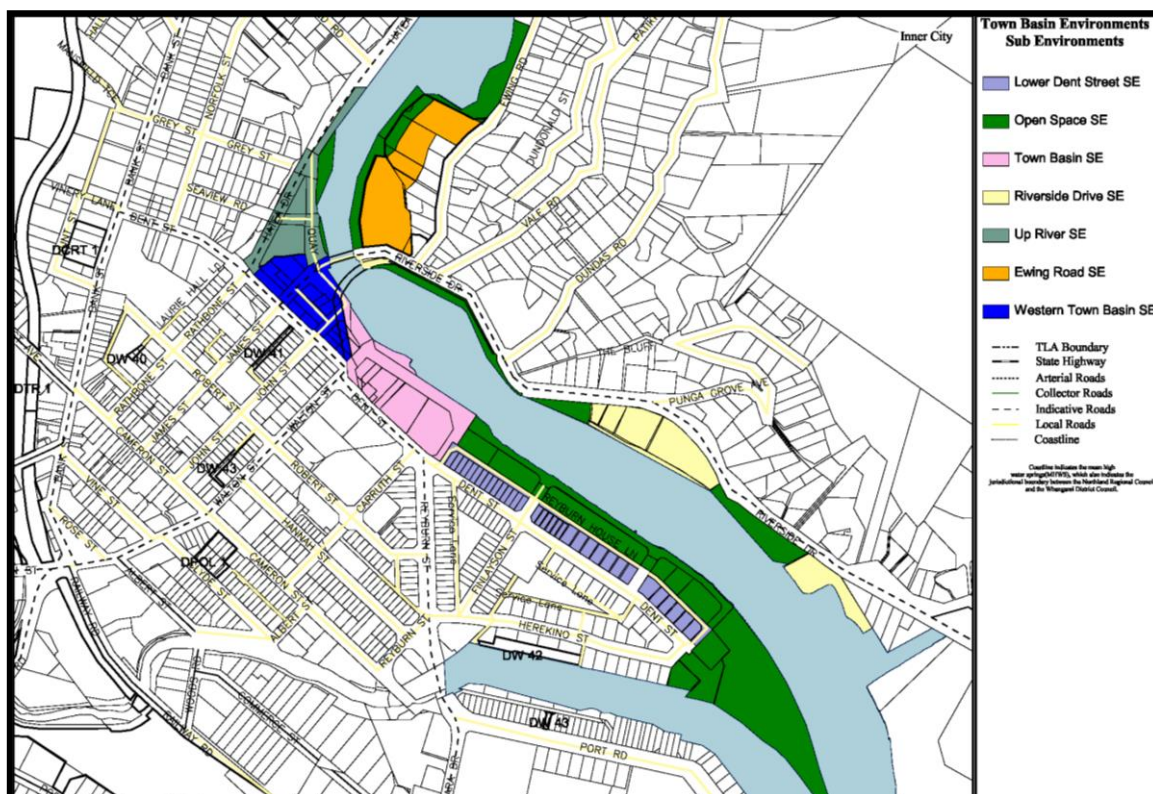


Figure 1: WDP Environment Map Showing the Town Basin Sub-Environments

5. The Waterfront represents a significant destination for residents and local and international visitors alike. Developed in the 1990s, the Waterfront is an important and successful amenity and resource for Whangarei City. Currently the main uses of the area are passive recreation and a selection of tourist, retail and entertainment facilities. These activities are complimented by a diverse range of maritime activities taking place in the Waterfront. In the area surrounding the Waterfront there are existing commercial, industrial and residential activities, some of which support the maritime/tourism character of the Waterfront.
6. The Waterfront is rich in historical and cultural significance which is reinforced by the Victorian style buildings, maritime activities and various projects which promote the heritage of the area. Estuarine open spaces which access the waterfront and soft landscapes framed by a pedestrian and cycle loop around the Waterfront also contribute to the area's unique character and sense of place.
7. Several catalyst projects which are expected to increase attraction to the Waterfront area are either planned or are being considered in various non-statutory documents. It is expected that the qualities of the Waterfront will be recognised in the preparation and execution of any development as well as in the preparation and assessment of any resource consent application. While successful development of the Waterfront is often driven by mechanisms beyond the District Plan and RMA processes, Council seeks to ensure that a cohesive development pattern emerges and that the values of this area are protected. The District Plan needs to provide for the strategic vision of the area to ensure that the Waterfront can realise its full potential as a regional and national tourist destination.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.4 discuss the following key resource management issues in relation to the Waterfront.

- Fragmented planning approach
- Maintenance and enhancement of character and amenity values
- Guided development
- Urban design outcomes

2.2.1 Fragmented planning approach

9. Under the WDP, the TBE currently encompasses seven sub-environments and has its own policy chapter (Chapter 26). The seven sub-environments include the Lower Dent, Open Space, Town Basin, Riverside Drive, Up River, Ewing Road, and Western Town Basin Sub-Environments – see Figure 1 above.
10. Council's 5 Year Review of the District Plan Efficiency and Effectiveness (August 2012) acknowledged that this approach may not be the most efficient in dealing with comprehensive development in the Town Basin. Rationalising the sub-environments will allow for a more comprehensive approach to development within the Town Basin while also assisting in simplifying and streamlining the WDP provisions.
11. Within Chapter 26 of the WDP, there are overarching policies for the TBE along with specific policies for each sub-environment. Many of these policies seek similar outcomes resulting in redundant policies that fail to clearly distinguish the intended outcomes of each sub-environment and result in superfluous assessments for resource consent applications.
12. PC88C has reviewed the zoning convention options available to address the current fragmented planning approach. As discussed below, PC88C aims to simplify and streamline the WDP provisions and provide a more appropriate planning framework for the Waterfront, together with the other zones in PC88.

2.2.2 Maintenance and enhancement of character and amenity values

13. Under the WDP, the Waterfront is endorsed as an important and successful amenity and resource for Whangarei's residents and visitors. Strategic documents, such as the Whangarei District Growth Strategy - Sustainable Futures 30/50 (**30/50**), seek to enhance the Waterfront by promoting it as an arts and cultural experience precinct.
14. The current provisions within the WDP have occasionally impeded the envisaged development of the Waterfront. For example, resource consent has been required for artworks, sculptures and playground equipment due to bulk and location infringements. Features such as these enhance the character and amenity within the Waterfront and require more permissive controls. Conversely, the current provisions are too permissive within some sub-environments (e.g. the Up River Sub-Environment provides for any activity, except for residential or industrial activities, as permitted activities). It is considered that

the TBE provisions require strengthening to ensure appropriate activities in appropriate locations and to ensure that potentially detrimental developments do not occur without appropriate assessment.

2.2.3 Guided development

15. As stated above, successful development of the Waterfront is often driven by mechanisms beyond the District Plan and RMA process. Under the WDP, the current TBE provisions acknowledge this by permitting activities that are in accordance with an approved Reserve Management Plan (**RMP**) under the Reserves Act 1977 or a Conservation Management Strategy (**CMS**) under the Conservation Act 1987. Additionally, Rule 43.5 provides two design concepts for the TBE as a general guide for future development and to inform the public of the style of development envisaged by the provisions of the District Plan – see images below:

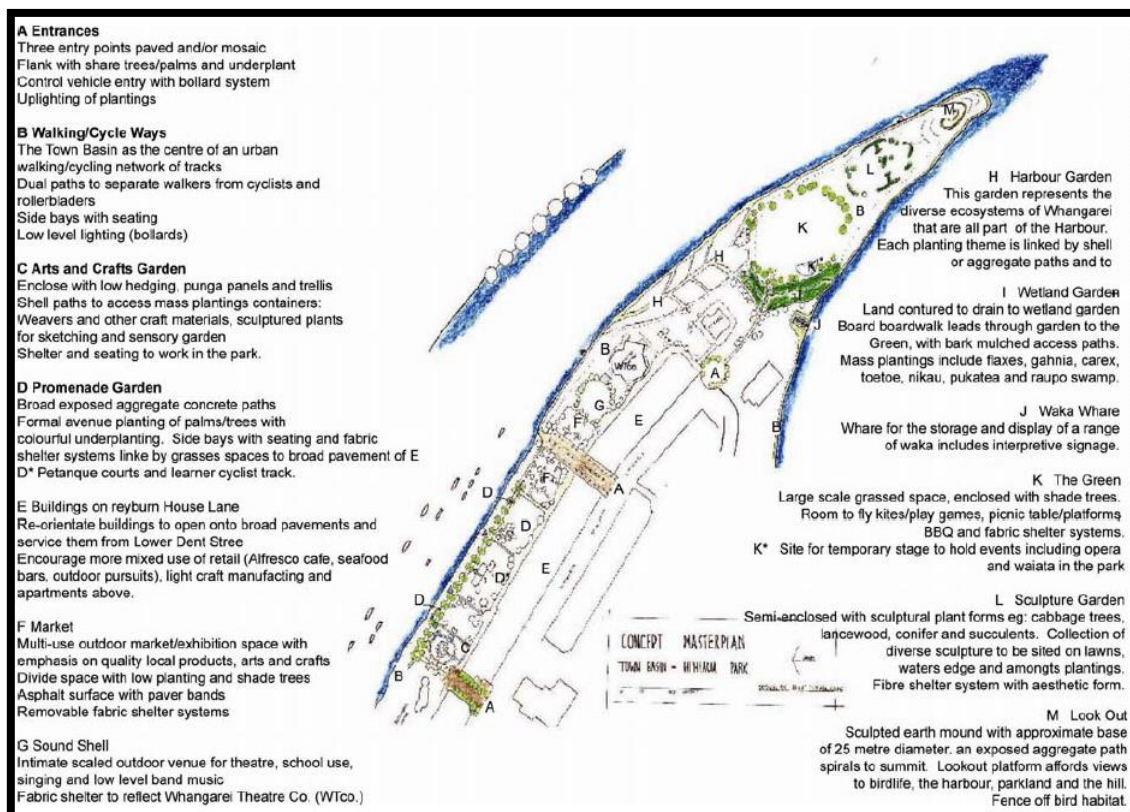


Figure 2: WDP Waterfront Concept Master Plan

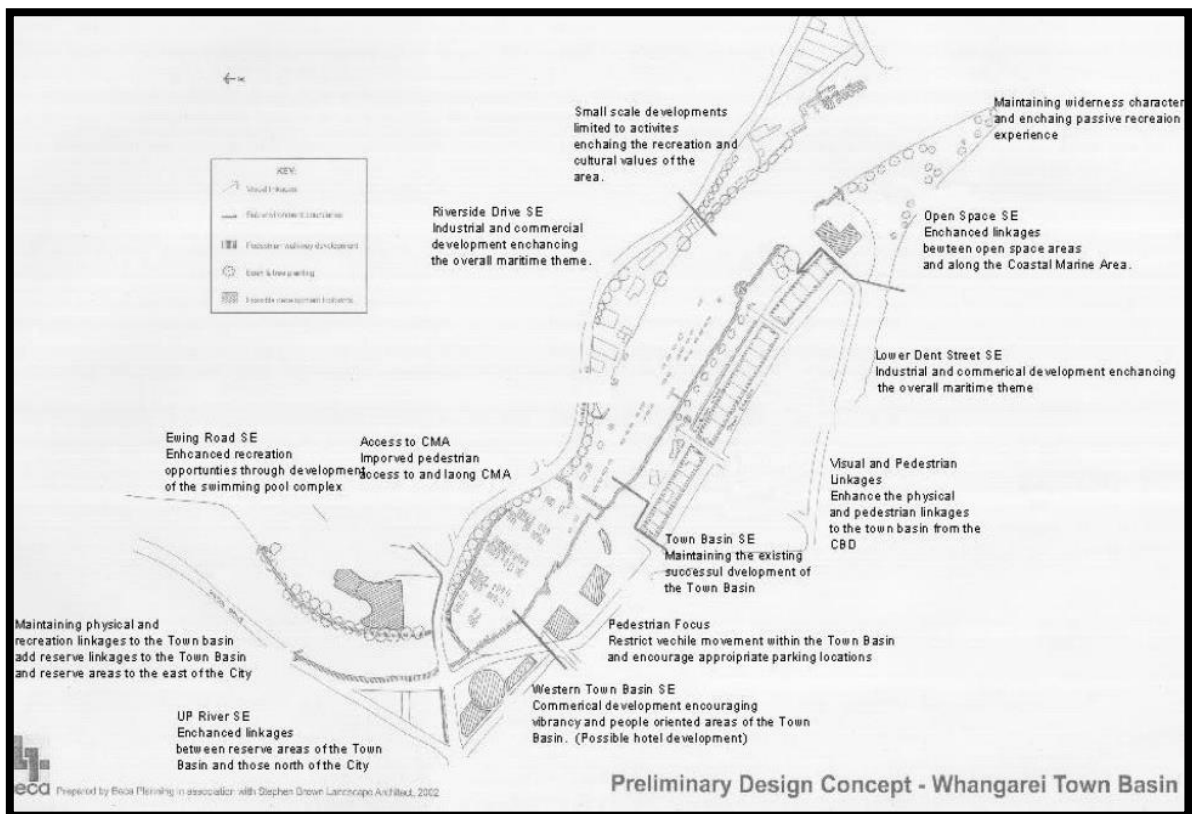


Figure 3: WDP Waterfront Preliminary Concept Design

16. Currently there are no RMPs or CMSs relating to the TBE and consequently many activities that are envisaged in the TBE require resource consent. Instead of placing such reliance on RMPs and CMSs, a more appropriate approach is considered be to clearly state the activity status of certain activities while also permitting activities in accordance with an approved RMP or CMS.
17. The two concept plans are now fairly dated as they were prepared in 2002. The plans are not considered to be fit for purpose as they have been superseded by developments that have taken place. It is considered appropriate to replace these concept plans with more targeted provisions for the WZ to clearly guide future development of the area.

2.2.4 Urban design outcomes

18. Sense of place is made up of a sense of belonging/attachment to a location, and physical and intangible elements of a place that contribute to its special character or 'familiarity'. A strong sense of place is important for people to positively identify with where they live, and to attract visitors and businesses. A sense of place is also important for the promotion or 'branding' of a city and can strengthen stewardship towards the urban environment. Sense of place can be improved through urban design methods such as managing the design and scale of buildings, improving wayfinding and framing streets and view shafts.
19. Generally, there is a lack of urban design provisions in the TBE. Positive urban design outcomes are required if the Waterfront is to create an attractive environment for people to live, work and visit. PC88C considers different approaches to addressing urban design.

3. Proposed Waterfront Zone

20. The proposed WZ aims to enhance Whangarei's Waterfront as a hub for recreation, culture and tourism and to provide for a range of mixed-use activities that support the Waterfront as a place to live, work and visit. The amenity values of the Waterfront are highly valued and the WZ aims to maintain and enhance the vibrancy, vitality and sense of place of the area. It is proposed to achieve these outcomes through zone mapping and a new suite of objectives, policies and provisions specific to the WZ.
21. The Waterfront is a unique area within Whangarei due to its proximity to the City Centre, Residential and Open Space Zones as well as the estuarine Hatea River and the Waiarohia Stream. Activities, subdivision and development need to be sensitively designed in the Waterfront to manage adverse effects on the more sensitive surrounding zones and activities, and adverse environmental effects and to maintain and enhance pedestrian connectivity and view shafts.
22. The proposed WZ is distinct from any other proposed zones as the issues and anticipated environmental results are unique. It is proposed as a Special Purpose Zone (**SPZ**) developed in accordance with draft National Planning Standards 2018 (**the Standards**). The criteria for introducing a SPZ specified in the draft Standards are that the proposed land use activities and anticipated development within the defined area:
 - a. Are significant to the district or region
 - b. Could not be enabled in by any other zone
 - c. Could not be enabled by the introduction of an overlay, precinct, designation, development area or specific control.

TABLE 1: SPECIAL PURPOSE ZONE CRITERIA ASSESSMENT	
Criteria	Considerations
A	The Waterfront area is significant attraction for residents and visitors. Catalyst projects that are significant to the Whangarei district and the Northland region are underway and anticipated in the area.
B	Other draft Standards Business zones were considered. The City Centre Zone, Mixed-use, and Commercial zones are unable to achieve the quality urban design, town meets water and tourism focused outcomes that have been identified for the Waterfront area.
C	Other planning tools were considered: overlay, precinct, development area and specific controls had to be so detailed in such a specific matter to achieve the anticipated development that they constituted a separate zone. Designation is not available as there is no appropriate requiring authority.

23. Some areas within the WZ are established and operating in a manner that is considered to be consistent with the anticipated outcomes for the Waterfront. For example, the area along Dent Street comprises restaurants, boutique shops, Claphams Clock Museum, the Hub Information Centre, playgrounds, sculptures, etc. Similarly, along Riverside Drive near Vale Road there are existing higher

density apartments and visitor accommodation. It is anticipated that these areas will experience minimal change as a result of the WZ zoning.

24. Other areas within the WZ comprise existing activities and/or built form that are not anticipated within the WZ. For example, activities along Port Road such as the industrial activities, motor vehicle sales and trade suppliers are not encouraged by the proposed WZ provisions. Additionally, the scale and nature of some of the industrial activities occurring within the Hīhīaua Peninsula and along Riverside Drive are not supported by the proposed WZ provisions as they are not compatible with the residential and commercial activities that are anticipated and encouraged by the proposed WZ. It is envisaged that these areas will experience incremental change due to the proposed WZ as noxious and lower amenity activities are gradually relocated outside of the zone to more appropriate locations, and new activities and buildings in the WZ contribute to higher urban design standards to enhance the amenity and character of the area.
25. With regard to zone mapping, it is proposed to rezone the operative Open Space, Up-River, Western Town Basin and Ewing Road Sub-Environments of the TBE to Open Space Zone through Plan Change 115. This leaves the Town Basin, Lower Dent and Riverside Drive Sub-Environments of the TBE. It is proposed to combine the Lower Dent and Riverside Drive Sub-Environments so that there are only two distinct areas within the WZ – the Waterfront Commercial Area and the Waterfront Mixed-use Area – See Figure 4 below:

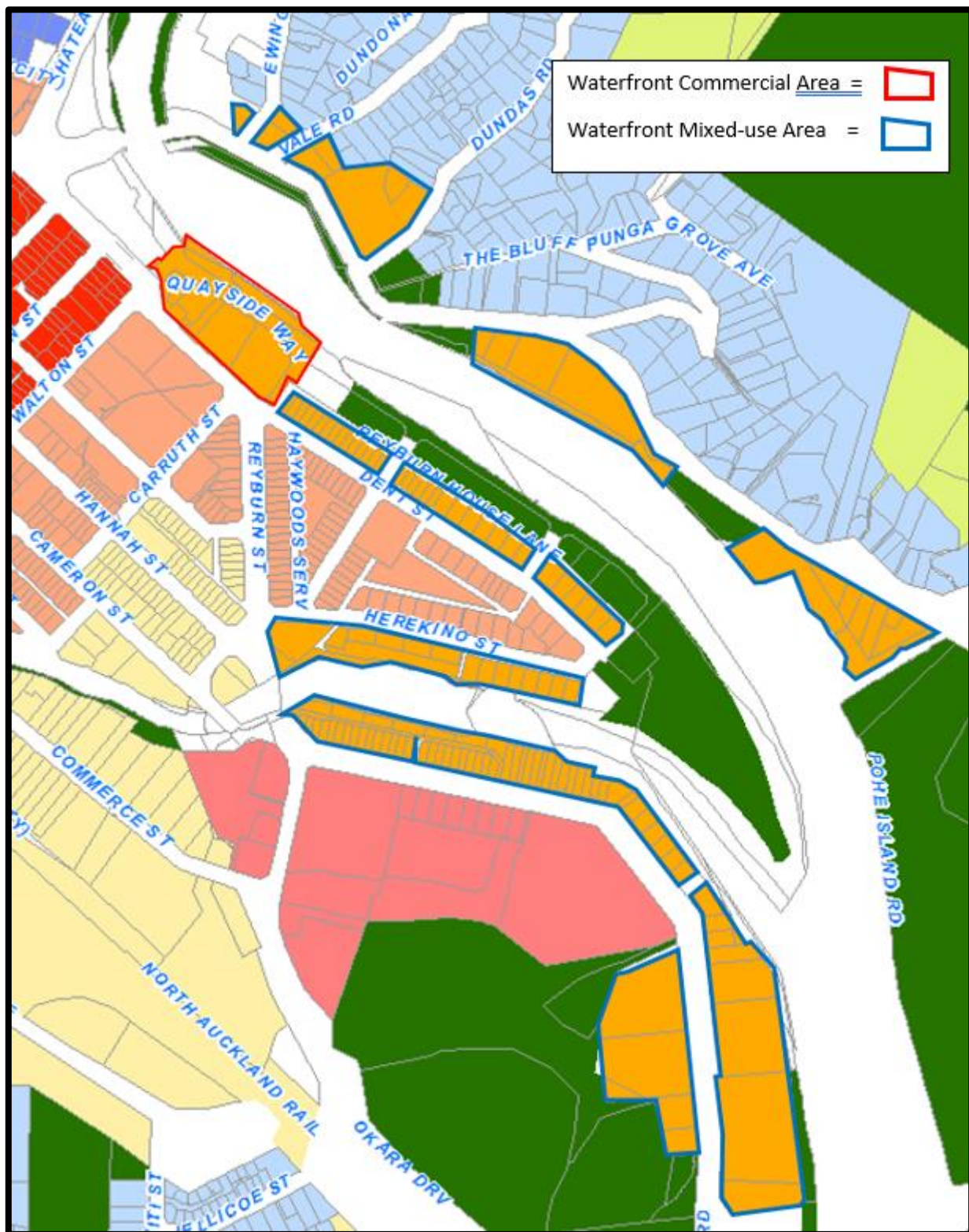


Figure 4: Proposed Waterfront Zone Areas

26. The Waterfront Commercial Area connects the Waterfront Zone to the City Centre Zone and provides for a range of activities including small scale retail, restaurants, passive recreation and cultural activities along with artisan craft industries. It is proposed that the Waterfront Commercial Area essentially replaces the operative Town Basin Sub-Environment area spatially reduced to match the existing development and to account for the consented Hundertwasser development. The criteria for

this area of the WZ is therefore primarily based on existing and consented developments and activities.

27. The Waterfront Mixed-use Area applies to the former Lower Dent and Riverside Drive Sub-Environments and extends along Hihiaua Peninsula, Riverside Drive and Port Road. It provides for residential, commercial and community activities along with maritime industrial activities of a scale, design and character compatible with sensitive activities. In order to determine whether or not an area is appropriate for the Waterfront Mixed-use Area the following criteria have been considered:

TABLE 2: PROPOSED WATERFRONT MIXED-USE AREA ZONING CRITERIA	
Criteria	Reason/Issue
The area is adjacent to the Hatea River, Waiahoia Stream or the Open Space Zone.	Only areas that are adjacent to (or across the road from) public open space or the Coastal Marine Area have been considered for the Waterfront Mixed-Use Area.
The area is in proximity to Hatea Loop Walkway	The Waterfront Mixed-use Area is intended to extend along the Hatea Loop Walkway and pedestrian access points, such as the Pocket Park, to reflect the development of the area.
The area is well connected to convenient transport routes and major facilities	The Waterfront Mixed-use Area is supportive of higher density residential activities and visitor accommodation and is therefore considered more appropriate adjacent to good transport routes such as arterial roads and major tourist facilities or assets such as Northland Events Centre and the Hatea Loop Walkway.

28. Strategic documents such as Whangarei 20/20 Plus (**20/20 Plus**), 30/50 and the WCCP were also used to guide the zone mapping of the WZ. These strategic documents are further discussed in **Part 1** of the s32 report.
29. The proposed approach to the mapping of the Waterfront also reflects the directions of the draft Standards. The draft Standards do not provide for 'sub-environments' and therefore the operative approach is not considered valid. One option was to apply multiple precincts to the TBE area to reflect the status quo provisions; however, this number of precincts results in complicated plan structure and provisions. By rezoning several of the TBE Sub-Environments to Open Space Zone there are only three Sub-Environments remaining. It is considered that the proposed approach of identifying two different Areas of the WZ and mapping them in the Waterfront chapter is less complicated than a precinct approach and assists in streamlining and simplifying the district plan.

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

30. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88C is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1, 4.2 and 4.3 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order objectives proposed in the Strategic Direction Chapter and other higher order documents. The level of analysis undertaken in this report is appropriate to the scale of the proposal.

31. As discussed in section 2.2 above there are several resource management issues present within the Waterfront area. PC88C seeks to revise the planning framework for Whangarei's Waterfront to address these issues. Therefore, it is considered appropriate to introduce the proposed WZ to provide a more suitable planning framework for the area and address the current resource management issues. Existing objectives are not considered to be effective in clearly stating the types of activities that are appropriate within the Waterfront, promoting residential activities or encouraging high quality urban design outcomes. Therefore, new objectives are required.
32. PC88C proposes the following objectives, the reasons for which are detailed in Table 3:

TABLE 3: S32 ASSESSMENT OF PROPOSED WZ OBJECTIVES	
Proposed WZ Objectives	Reason/Issue
WZ-O1 – Pedestrians and Cyclists Promote a safe, accessible and vibrant waterfront, which prioritises pedestrians and cyclists.	This objective recognises that the Waterfront should cater to non-motor vehicles and that activities and subdivision should be designed to create a safe and accessible environment. The objective aims to enhance social and economic well-being within the community.
WZ-O2 – Enabled Development Enable the development of the Waterfront Zone as a hub for tourism, recreation, arts and cultural activities.	This objective recognises that these activities are already occurring within the WZ and encourages further development that is consistent with these themes. This helps achieve the higher order strategic and policy direction for the area.
WZ-O3 – Land uses Support a range of land uses that complement the City Centre Zone and are compatible with surrounding Living and Green Space Zones.	This objective seeks to highlight that the differing zones in the city are interrelated and that the overall package works together. Activities within the WZ need to support and work together with the outcomes sought within surrounding zones.
WZ-O4 – Amenity and Character Protect and enhance the sense of place, amenity, character, cultural, heritage, ecological and recreational values unique to the Waterfront Zone.	This objective seeks to preserve the qualities that make the Waterfront area unique. This supports the Waterfront as a key destination for residents and visitors.
WZ-O5 – Connections Protect and enhance the Waterfront Zone's physical and visual connections with the coastal marine area and the City Centre.	The overall success of the WZ is dependent on how development connects the water and the city. This helps to improve walkability and pedestrianization and achieves s6(d) of the RMA.
WZ-O6 – Residential Activities Promote residential activities in the Waterfront Mixed-use Area.	This objective highlights the intention of encouraging and enabling residential activities within the Waterfront Mixed-use Area to provide an appropriate policy framework that is consistent with higher order policy direction.

33. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 4 demonstrates that the proposed WZ objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88C. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88C is inconsistent with s8.

		TABLE 4: LINKAGE OF PROPOSED WZ OBJECTIVES WITH PART 2 OF THE RMA					
		Proposed Waterfront Zone Objectives					
		WZ-O1	WZ-O2	WZ-O3	WZ-O4	WZ-O5	WZ-O6
RMA Part 2 Sections	5(2)(a)	-	✓	✓	-	-	✓
	5(2)(c)	-	-	-	✓	✓	-
	6(a)	-	-	-	✓	-	-
	6(d)	✓	-	-	✓	✓	-
	6(e)	-	-	-	✓	-	-
	6(f)	-	-	-	✓	-	-
	7(b)	-	✓	✓	-	-	✓
	7(c)	-	-	-	✓	✓	-

34. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

35. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88C. **Part 1** of the s32 report provides a comprehensive evaluation of the consistency of PC88 in relation to relevant higher order documents. Table 5 provides an overview of the proposed WZ objectives' consistency with the relevant higher order documents.

		TABLE 5: LINKAGE OF PROPOSED WZ OBJECTIVES WITH HIGHER ORDER DOCUMENTS					
		Proposed Waterfront Zone Objectives					
		WZ-O1	WZ-O2	WZ-O3	WZ-O4	WZ-O5	WZ-O6
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	✓	-	✓	-
	Whangarei Long Term Plan 2018	✓	✓	-	-	-	-
	Whangarei District Growth Strategy – 30/50	-	✓	✓	-	-	-
	20/20 Plus Whangarei CBD Development Guide	✓	✓	✓	✓	✓	✓
	Whangarei 20/20 Momentum	✓	✓	✓	-	-	-
	Whangarei Urban Growth Strategy	-	✓	✓	-	-	-
	Weekend and Night Time Economy Strategy	-	✓	✓	-	-	-
	Whangarei City Centre Plan	✓	✓	✓	✓	✓	✓
	Whangarei Urban Design Strategy	✓	-	-	✓	-	-
	Hihiaua Precinct Plan	✓	✓	✓	✓	✓	✓

4.3 Appropriateness in Relation to Strategic Direction Chapter

36. The proposed WZ objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148 (**PC148**). The overarching Strategic Direction Chapter objectives and policies and their links to the proposed WZ objectives are shown in Table 6 below. This table illustrates that the objectives of the WZ are effectively linked to the overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32.

TABLE 6: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND WZ OBJECTIVES		
Proposed Strategic Direction Objective	Proposed Strategic Direction Policies	Proposed WZ Objectives
SD-O1 Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1 To manage effects on character and amenity values by providing for a range of Zones with differing expectations.	WZ-O1 WZ-O2 WZ-O3 WZ-O4 WZ-O5 WZ-O6
	SD-P19 To provide for specific activities where special circumstances apply by identifying and zoning areas as special purpose zones.	
	SD-P28 To provide a mixed-use environment while protecting and promoting the maritime, open space, recreation and tourism themes of the Waterfront by applying the Waterfront Zone in locations: <ol style="list-style-type: none"> 1. Adjacent to the Open Space Zone, Hatea River or Waiarohia Stream. 2. In proximity to the Hatea Loop Walkway. That are well well connected to convenient transport routes and major facilities.	
SD-O9 Maintain and enhance accessibility for communities and integrate land use and transport planning.	SD-P7 To manage an effective and efficient transport system by: <ol style="list-style-type: none"> 1. Integrating and co-ordinating transport and land use planning. 2. Improving access to alternative transport options. 3. Enhancing the walkability of neighbourhoods. 	WZ-O1
SD-O11 Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8 To ensure that there is sufficient residential and business development capacity by zoning land where development is feasible and: <ol style="list-style-type: none"> 1. Is serviced with development infrastructure; or 	WZ-O6

	2. Funding for development infrastructure is identified in the Long Term Plan.	
SD-O12 Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9 To support alternative modes of transport by promoting higher residential densities around nodes of suburban development and public transport infrastructure.	WZ-O1 WZ-O6
	SD-P10 To protect character and amenity by managing built form and encouraging best practice urban design.	WZ-O4 WZ-O5
SD-O13 Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2 To manage the establishment and location of new activities to avoid conflicts between incompatible land uses.	WZ-O3 WZ-O6
	SD-P4 To ensure that the scale and nature of new land use activities are consistent with the existing level of amenity and the stated overview for the relevant zone.	WZ-O2 WZ-O4 WZ-O5 WZ-O6

4.4 Appropriateness of Proposed Policies and Methods

37. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed policies

38. The proposed WZ objectives seek to ensure that a suitable range of activities are provided for in the WZ and that development is appropriately designed so that the vibrancy and vitality of the WZ are protected and enhanced. These objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
39. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the WZ and requiring that particular regard be given to the area's unique character during development and subdivision.
 - Providing for a range of land use activities focussed on art, culture, recreation and tourism.
 - Managing the scale and design of buildings to achieve quality urban design outcomes and ensure that sunlight and pedestrian access to public spaces is protected.

- Ensuring residential activities are supported and directed towards appropriate locations to increase the number of residents living in proximity to employment and recreational opportunities and to improve the safety and amenity of the WZ.
- Protecting the characteristics and values that are unique to the Waterfront, including view shafts of Parihaka and visual and physical connections to the Coastal Marine Area.

40. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent basis for the methods and rules in the the WZ chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the WDP rolling review. Table 7 below demonstrates that the policies proposed for the WZ implement the proposed WZ objectives, and that the methods implement the proposed WZ policies:

TABLE 7: LINKING OF PROPOSED WZ PROVISIONS		
Proposed WZ Objective	Proposed WZ Policies	Proposed WZ Methods
WZ-O1 – Pedestrians and Cyclists Promote a safe, accessible and vibrant waterfront, which prioritises pedestrians and cyclists.	WZ-P1, P3 – P8	WZ-R3-7, SUB-R7, mapping
WZ-O2 – Enabled Development Enable the development of the Waterfront Zone as a hub for tourism, recreation, arts and cultural activities.	WZ-P1, P2	WZ-R1, WZ-R11, R14 – R41
WZ-O3 – Land uses Support a range of land uses that complement the City Centre Zone and are compatible with surrounding Living and Green Space Zones.	WZ-P2, P3, P8	WZ-R5, R11 – R41
WZ-O4 – Amenity and Character Protect and enhance the sense of place, amenity, character, cultural, heritage, ecological and recreational values unique to the Waterfront Zone.	WZ-P1 – P5, P7	WZ-R2 – R10, SUB-R7
WZ-O5 – Connections Protect and enhance the Waterfront Zone's physical and visual connections with waterways the coastal marine area and the City Centre.	WZ-P3, P4, P6	WZ-R6 – R8, SUB-R7, mapping
WZ-O6 – Residential Activities Promote residential activities in the Waterfront Mixed-use Area.	WZ-P8	WZ-R12, R13

41. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in clearly stating the types of activities that are appropriate within the Waterfront, promoting residential activities or encouraging high quality urban design outcomes. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed WZ Boundaries

42. Spatial mapping is considered to be an appropriate method of achieving the objectives of the WZ as it identifies where the proposed objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the WZ in achieving the objectives of the WZ the following three options were evaluated:

- **Option 1: Status Quo:** Retain the current spatial extent of the Town Basin Environment and rezone these areas to WZ while retaining each sub-environment as a precinct.
- **Option 2:** Map the WZ based on the criteria identified in section 3 above. (Plan change option)
- **Option 3:** Map the Waterfront area with a mix of the Business Zones provided for by PC88 (i.e. do not have a Waterfront Zone).

43. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental</u></p> <p>The current TBE boundaries do not appropriately encompass the Hatea Loop Walkway area and do not give effect to higher order policy direction.</p> <p>7 different sub-environments applying to a small area of adjoining or adjacent of land results in inconsistent environmental outcomes for areas that are relatively similar.</p> <p><u>Economic</u></p> <p>Reduced opportunities for WZ activities compared to Option 2 (e.g. cultural, tourism and recreation etc.) as the zoning would apply to a smaller area.</p> <p><u>Social</u></p> <p>Complicated policy framework with 7 sub-environments.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Larger land supply for activities that are enabled by other Business zones as areas along Herekino Street and Port Road would not be zoned within the WZ.</p>
Option 2: Map WZ based on criteria in section 3	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Existing activities along Herekino Street and Port Road that are not consistent with the outcomes sought in the WZ are likely to require consent for any expansion.</p> <p><u>Social</u></p> <p>New zoning pattern and approach for community to adapt to.</p>	<p><u>Environmental</u></p> <p>The Waterfront Mixed-use Area extends along Hīhīaua Peninsula and Port Road to improve amenity and discourage noxious activities where land has been identified as being appropriate for mixed-use development.</p> <p><u>Economic and Social</u></p> <p>Proposed WZ boundaries are considered to improve walkability and connectivity between the waterfront/loop area and the adjacent Business, Living and Green Space Zones. This can help enable economic growth.</p> <p>Extending the WZ boundaries encourages higher amenity mixed-use activities within these areas to support the higher order policy direction for the Waterfront area. This provides greater certainty to developers and helps encourage the incremental amenity change that is anticipated for the area.</p> <p><u>Cultural</u></p> <p>None identified.</p>

Option 3: Do not map a WZ	<p><u>Environmental and Cultural</u></p> <p>The policy framework and description of the waterfront area would not be appropriately addressed by the general Business Zones. This could diminish the cultural, recreational, and open space character of the Waterfront area.</p> <p><u>Economic</u></p> <p>The general Business Zones do not provide for an appropriate mixture of activities and would not represent the existing activities or provide for the anticipated outcomes for the area.</p> <p><u>Social</u></p> <p>In order to achieve the appropriate outcomes for the Waterfront area the general Business Zones would need either multiple Zones or multiple precincts overlaying the underlying provisions. This would result in a complicated planning framework (similar to the status quo) and would not simplify or streamline the WDP.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>The general Business Zones are more permissive for certain activities and could reduce consenting costs.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option involves 7 sub-environments which has resulted in complicated WDP provisions and inconsistent outcomes.	This option is not effective as it limits the development potential of the WZ and does not reflect the spatial extent of the existing Hatea Loop or high order policy direction.
Option 2	This option would efficiently consolidate Waterfront activity in more suitable locations and would streamline the operative provisions and zoning patterns.	This option would effectively discourage incompatible activities from the WZ and provide for better connections between the Waterfront and the City Centre. This option would also appropriately recognise the extent of the Hatea Loop Walkway and provide appropriate zoning adjacent to this key asset.
Option 3	In order for this option to be effective there would need to be numerous precincts applied on top of the underlying zones. This approach would not be efficient as it would lead to a complicated planning and zoning framework, as for the status quo.	If this option were to include numerous precincts on top of the underlying zonings to modify the provisions, then it is considered that it would be effective, but not as effective as the tailored WZ..
Economic Growth and Employment Opportunities		
All options provide for a similar level of economic growth and employment opportunities as the Waterfront would be zoned as a combination of the available zones under any option. Each zone would enable a different range of activities, but each would provide economic growth and employment opportunities. With regard to the NPS:UDC, Option 2 provides sufficient land supply for the activities enabled by the WZ provisions (see section Part 1 of the s32).		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 1	The risk associated with Option 1 is moderate as retaining the current spatial extent of the TBE zoning could limit development. By not extending the zoning along Hihiaua Peninsula and Port Road there is risk that the outcomes envisaged adjacent to the Hatea Loop Walkway would not be achieved.	
Option 2	The risk associated with Option 2 is low as the proposed rezoning provides clear direction for the future development of the waterfront area and is consistent with higher order policy direction.	

Option 3	If this option were to include numerous precincts on top of the underlying zonings then the risk would be similar to Option 2. However, there is the risk that the precinct approach would be too complicated and would lead to additional consenting costs.
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44. As shown in Table 8, Option 2 (the proposed plan change) is considered to be the most appropriate spatial method of achieving the objectives of the WZ as it will best reflect patterns of existing land use and development while also providing land supply for the on-going development of the Waterfront and creating a compact and walkable area where the city meets the water.

4.4.3 Proposed WZ Rules

45. The proposed provisions in the WZ are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height

46. The proposed WZ objectives seek to enable the development of the Waterfront as a hub for tourism, recreation, arts and cultural activities while protecting the amenity and character of the area and the visual and physical connections to surrounding zones and features. To achieve this, multi-storey developments need to be provided for while also managing building heights. Pre-notification consultation feedback identified a strong interest within the public to manage shading from buildings to ensure there is sunlight access within the Waterfront.
47. Proposed Rule WZ-R2 manages building height within the WZ. The proposed maximum building height within the Waterfront Commercial Area and the Waterfront Mixed-use Area is 11m. This represents a reduction of permitted building height in some parts of the Waterfront Zone, but sets a consistent permitted building height across the zone and is very close to the status quo.
48. The status quo provisions of the TBE permit a building height of 11m in the Waterfront Commercial Area and 15m within the Waterfront Mixed-use Area, unless the building is within 30m of MHWS where the maximum height would be 11m.
49. Proposed Rule WZ-R5 manages the internal floor-to-ceiling height of buildings by requiring a minimum 3.5m floor-to-ceiling height at ground floor and a minimum 2.7m floor-to-ceiling height above ground floor. There are currently no floor-to-ceiling height rules in the TBE. However, the Hīhīaua Precinct Plan recommended that minimum floor-to-ceiling heights be implemented to provide natural light and ventilation to buildings, create a sense of spaciousness, and allow flexibility for future change of use.
50. Alternatives considered were:
- **Option 1:** Retain the status quo heights.
 - **Option 2:** Increase height limit to 15m across the entire proposed WZ.
 - **Option 3:** Have no building height controls in the WZ.

- **Option 4:** Decrease height limit to 11m across the entire proposed WZ and introduce a minimum floor -to-ceiling height (Plan change option).

51. Evaluation of these alternative options have been summarised in Table 9.

TABLE 9: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental</u> None identified. <u>Economic</u> Increased consenting costs compared to Options 2 and 3. <u>Social and Cultural</u> None identified.	<u>Environmental</u> Status quo has effectively managed adverse environmental effects in relation to building height. <u>Economic</u> Status quo building heights have sufficiently enabled development within the Waterfront and ensured that larger buildings are appropriately assessed through the resource consent process. <u>Social and Cultural</u> View shafts to Parihaka and sunlight access are protected.
Option 2: Increase building height to 15m	<u>Environmental</u> Buildings up to 15m could increase shading and building dominance within and around the Waterfront. <u>Economic</u> None identified. <u>Social and Cultural</u> View shafts to Parihaka and sunlight access would not be as well protected as Option 1.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Increasing the building height to 15m would enable an additional storey within the Waterfront Commercial Area without the need for resource consent.
Option 3: No maximum building heights	<u>Environmental, Social and Cultural</u> Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and compromised view shafts to Parihaka. <u>Economic</u> None identified.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Increased development opportunities with no height restrictions.
Option 4: Reduce Building Height to 11m	<u>Environmental</u> None identified. <u>Economic</u> Increased consenting costs compared to Options 1, 2 and 3. Minimum building and floor-to-ceiling heights may increase costs for development. <u>Social and Cultural</u> None identified.	<u>Environmental</u> This option would more effectively manage adverse environmental effects in relation to building height and better assist achieving aspirations for the WZ. This option would apply a consistent building height provision while also implementing minimum floor-to-ceiling heights to achieve additional positive outcomes. <u>Economic</u> Status quo building heights have sufficiently enabled development within the Waterfront and ensured that larger buildings are appropriately assessed through the resource consent process. Floor-to-ceiling heights preserve flexibility for future change of use. <u>Social and Cultural</u> View shafts to Parihaka and sunlight access are protected.

	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	The status quo is considered to be an efficient and clear method of managing building heights.	The status quo is effective in managing building height to protect amenity and sunlight access.
Option 2	Option 2 is considered to be an efficient and clear method of managing building heights.	Option 2 is not as effective as Option 1 in managing adverse effects from building heights as it is considered appropriate to assess buildings over 11m in some locations within the WZ.
Option 3	Option 3 is considered to be efficient as it would streamline the WZ provisions.	Option 3 would not be effective in managing building height as it would rely on other factors outside of the district plan to limit the scale of buildings and encourage incentives.
Option 4	Option 4 is considered to be efficient as it would streamline the WZ provisions.	The status quo is effective in managing building height to protect amenity and sunlight access. Implementing a minimum floor-to-ceiling height will help ensure flexible use of buildings. Option 4 is more effective than Option 1 to protect amenity, sunlight access and the effect of changing land uses in the WZ.
Economic Growth and Employment Opportunities		
Option 3 provides the most economic growth and employment opportunities by not managing building height. Option 2 provides slightly more economic growth than Option 1. Option 4 is similar to Option 1. It is slightly more restrictive, but will better protect the values of the WZ consistently. This will better ensure that the values that make the WZ an economically desirable location are protected. Consent can still be sought for buildings exceeding 11m and buildings can be designed to meet the rules, so it is not considered that the proposed provisions are overly restrictive.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

52. Option 4 (Plan change option) is considered to be the most appropriate method. Option 4 will achieve the expectations for the WZ and achieve the proposed WZ objectives.

Active Frontages and Connections

53. The proposed WZ objectives seek to prioritise pedestrians and protect amenity and visual and physical connections. One way this can be achieved is by requiring active frontage, which is proposed to be defined as:

means uses/buildings that have a visual connection with the street level (usually from a ground floor) and entrances from the street. It will involve a degree of clear glazing but does not need to be fully glazed. The design should imply to users on the street that there is proximity and interaction between them and people within buildings.

54. Proposed Rules WZ-R6 and R8 manage active frontage and pedestrian connections by controlling building frontages and fences.

Building Frontages

55. Proposed Rule WZ-R6 requires clear glazing at ground floor and manages the location of public entrances. The TBE does not have any building frontage rules. It has been identified through consultation and research that there is a need for more urban design controls within the WZ, particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being

overly restrictive. The rules also require buildings to interact with the Coastal Marine Area (**CMA**) as public entrances must be situated to face the CMA and waterways in certain locations.

56. It was considered to require consent as a restricted discretionary activity for all new buildings and to require an urban design assessment to be provided. This would help ensure buildings are designed appropriately and assessed through the resource consent process. However, it became clear that a restricted discretionary activity with no thresholds stated would not provide sufficient clarity for plan users or planners assessing resource consents. Therefore, it is considered that there needs to be rule thresholds established to provide guidance. The thresholds could be set as restricted discretionary minimums; however, it is considered more appropriate to provide a permitted baseline as this enables greater economic growth and development opportunities while managing adverse effects and requiring consideration of active frontages and connections in building design. The proposed active frontage and connection rules have been proposed in other zones proposed as part of the Urban Plan Changes and are considered appropriate within the WZ as well.

Fences

57. Proposed Rule WZ-R8 seeks to manage the height and design of fences, particularly along road boundaries and near the CMA. Within the operative TBE, 2m is the maximum height of fences within 2m of a boundary. There are also restrictions on barbed wire, broken glass or any form of electrification. High fences can detract from amenity and reduce the feeling of openness. It is considered appropriate to maintain a 2m height limit. More restrictive and less restrictive provisions were evaluated. However, higher fences can lead to adverse shading effects and adverse effects on streetscape and active frontage whereas lower fences can reduce privacy levels. The current provisions have operated efficiently and effectively and are considered appropriate to retain.
58. The Kamo Walkability Environment introduced additional provisions requiring fences near road boundaries to be visually permeable above a height of 1m. This improves passive surveillance of the road while also clearly defining the separation of public and private space and protecting residential privacy. These rules are considered appropriate within the WZ and are proposed in WZ-R8. Diagrams are also proposed to be included to assist with rule interpretation.

Building Setbacks and Height-in-Relation to Boundary

59. Rule WZ-R3 proposes a 3m building setback from Living and Green Space Zones and a 27m setback from Mean High Water Springs (**MHWS**). Proposed Rule WZ-R4 seeks to manage height in relation to boundary (**HIRB**) adjacent to Living and Green Space Zones.
60. The proposed building setbacks retain the TBE status quo, but reduce the setback from MHWS from 27m to 10m. It is considered that the status quo has operated efficiently and effectively and appropriately manages adverse effects on adjacent zones, but does not account for the fact that buildings need to be in proximity to MHWS within the WZ. The proposed setback of 10m ensures that sufficient space is retained for future walkways/esplanade areas while still enabling development within allotments and acknowledging existing development.

61. Alternatives were considered for this provision, including requiring restricted discretionary consent for all buildings or stating no building setbacks. However, there is no identified justification to amend the status quo provisions (apart from the MHWS setback) and the benefits of the proposed provisions are considered to outweigh the costs.
62. The WDP currently imposes rules relating to daylight angles within the TBE (WDP Rule 43.4.4). The intent of this rule is considered appropriate to retain in the WZ provisions. However, there has been a lack of clarity regarding this rule due to the complexity of Appendix 11 in the WDP. The proposed HIRB rule will provide more clarity in interpretation and implementation and is therefore considered to be more effective and efficient than the status quo.

Building Coverage

63. There is currently a maximum building coverage of 50% within the Town Basin, Riverside Drive and Dent Street Sub-Environments of the TBE. The level of building coverage on an allotment is considered a significant factor in the open character of an environment. Building coverage is considered very important in defining the overall amenity of the area, and controls on building coverage reflect the need for careful management. The status quo has operated efficiently and effectively and therefore proposed Rule WZ-R7 proposes to retain the status quo.
64. It was considered to not state any maximum building coverage within the WZ or to state a maximum impervious area instead. However, stating a maximum building coverage is considered more appropriate as it manages the overall bulk of buildings. This ensures that there are opportunities to provide visual and physical links between the CMA and public places. There is no identified justification to amend the status quo provisions and the benefits of the proposed provisions are considered to outweigh the costs.

Car Parking

65. The operative TBE requires formed car parking spaces to be further than 2m from road boundaries and 27m from MHWS. This helps to improve amenity and walkability within the TBE by not encouraging cars to park over and impede footpaths. This also retains land adjacent to MHWS for uses other than car parking. These provisions have operated efficiently and effectively and are considered appropriate to retain within proposed Rule WZ-R9.

Outdoor Areas of Storage

66. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is not considered efficient. Proposed Rule WZ-R10 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
67. Alternatives considered were to retain the status quo or to delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily

interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the WZ.

Information Requirements

68. It is proposed to require an urban design assessment for any activities that do not comply with proposed Rules WZ-R2 – R10. This information requirement seeks to encourage the use of Council's Urban Design Guidelines and to promote best practice urban design. It is considered that stating an information requirement is helpful in providing guidance to applicants and ensuring that any adverse effects are appropriately assessed.

Definition Grouping Activities

69. **Part 1** of the s32 discusses the new definitions proposed under Plan Change 88. Many of these new definitions are activity based definitions which have been categorised into 'definition groupings'. Table 10 below provides an assessment of the plan change option for the proposed WZ rules relating to each definition grouping activity and the alternatives considered. **Part 1** of the s32 assesses the residential and business capacity enabled through PC88, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 10: SECTION 32 ASSESSMENT OF PROPOSED RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Prohibited	<ul style="list-style-type: none">• Permit all rural production activities• Enable limited selection of rural production activities (e.g. farming and seasonal activities).	<ul style="list-style-type: none">• Not able to apply for consent for rural production activities.•	<ul style="list-style-type: none">• Sets clear expectations for community that rural production activities will not occur in WZ.• Improves amenity within WZ and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate Zones.
Plantation forestry				
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Non-Complying	<ul style="list-style-type: none">• Prohibit all industrial activities• Permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are non-complying.	<ul style="list-style-type: none">• Not able to apply for consent for landfill and waste management facilities.• Non-complying activities would have associated consenting costs and possibility of being declined.• Larger artisan industrial activities and marine industrial activities would require consent.• Artisan industrial activities may generate adverse effects as there is an industrial aspect to the activity.	<ul style="list-style-type: none">• Industrial activities are generally required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain WZ land for more appropriate activities that are more consistent with the objectives.• Improved amenity of WZ by avoiding adverse effects from inappropriate industrial activities.• Small scale artisan industrial activities and marine industry would be provided for which would be consistent with the intent and objectives of the WZ. However, the proposed rules manage the scale and nature of these activities to ensure they are appropriate.
Manufacturing and storage				
Repair and maintenance services				
Waste management facility	Prohibited			
Landfill				
Marine industry	Restricted Discretionary			
Artisan industrial activities	Permitted with maximum GFA of 300m ²			
Residential Activities				
Supported Residential Care	Non-Complying	<ul style="list-style-type: none">• Permitted• Permitted with effects based controls	<ul style="list-style-type: none">• Consenting costs associated with non-complying activity status.	<ul style="list-style-type: none">• Supported residential care is not considered appropriate for the WZ due to accessibility issues, costs and amenity for residents. Supported residential care would be encouraged to locate in more appropriate zones.
Residential Unit	Permitted in the Waterfront Mixed-use Area with controls for minimum internal areas and outdoor living courts. Notification exemption is provided.	<ul style="list-style-type: none">• Permitted with outdoor living court controls only.• Permitted with additional effects based controls such as outlook space and habitable room	<ul style="list-style-type: none">• Additional controls for residential units to comply with.• Some urban design issues would not be actively managed by the District Plan.	<ul style="list-style-type: none">• The District Plan would continue to be enabling and supportive for inner city residential activities.• Additional urban design controls to ensure on-site amenity for residents is

Minor Residential Unit	Non-Complying in the Waterfront Commercial Area.	orientation and requirement to locate above ground floor.	<ul style="list-style-type: none"> WZ has a strong focus on active frontage at ground level and the proposed rules would not restrict residential units at ground floor in the Waterfront Mixed-use Area. Potential for reverse sensitivity with residential activities in proximity to noisy or late night activities. Consenting costs associated with residential units in the Waterfront Commercial Area. 	<p>protected, while not being overly restrictive.</p> <ul style="list-style-type: none"> Consistent with WZ objectives, higher order policy direction and higher order documents. The Waterfront Commercial Area land is retained for non-residential experience based activities. Residential units could locate at ground floor in the Waterfront Mixed-use Area to provide more flexibility for development.
Commercial Activities				
Motor Vehicle Sales Garden Centres Trade Suppliers Drive Through Facilities Hire Premise Service Stations Funeral Home	Non-Complying	<ul style="list-style-type: none"> Provide for these activities as either permitted or discretionary with a suite of effects based controls. Prohibit these retail activities 	<ul style="list-style-type: none"> Consent would be required for these retail activities with policies that would not be strongly supportive. Existing activities would rely on existing use rights and would require consent beyond existing use rights. Plan change option allows for consent to be applied for, which could result in some these activities establishing in the WZ and having adverse effects if the policies do not appropriately manage this. 	<ul style="list-style-type: none"> Consistent with WZ objectives, higher order policy direction and higher order documents. Improved amenity of WZ by discouraging these retail activities which often have negative character and amenity effects. WZ land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones. Less restrictive than the option of prohibiting these activities.
Grocery Store	<p>Permitted in the Waterfront Mixed-use Area where the activity is on ground floor and has a maximum GFA of 600m²</p> <p>Non-Complying in the Waterfront Commercial Area.</p>	<ul style="list-style-type: none"> Permitted across entire WZ Non-complying across entire WZ 	<ul style="list-style-type: none"> Consenting costs for larger scale grocery store in the Waterfront Mixed-use Area and for any grocery stores in the Waterfront Commercial Area. Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> Providing for smaller scale grocery stores in the Waterfront Mixed-use Area helps support the intended mixed-use environment for the area and would support existing and future residents. Requiring grocery stores to locate on ground floor retains above ground levels for residential uses. Ensures that any larger scale grocery stores would be appropriately assessed to ensure adverse effects are managed. Grocery stores are not consistent with the existing or intended use of the Waterfront Commercial Area and therefore the non-complying activity status is considered appropriate.

Marine Retail	<p>Permitted in the Waterfront Mixed-use Area where the activity is at ground floor.</p> <p>Non-Complying in the Waterfront Commercial Area.</p>	<ul style="list-style-type: none"> • Permitted across entire WZ • Permitted with additional effects based rules (e.g. GFA limits, traffic movements, etc.) • Non-complying or discretionary across entire WZ 	<ul style="list-style-type: none"> • Consenting costs in the Waterfront Mixed-use Area where the rules are not complied with. • Consenting costs in the Waterfront Commercial Area for any activity. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> • Consistent with WZ objectives, higher order policy direction and higher order documents. • Enabling marine retail and commercial services within the Waterfront Mixed-use Area supports the mixed-use environment and, for marine retail particularly, supports the character of the WZ. • Requiring these activities to locate on ground floor in the Waterfront Mixed-use Area retains above levels for residential uses. • These activities are not consistent with the existing or intended use of the Waterfront Commercial Area and therefore requiring consent is considered appropriate. Commercial services are considered more compatible Marine Retail with the Waterfront Commercial Area which is reflected in the discretionary / non-complying activity status difference.
Commercial Services	<p>Permitted in the Waterfront Mixed-use Area where the activity is on ground floor.</p> <p>Discretionary in the Waterfront Commercial Area.</p>			
General Retail	Permitted in the Waterfront Mixed-use Area where the activity is on ground floor.	<ul style="list-style-type: none"> • Permitted within Waterfront Commercial Area. • Discretionary within the Waterfront Mixed-use Area 	<ul style="list-style-type: none"> • These activities would not be actively managed by the proposed WZ rules. Other effects based rules and district wide provisions would need to manage any adverse effects in the Waterfront Mixed-use Area. • Larger activities would require resource consent. • Potential for reverse sensitivity with sensitive activities in proximity to noisy or late night activities. 	<ul style="list-style-type: none"> • Consistent with WZ objectives, higher order policy direction and higher order documents. • Enabling for activity and experience based land uses while managing effect . • Active frontage controls would manage the ground floor design of buildings. • Requiring these activities to locate at ground floor in the Waterfront Mixed-use Area retains above levels for residential uses. • GFA limit ensures fine grain within WZ is retained.
Food and Beverage Activity	Permitted in the Waterfront Commercial Area with a 250m ² . GFA limit.			
Entertainment Facilities				
Visitor Accommodation	<p>Permitted in the Waterfront Mixed-use Area.</p> <p>Discretionary in the Waterfront Commercial Area.</p>	<ul style="list-style-type: none"> • Permitted across entire WZ • Permitted with additional effects based rules (e.g. GFA limits, traffic movements, etc.) • Discretionary across entire WZ 	<ul style="list-style-type: none"> • Visitor accommodation would not be actively managed in the Waterfront Mixed-use Area. Other effects based rules and district wide provisions would need to manage any adverse effects. 	<ul style="list-style-type: none"> • Consistent with WZ objectives, higher order policy direction and higher order documents. • Supportive of the tourism themes within the Waterfront Mixed-use Area. • Visitor accommodation is not consistent with the existing or intended use of the Waterfront Commercial Area

			<ul style="list-style-type: none"> • Potential for reverse sensitivity with visitor accommodation in proximity to noisy or late night activities. • Consenting costs in the Waterfront Commercial Area. 	and therefore the discretionary activity status is considered appropriate.
Community Activities				
Recreational Facilities	Permitted in the Waterfront Mixed-use Area where the activity is on ground floor. Non-Complying in the Waterfront Commercial Area.	<ul style="list-style-type: none"> • Permitted across entire WZ • Permitted with additional effects based rules (e.g. GFA limits, traffic movements, etc.) • Non-complying or discretionary across entire WZ 	<ul style="list-style-type: none"> • Consenting costs in the Waterfront Mixed-use Area above ground floor. • Consenting costs in the Waterfront Commercial Area for any activity. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> • Consistent with WZ objectives, higher order policy direction and higher order documents. • Enabling these activities supports the mixed-use environment and would support existing and future residents. • Requiring these activities to locate on ground floor in the Waterfront Mixed-use Area retains above levels for residential uses. • These activities are not consistent with the existing or intended use of the Waterfront Commercial Area and therefore requiring consent is considered appropriate.
Educational Facilities				
Place of Assembly	Permitted in the Waterfront Mixed-use Area where the activity is on ground floor. Permitted in the Waterfront Commercial Area with a 250m ² . GFA limit.	<ul style="list-style-type: none"> • Permitted. • Discretionary within the Waterfront Mixed-use Area 	<ul style="list-style-type: none"> • These activities would not be actively managed by the proposed WZ rules. Other effects based rules and district wide provisions would need to manage any adverse effects. • Consenting costs for places of assembly above ground floor in the Waterfront Mixed-use Area. • Consenting costs for places of assembly above GFA limit. 	<ul style="list-style-type: none"> • Consistent with WZ objectives, higher order policy direction and higher order documents. • Enabling for recreational and experience based land uses while managing effects. • Active frontage controls would manage the ground floor design of buildings. • Requiring these activities to locate at ground floor in the Waterfront Mixed-use Area retains above levels for residential uses.
Emergency Service	Non-Complying	<ul style="list-style-type: none"> • Discretionary with effects based controls (e.g. GFA limits, traffic movements, etc.). 	<ul style="list-style-type: none"> • Consenting costs associated with emergency services and care centres. • Existing activities would require consent for extensions beyond the GFA threshold. • Not able to apply for consent for hospitals. 	<ul style="list-style-type: none"> • WZ land would be retained for higher amenity activities that are more consistent with WZ objectives. • Consent would be required to ensure that if emergency services or care centres established that they would be carefully designed and operated. • These activities would be encouraged to locate in more appropriate zones.
Care Centre				
Hospital	Prohibited			

Efficiency and Effectiveness

70. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the WZ.
 - The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes, as the WDP has a minimal level of control of activities and design in the TBE.
 - The proposed rules provide for a permitted threshold of activities, in line with the WZ objectives, so that consent requirements are not restrictive.

Economic Growth and Employment Opportunities

71. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed WZ rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the WZ. The fact that the proposed rules are more restrictive for certain activities than the status quo is considered to be beneficial for economic growth and employment opportunities as this will improve WZ amenity and in turn encourage more investment and development.
72. As demonstrated in **Part 1** of the s32 report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

73. There is no known risk due to insufficient information.

Conclusion

74. The proposed subdivision rules PC88C are considered to be the most appropriate.

Subdivision

75. The WDP provides for subdivision in the TBE as a controlled activity where the net allotment area of an allotment is at least 100m² and the minimum allotment frontage is 6m, or 12m in the case of a corner allotment.
76. The WZ proposes to retain the status quo of the TBE across the entire WZ, and include a maximum frontage for every allotment of 30m, or 60m in the case of a corner allotment. The maximum frontage is proposed to achieve a fine grain character within the WZ and manage the potential for large uninterrupted allotments and/or buildings to establish which could adversely affect walkability. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see **PC148**), but have been assessed within this part of the s32 report.

77. A number of alternatives have been evaluated in relation to subdivision in the WZ. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the WZ. However, this is considered to be overly restrictive and not proportional to the effects being managed.
78. It is considered that the proposed minimum lot sizes and frontage requirements are enabling as they do not create unreasonable consenting costs and are consistent with the proposed WZ objectives in achieving a walkable area next to Whangarei's City Centre and the CMA. Table 11 below demonstrates the appropriateness of the proposed provisions.

TABLE 11: S32 ASSESSMENT OF SUBDIVISION PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a pedestrian-centric environment with fine grain street frontages.
<u>Economic</u> Increased consenting costs to exceed maximum frontage lengths.	<u>Economic</u> Improves walkability within the WZ which in turn can encourage more investment and generate more economic activity.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and considered to efficient and ensure that allotments are of a sufficient size to be efficiently developed.	Rules effectively achieve the proposed WZ objectives relating to walkability.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment but do help promote walkability and encourage a mixture of smaller scale activities.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

5. Conclusion

79. Pursuant to s32 of the RMA, the proposed WZ objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
80. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to Whangarei's Waterfront.

Plan Change 88D: [Commercial Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 5** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88D (**PC88D**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Commercial Zone (**COM**). The COM proposes to replace portions of the existing Business 2, 3 and 4 Environments in proximity to the City Centre. PC88D will include:
 - A new 'Commercial Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the COM.
 - Consequential changes to the WDP.
3. PC88D includes a description of the proposed COM to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Around Whangarei city there is a mixture of Business, Living and Open Space Environments as shown in Figure 1 below:

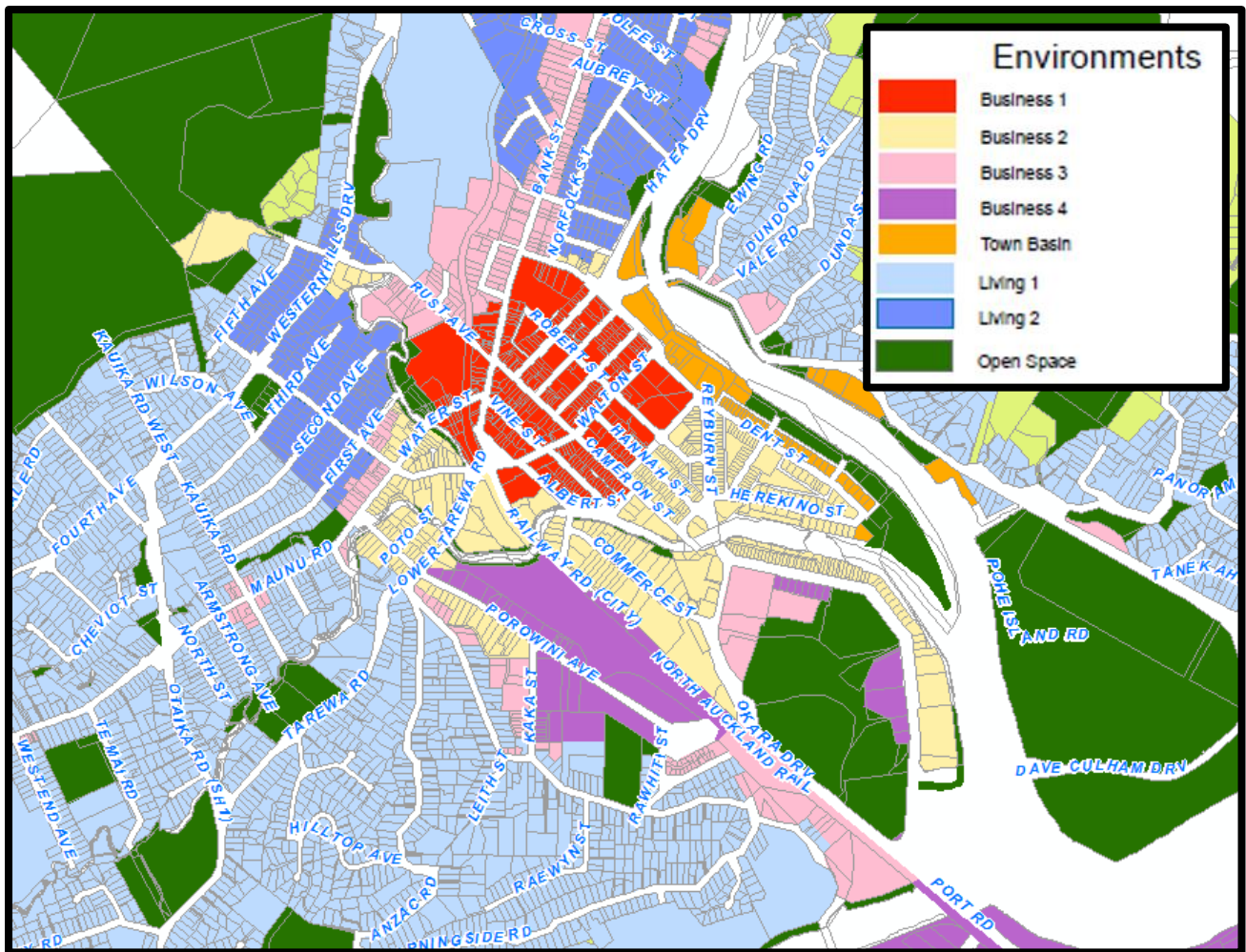


Figure 1: WDP Environment Map of Whangarei City

5. There is limited policy guidance in the WDP regarding the development direction for the wider city area. The Business Environments provide for a range of different activities under the WDP and have varying building bulk and location standards. The Living Environments provide primarily for low to medium density residential uses. There is a wide range of existing uses in these areas including retail, offices, restaurants, light industrial and manufacturing, heavy industrial, large format retail, commercial services, health care services, supermarkets and residential activities (primarily stand-alone residential units). There are also areas of open space and civic facilities in this area such as the public library and Forum North.

2.2 Resource Management Issues

6. Sections 2.2.1 – 2.2.3 discuss the following key resource management issues in relation to Commercial Zone area.
 - Poor amenity
 - Commercial sprawl
 - Zone boundary buffers

2.2.1 Poor Amenity

7. The wider area around the City Centre is not a primary commercial and pedestrian hub. There are many industrial type activities, and amenity is generally expected to be lower than in other Business Zones around the City. In many instances the range of existing activities and developments have already compromised amenity to a degree. However, it has been identified that the amenity in this area should be moderately improved for the following reasons:
 - The area is in proximity to the City Centre, Waterfront and Mixed-use Zones and there should be a gradient in amenity between these areas rather than a high level of control in the City Centre and no controls just outside.
 - There is a moderate presence of pedestrians in the area and the built form and design should reflect this and accommodate pedestrians.
 - There are Living Zones in proximity, and adjacent, to the Business Zones in this area and it is important to manage adverse effects to protect residential amenity.

2.2.2 Commercial Sprawl

8. Over the last decade there has been an ongoing decline of the City Centre as the primary retail and service centre for the District. This is resulting in a significant number of empty shops and office space, limited foot traffic, and a subsequent lack of vibrancy including a limited night-time and weekend economy.
9. One of the drivers identified for this decline is 'commercial sprawl', or retail and commercial activities locating outside of normal business areas, including within areas zoned for industrial purposes. The issue of commercial sprawl is primarily caused by the inadequacy of planning provisions in Environments outside of the Business 1 Environment (i.e. the Business 2 – 4 and Living 1 – 3 Environments). Often these provisions are not restrictive enough to effectively manage commercial sprawl. Supporting objectives and policies in the WDP also do not give sufficient guidance or weight to clearly preclude certain types of commercial development from some areas. This allows a wide range of commercial activities to exist within different zones, undermining any preference to preclude particular activities (e.g. restaurants or small scale retail) from operating within light industrial areas in proximity to the City Centre.
10. The effects of commercial sprawl are often cumulative, as once out-of-zone activities are established it becomes easier for more out-of-zone activities to establish, exacerbating the issues.
11. PC88D proposes to review the zoning in proximity to the City Centre while considering the existing issue of commercial sprawl. PC88D aims to address commercial sprawl by revising the planning framework in the outer city area and encouraging appropriate activities to locate in the City Centre.
12. A side-effect of commercial sprawl outside the City Centre area has been that as smaller-scale retail and restaurant type activities have spread to these areas it has reduced the land supply for light industrial type activities. Additionally, where sensitive activities have been enabled in the outer city area this has the potential to generate reverse sensitivity effects.

2.2.3 Zone Boundary Buffers

13. The outer city area generally sits between high amenity mixed use zones (i.e. the proposed City Centre, Mixed-use and Waterfront Zones) and Living Zones. It is important that the proposed provisions reflect the zone's location and are sensitive to the amenity and character values of adjacent zones. Proposing a new Commercial Zone that is specifically located in this outer city area provides the opportunity to tailor the provisions for this location to be sympathetic of surrounding zones.

3. Proposed Commercial Zone

14. The proposed COM provides for a range of business activities that may not be appropriate for, or are unable to locate in, higher amenity zones such as the City Centre or Local Commercial Zones. This includes activities ranging from small-scale industrial to commercial services and trade suppliers. Often these activities may require larger sites than are available within the City Centre or other commercial centres, and may be incompatible with the amenity expectations and purpose of these areas.
15. Activities which adversely affect the vitality and viability of other commercial centres are not appropriate for the COM. For example, small-scale retail activities and restaurants are not appropriate in the COM as the presence of these activities, in combination with the potential for activities such as offices and entertainment facilities, may effectively create an unplanned centre and detract from established centres. Sensitive activities, such as residential activities, are also not envisaged due to the presence of incompatible industrial and commercial activities and the need to preserve land in the COM for out-of-centre commercial opportunities.
16. Due to the presence of pedestrians within the COM and the proximity to the City Centre, it is important that the COM provisions manage the design of development to ensure that it contributes to an active street edge and manages adverse effects on amenity.
17. The following criteria have been used to identify appropriate areas for the proposed COM:

TABLE 1: PROPOSED COM ZONING CRITERIA	
Criteria	Reason/Issue
Proximity to the CC.	Areas further than 1km from the CC have not been considered for the COM as the more appropriate commercial zoning in these locations in the UA are either Light or Heavy Industrial or Local or Neighbourhood Commercial.
The area has good access to transport routes and exposure to customers.	Activities anticipated within the COM typically require access to transport routes for deliveries and/or shipments. It is also important to have good visibility to customers. Areas located on local roads or in predominately residential neighborhoods are considered less appropriate.
The range of existing activities.	Activities such as commercial, business and small scale industrial activities are considered more appropriate for the COM than residential, retail or heavy industrial activities.
Existing amenity levels.	The COM is appropriate in areas where amenity is generally low but where there is a low to moderate presence of active frontages.

18. The proposed COM zoning is shown in beige in Figure 2 below:

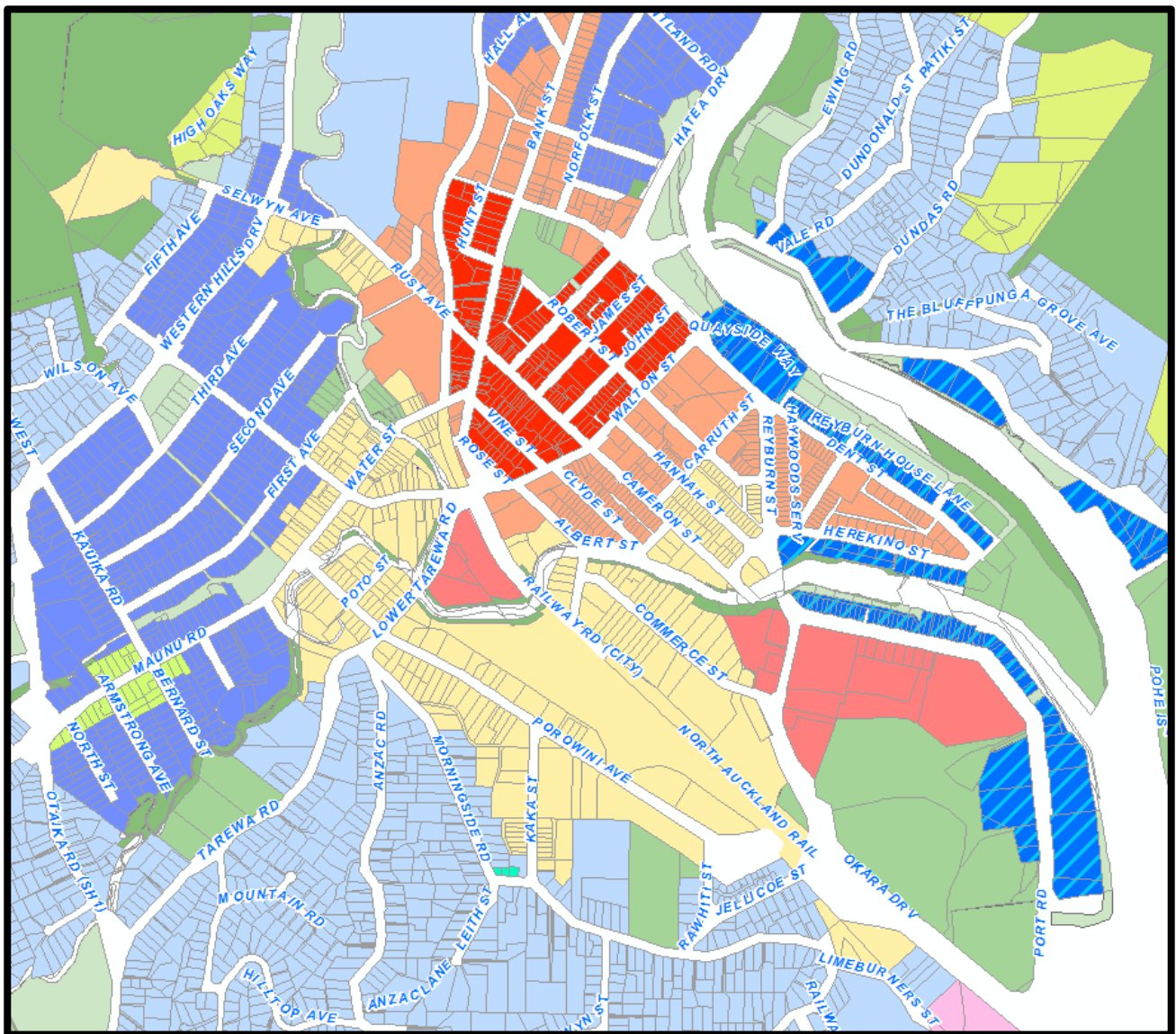


Figure 2: Proposed Commercial Zone shown in beige

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

19. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88D is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, higher order documents and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
20. PC88D seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the COM and address the current resource management issues.
21. PC88D proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED COM OBJECTIVES	
Proposed COM Objectives	Reason/Issue
COM-O1 – Appropriate Activities Provide for commercial and small scale industrial activities that are not appropriate for the City Centre, Mixed-use, Waterfront, Neighbourhood Commercial or Local Commercial Zones.	This objective aims to identify the range of activities that are anticipated within the COM. The National Policy Statement for Urban Development Capacity requires that sufficient business capacity be provided based on business sectors. The proposed suite of zones in PC88A – J has identified appropriate and sufficient areas for each sector (see Part 1 of this s32 Report).
COM-O2 – Commercial Viability Accommodate activities which do not undermine the strength, viability and vitality of the City Centre, Mixed-use, Waterfront, Neighbourhood Commercial or Local Commercial Zones.	This objective addresses the current issue of commercial sprawl and aims to discourage activities such as small-scale retail and restaurants from locating in the COM as these could undermine the viability of other commercial centres where these types of activities are encouraged.
COM-O3 – Adverse Effects Manage noxious, dangerous, offensive or objectionable effects to maintain a reasonable level of amenity, particularly at zone boundaries.	It is anticipated that small scale industrial activities will establish within the COM; however, this objective seeks to manage heavy and potentially noxious industrial activities to ensure that the adverse effects generated are not significant as the COM is in proximity to more sensitive zones.
COM-O4 – Reverse Sensitivity Restrict sensitive activities which may generate reverse sensitivity or risk effects.	This objective seeks to manage potential reverse sensitivity effects as the establishment of sensitive activities within the COM could adversely affect and compromise established small scale industrial and commercial activities.
COM-O5 – Amenity Maintain, and where practicable enhance, amenity values and walkability within the COM and between other zones.	The COM has a lower amenity than other proposed zones such as the City Centre and Mixed-use Zones; however, due to its proximity to the City Centre, Living and Green Space Zones it is important that the COM maintain a certain level of amenity and walkability. Opportunities for enhancement are encouraged.
COM-O6 – Cross Boundary Effects Manage adverse effects in relation to amenity, noise, sunlight access, visual dominance and traffic on adjacent Living and Green Space Zones.	Adverse effects on adjacent Living and Green Space Zones must be managed within the COM due to the nature and scale of activities anticipated within the COM. This objective relates to the effects based controls proposed in the COM.

22. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed COM objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88D. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88D is inconsistent with s8.

		TABLE 3: LINKAGE OF PROPOSED COM OBJECTIVES WITH PART 2 OF THE RMA					
		Proposed Commercial Zone Objectives					
		COM-O1	COM-O2	COM-O3	COM-O4	COM-O5	COM-O6
RMA Part 2 Sections	5(2)(a)	✓	✓	-	✓	-	-
	5(2)(c)	-	-	✓	-	✓	✓
	6(d)	-	-	-	-	✓	-
	7(b)	✓	✓	-	✓	-	-

	7(c)	-	-	✓	-	✓	✓
	7(f)	-	-	✓	-	-	✓
	7(g)	✓	✓	-	✓	-	-

23. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

24. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88D. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 4 provides an overview of the proposed COM objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED COM OBJECTIVES WITH HIGHER ORDER DOCUMENTS					
		Proposed Commercial Zone Objective					
		COM-01	COM-02	COM-03	COM-04	COM-05	COM-06
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	✓	✓	-	-
	Whangarei Long Term Plan 2018	-	✓	-	-	✓	-
	Whangarei District Growth Strategy – 30/50	✓	✓	-	-	-	✓
	20/20 Plus Whangarei CBD Development Guide	✓	✓	-	-	-	-
	Whangarei Urban Growth Strategy	-	✓	-	-	-	✓
	Blue/Green Network	-	-	-	-	✓	-
	Whangarei Urban Design Strategy	-	-	-	-	✓	-
	Upper North Island Industrial Land Demand	✓	✓	-	✓	-	-

4.3 Appropriateness in Relation to the Strategic Direction Chapter

25. The proposed COM objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed COM objectives are shown in Table 5 below. This table illustrates that the objectives of the COM are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND COM OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed COM Objectives

SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	COM-O3, O5
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	COM-O1, O2
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	COM-O4, O6
SD-09 – Land Use and Transport Planning Maintain and enhance accessibility for communities and integrate land use and transport planning.	SD-P6, P7, P9, P13	COM-O5
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	COM-O1, O2
SD-012 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	COM-O5
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	COM-O4, O6

4.4 Appropriateness of Proposed Policies and Methods

26. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed COM Policies

27. The proposed MU objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
28. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the COM.
 - Providing for a range of activities that are appropriate in the COM.
 - Protecting the vitality and viability of established commercial centres by discouraging certain activities.
 - Managing reverse sensitivity effects by discouraging residential activities.
 - Managing cross boundary effects as the COM is located adjacent to the more sensitive Living and Green Space Zones.

- Promoting and protecting walkability by:
 - Protecting esplanade areas from inappropriate development.
 - Requiring an appropriate level of active frontage in building and site design.
- Managing stormwater and the bulk of built form by limiting impervious areas.
- Avoiding fragmentation by managing subdivision.

29. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the COM chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below demonstrates that the policies proposed for the COM implement the proposed COM objectives, and that the methods implement the proposed COM policies:

TABLE 6: LINKING OF PROPOSED COM PROVISIONS		
Proposed COM Objective	Proposed COM Policies	Proposed COM Methods
COM-O1 – Appropriate Activities Provide for commercial and small-scale industrial activities that are not appropriate for the City Centre, Mixed-use, Waterfront, Neighbourhood Commercial or Local Commercial Zones.	COM-P2, P9	COM-R10 – R28
COM-O2 – Commercial Viability Accommodate activities which do not undermine the strength, viability and vitality of the City Centre, Mixed-use, Waterfront, Neighbourhood Commercial or Local Commercial Zones.	COM-P2, P3, P9	COM-R21, R23, R24, R29, R30, R38, SUB-R8, mapping
COM-O3 – Adverse Effects Manage noxious, dangerous, offensive or objectionable effects to maintain a reasonable level of amenity, particularly at zone boundaries.	COM-P2, P5	COM-R10 – R22, R35 – R38, mapping
COM-O4 – Reverse Sensitivity Restrict sensitive activities which may generate reverse sensitivity or risk effects.	COM-P2, P4	COM-R8, R10 – R14, R30, R32, R33, R38
COM-O5 – Amenity Maintain, and where practicable enhance, amenity values and walkability within the COM and between other zones.	COM-P1, P6, P7, P8	COM-R2 – R7, R9
COM-O6 – Cross Boundary Effects Manage adverse effects in relation to amenity, noise, sunlight access, visual dominance and traffic on adjacent Living and Green Space Zones.	COM-P2, P5	COM-R2 – R4, R7, R8, R9, R10 – R14.3, R15 – R22.2, R24.3, R25 – R28.1, mapping

30. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in giving effect to the strategic direction for the COM area. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed COM Boundaries

31. Spatial mapping is considered to be an appropriate method of achieving the objectives of the COM as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the COM in achieving the objectives of the COM the following three options were evaluated:

- **Option 1:** Status Quo: Do not map a COM and instead have a mixture of Business 2 (**B2**), 3 (**B3**) and 4 (**B4**) Environments in the outer city area.
- **Option 2:** Map the COM based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
- **Option 3:** Extend the higher amenity city fringe area and map the area as the proposed Mixed-use Zone.

32. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	Costs	Benefits
Option 1: Status Quo	<p><u>Environmental and Social</u></p> <p>The operative B2, B3 and B4 contain minimal urban design controls and are not considered to appropriately manage walkability and amenity.</p> <p><u>Economic</u></p> <p>The operative B2, B3 and B4 have enabled commercial sprawl which has negatively affected the vibrancy and vitality of the City Centre and other established commercial centres.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>May enable a wider range of activities and have fewer urban design consenting requirements compared to Options 2 and 3.</p> <p><u>Social</u></p> <p>Maintains status quo regarding District Plan zoning and rules.</p>
Option 2: Map COM in based on criteria in Section 3	<p><u>Environmental and Social</u></p> <p>COM zoning would not have as much positive effect on amenity and character as the Mixed-use Zone.</p> <p><u>Economic</u></p> <p>Additional consenting costs to meet amenity controls compared to status quo.</p> <p>Reduced opportunities for some commercial and community activities within the areas that are currently zoned as B3.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental</u></p> <p>Improved amenity and walkability in proximity to the City Centre and Waterfront areas compared to the status quo.</p> <p>Consistent with COM objectives and higher order strategic direction, such as the WCCP.</p> <p>Protects residential amenity better than Option 1 as there is more management of cross boundary effects.</p> <p><u>Economic</u></p> <p>Enables a certain range of activities while protecting the economic viability of the City Centre and other commercial centres by limiting commercial sprawl.</p> <p><u>Social</u></p> <p>Improved walkability in proximity to the City Centre compared to Option 1.</p> <p>Improved amenity adjacent to Living and Green Space Zones compared to Option 1.</p>

		<u>Cultural</u> None identified.
Option 3: Map area as an extended city fringe (Mixed-use Zone)	<u>Environmental</u> None identified. <u>Economic</u> Severely constrains opportunities for small scale industrial and commercial service activities. Would contribute to a sprawling city fringe area which could increase commercial sprawl and diminish vibrancy of City Centre. Larger city fringe area could create expectation for greater level of Council investment in infrastructure. <u>Social</u> Larger city fringe area could lead to hospitality type activities being sprawled across a large area which in turn could decrease walkability. <u>Cultural</u> None identified.	<u>Environmental and Social</u> Improved amenity and urban design controls across a larger city fringe area compared to Options 1 and 2. Improved amenity in nearby Living Zones compared to Options 1 and 2 as the zoning would be less enabling for small scale industrial activities. <u>Economic</u> Increased opportunities for offices, residential activities and other commercial activities enabled in the Mixed-use Zone. <u>Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option has resulted in a range of zones applying to a relatively small area which has created disjointed outcomes and uncertainty for the community and developers.	The Operative B2, B3 and B4 are not considered to be effective in achieving the higher strategic direction and higher order policies for the Whangarei city area.
Option 2	This option is considered efficient in that it proposes a new zone with clear expectations and outcomes for the area and is consistent with the higher order strategic direction.	This option would effectively provide for a range of activities that are considered appropriate outside the City Centre and in relative proximity to Living Zones while also protecting the City Centre and Waterfront Zones as the focal points of the District.
Option 3	This option would provide for a large sprawling city fringe area which would result in an inefficient pattern of infrastructure investment and development.	Option 3 would be effective in providing a walkable, high amenity area, but would exacerbate commercial sprawl that could result in a fragmented city fringe area.
Economic Growth and Employment Opportunities		

All options provide for a similar level of economic growth and employment opportunities as the area would be zoned as one of the available Business Zones under any option. Each zone, or combination of zones, would enable a different range of activities, but each would provide economic growth and employment opportunities. With regard to the NPS:UDC, Option 2 provides sufficient land supply for the activities enabled by the COM provisions (see **Part 1** of this s32 Report).

Risk of acting and not acting if there is uncertain or insufficient information

Option 1	The risk associated with not acting and acting is moderate in the instance of Option 1 as retaining the current zoning pattern could decrease the walkability of the area and could exacerbate commercial sprawl effects. Additionally, the operative Environments do not protect the amenity of adjacent Living and Green Space Zones as well as the COM.
Option 2	The risk associated with acting is low as the COM largely provides for existing activities in the area and is considered to be consistent with higher strategic direction and higher order policies.
Option 3	The risk associated with acting is moderate as some existing activities in the area are not consistent with the Mixed-use Zone objectives and if not relocated could undermine the outcomes of the zone. Option 3 also includes the risk created by providing a sprawling city fringe area which could enable commercial sprawl and result in an inefficient pattern of infrastructure investment and development.

33. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the COM. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed COM Rules

34. The proposed provisions in the COM are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height

35. The proposed COM objectives seek to enable and encourage commercial and industrial growth while also managing adverse amenity effects, especially on adjacent Living and Green Space Zones. Proposed Rule COM-R2 manages building height within the COM with a proposed maximum building height of 15m. Proposed Rule COM-R4 seeks to manage the height in relation to boundary adjacent to Living and Green Space Zones.
36. The status quo for building height in the proposed COM area is a range of heights, as there are three different operative Business Environments which have maximum building heights ranging from 11m – 20m. Height in relation to boundary is also managed in the WDP under Appendix 11 – Daylight Angles.
37. Alternatives considered were:
- **Option 1:** Status Quo: Retain a mixture of building heights in the COM area and Appendix 11 – Daylight Angles.
 - **Option 2:** Provide a consistent building height across the area and replace Appendix 11 with a height in relation to boundary (**HIRB**) rule. (Plan change option)
 - **Option 3:** Have no building height or HIRB controls in the COM.

38. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>In areas where the WDP limits building heights to 11m this restricts development options and flexibility.</p> <p>Additional consenting costs to exceed height limits.</p> <p><u>Social</u></p> <p>Appendix 11 – Daylight Angles is not clear for plan users.</p>	<p><u>Environmental</u></p> <p>In areas closer to Living Zones, the building heights are more restrictive.</p> <p><u>Economic and Social</u></p> <p>Additional development opportunities enabled where maximum building height is 20m.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 2: Plan Change option	<p><u>Environmental</u></p> <p>Increased building heights in the Operative B3 areas with the potential for adverse amenity effects.</p> <p><u>Economic</u></p> <p>The maximum building height is slightly reduced in the Operative B4 area which reduces development opportunities.</p> <p><u>Social and Cultural</u></p> <p>None identified.</p>	<p><u>Environmental and Social</u></p> <p>Consistent height limits provided across the COM area to achieve consistent outcomes and streamline the provisions.</p> <p>Height in relation to boundary rule provides more clarity for plan users than Appendix 11 – Daylight Angles.</p> <p>Building heights are managed to minimise shading.</p> <p><u>Economic</u></p> <p>Increased development opportunities in the Operative B3 areas.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: No maximum building heights	<p><u>Environmental, Social and Cultural</u></p> <p>Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and adverse effects on adjacent Living and Green Space Zones.</p> <p><u>Economic</u></p> <p>High density and large built form in the COM area could dominate over the City Centre and city fringe and adversely affect their vibrancy.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Increased development opportunities with no height restrictions.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	The status quo is considered to be an efficient and clear method of managing building heights, except for Appendix 11 – Daylight Angles which is considered inefficient.	The status quo is effective in managing heights, but a wide range of maximum building heights across a relatively small area with similar outcomes is not strongly justifiable.
Option 2	Option 2 is considered to be an efficient and clear method of managing building heights and HIRB.	Option 2 is considered to be more effective than the status quo in managing adverse effects on adjacent zones and providing a consistent height limit.
Option 3	Option 3 is considered to be efficient as it would streamline the COM provisions.	Option 3 would not be effective in managing building height as it would rely on other factors outside of the district plan to limit the scale of buildings.

Economic Growth and Employment Opportunities
Option 3 provides the most economic growth and employment opportunities by not managing building height or HIRB. Options 1 and 2 have similar impact in terms of economic growth and employment opportunities.
Risk of acting and not acting if there is uncertain or insufficient information
There is no known risk due to insufficient information.

39. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the COM and achieve the proposed COM objectives.

Active Frontages

40. The proposed COM objectives seek to maintain, and where practicable enhance, amenity values and walkability within the COM. A key method to achieve these objectives is by managing active frontage, which is proposed to be defined as:

means uses/buildings that have a visual connection with the street level (usually from a ground floor) and entrances from the street. It will involve a degree of clear glazing but does not need to be fully glazed. The design should imply to users on the street that there is proximity and interaction between them and people within buildings.

41. Proposed Rules COM-R3, R5 and R7 manage active frontage by controlling building setbacks, building frontages and fences.

Building Setbacks

42. The WDP requires various setbacks in the COM area with 4.5m setbacks from roads in some locations, as well as setbacks from Living and Open Space Environment boundaries and Mean High Water Springs (MHWS). The proposed COM rules retain the setbacks from MHWS and Living and Open Space Environment boundaries, but propose to reduce the road boundary setback to require buildings to be within 1m of the road for at least 50% of the street frontage. The proposed road setback seeks to maintain an active building edge which helps protect walkability within the COM as it is in proximity to the City Centre and city fringe areas.

Building Frontages

43. Proposed Rule COM-R5 requires clear glazing at ground floor and manages the location of public entrances. The WDP does not have any building frontage rules in the B2, B3 or B4. It has been identified through consultation and research that there is a need for more urban design controls within Whangarei city, particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being overly restrictive.

Fences

44. The B3 and B4 manage fence heights adjacent to boundaries, and the B3 manages fencing fortification (e.g. barbed wiring, electrification, etc.). Proposed Rule COM-R7 would require consent for any fence within 2m of a road boundary that exceeds 2m in height, and any fencing fortification adjoining a Mixed-

use, Living, or Green Space Zone or road boundary. It is considered important to manage fencing as it could have significant adverse effects on streetscape amenity, walkability, active frontage, and amenity of adjoining zones.

45. There are a wide range of alternatives considered in relation to the proposed active frontage controls. Additional rules were considered as well as different rule thresholds and all options were compared to the status quo. At a high level the alternatives considered were:

- **Option 1:** Status Quo: Retain the current WDP provisions for the COM area with no active frontage controls.
- **Option 2:** Manage building setbacks, building frontages and fences. (Plan change option)
- **Option 3:** Require consent for all buildings as a restricted discretionary activity and assess each application on its merits.

46. Evaluation of these alternative options have been summarised in Table 9:

TABLE 9: SECTION 32 ASSESSMENT OF ACTIVE FRONTAGE OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental and Social</u> Rules would not help achieve active frontages and would therefore not protect or improve walkability within COM. <u>Economic</u> No management of active frontage could diminish the amenity of the COM which could in turn negatively affect the viability of COM activities and decrease connectivity with the City Centre and city fringe. <u>Cultural</u> None identified.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Reduced costs for developers as there would be less District Plan rules to comply with.
Option 2: Plan Change option	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional costs for developers to meet district plan rules.	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the COM. Improved amenity could contribute to the vibrancy and vitality of the COM and improve walkability, and connectivity with the City Centre and city fringe. <u>Cultural</u> None identified.
Option 3: Consent for all buildings	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Additional costs as any building would require consent. Degree of uncertainty as there would not be any rule thresholds and design outcomes would rely on policy interpretation. Urban design assessments for all buildings in the COM would not be a proportional	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the COM. Improved amenity could contribute to the vibrancy and vitality of the COM. <u>Cultural</u> None identified.

	response in relation to the proposed City Centre and Mixed-use Zones.	
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. A key objective in the COM is to maintain, and where practicable enhance, amenity values and walkability within the COM. Option 1 does not address this issue.	
Option 2	Option 2 is considered to be efficient as the proposed rules are clear and provide guidance as to the design and scale of development anticipated within the COM.	Option 2 would be more effective than the status quo in managing active frontage as there are currently no rules in the WDP.
Option 3	Option 3 would not be efficient as consent would be required for every building, whereas in many cases it is likely more appropriate to state a permitted threshold.	Option 3 would be more effective than the status quo in managing urban design and active frontage as there are currently no rules in the WDP. However, outcomes would be less certain with no permitted threshold.
Economic Growth and Employment Opportunities		
There is not considered to be a significant impact in terms of economic growth and employment opportunities; however, Option 2 is considered to be the most beneficial in this regard as it aims to enhance amenity in the COM through active frontage controls while also providing for a permitted threshold to reduce consenting costs.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

47. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the COM and achieve the proposed COM objectives.

Impervious Areas

48. The WDP does not manage impervious areas in the B2, B3 or B4. Proposed Rule COM-R6 would require consent for impervious areas greater than 90% of net site area and impervious areas that are not setback 5m from MHWS.
49. With regard to the impervious area limit, one issue with the WDP is that the B2, B3 and B4 apply to many different areas of the District, and each of these areas has different outcomes. The proposed COM is located in proximity to the City Centre and Living Zones and therefore seeks to have a higher amenity than true heavy industrial type zones in other locations. By providing a tailored COM zone for this area it provides the opportunity to introduce rules that are better suited to the area. This includes impervious area limits which aim to improve amenity and manage stormwater, both of which are identified issues in this area.
50. With regard to the MHWS setback, research has confirmed that impervious areas (such as car parks) adjacent to MHWS can compromise the future use of the esplanade area as a pedestrian walkway and have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.

51. The alternative considered was the status quo; however, it is important that the District Plan protects areas immediately adjacent to MHWS from inappropriate development and manages stormwater and amenity. Table 10 below demonstrates the appropriateness of the proposed provisions.

TABLE 10: S32 ASSESSMENT OF IMPERVIOUS AREAS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff. Improves amenity by requiring landscaping within sites to break up impervious areas. <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed COM by improving walkability and managing amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Boundary Effects

52. A portion of the proposed COM is located adjacent to proposed Living and Green Space Zones. Proposed Rules COMR10 – R14.3, R15 – R22.2, R24.3 and R25 – R28.1 seek to require landscaping along these shared boundaries to reduce adverse effects on Living and Green Space Zones and manage potential reverse sensitivity effects. The WDP does not have any landscaping requirements adjacent to Living or Open Space Environments. Due to the higher scale of development enabled in the COM and the range of activities enabled in the COM, it is considered important to manage potential cross boundary effects. Proposed Rule COM-R8 seeks to manage the hours of operation of activities in proximity to Living Zones. This rule retains the status quo of the B3.
53. The alternative considered was to retain the status quo with no landscaping requirements and hours of operation limits only in certain areas. Table 11 below demonstrates the appropriateness of the proposed provisions.

TABLE 11: S32 ASSESSMENT OF CROSS BOUNDARY EFFECTS

Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive zones. Protects residential amenity. <u>Economic</u> Manages reverse sensitivity effects. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be too onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed COM by protecting amenity in adjacent zones.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of COM immediately adjacent to Living and Green Space Zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Outdoor Areas of Storage

54. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is not efficient. Proposed Rule COM-R9 aims to retain the general intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
55. Alternatives considered were to retain the status quo, or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the COM.

Definition Grouping Activities

56. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A - J. Many of these new definitions are activity based definitions which have been categorised into 'definition groupings'. Table 12 below provides an assessment of the plan change option for the proposed COM rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 12: SECTION 32 ASSESSMENT OF PROPOSED COMMERCIAL ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Non-Complying	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit all rural production activities• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying	<ul style="list-style-type: none">• Consenting costs for any rural production activity.	<ul style="list-style-type: none">• Rural production activities are highly unlikely to occur in the COM, therefore there is minimal risks or costs associated with requiring consent.• Sets clear expectations for community that rural production activities will not occur in COM.• Improves amenity within COM and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate zones.
Plantation forestry				
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Permitted with maximum Net Floor Area of 1000m ² and separation distances from sensitive activities and sensitive zones	<ul style="list-style-type: none">• Permit all industrial activities with effects based controls• Status quo – range of permitted industrial activities in the area depending on underlying zone (B2 and B4 are very permissive for industrial uses)• Discretionary	<ul style="list-style-type: none">• Consenting costs for any landfill or waste management facility.• Consenting costs to exceed Net Floor Area or separation distances.• Potential for adverse amenity effects if smaller industrial activities are noxious or offensive.• Existing activities that do not comply with Net Floor Area limits or separation distances would rely on existing use rights.	<ul style="list-style-type: none">• Small scale industrial activities are provided for which is consistent with the COM objectives.• Net Floor Area limit manages potential adverse effects from larger scale industrial activities that may have adverse external effects.• Separation distances help protect amenity of existing sensitive activities and more sensitive zones and manage the potential for reverse sensitivity effects.• Non-complying status for waste management facilities and landfills is consistent with COM objectives as these activities generally have significant external effects.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility	Non-Complying			
Landfill				
Residential Activities				
Residential Activities	Non-Complying	<ul style="list-style-type: none">• Status quo – permitted (except in the B4) with outdoor living court controls• Permitted with additional effects based controls such as outlook space and habitable room orientation• Prohibited	<ul style="list-style-type: none">• Consenting costs for any residential activity.• Existing residential activities would rely on existing use rights.• Non-complying still enables consent to be applied for which could create reverse sensitivity effects.	<ul style="list-style-type: none">• Manages reverse sensitivity more effectively than status quo or permitted options.• Retains land for more appropriate uses.• Residential activities are required to locate in more appropriate zones.• More enabling than prohibited option.

Commercial Activities				
Motor Vehicle Sales	Permitted	<ul style="list-style-type: none"> Permitted with maximum GFA of 1000m² Restricted Discretionary or Discretionary with a suite of effects based controls such as GFA limits, hours of operation, setbacks from Living Zones, etc. 	<ul style="list-style-type: none"> These activities have the potential to have adverse effects on amenity and character of the COM as well as on adjacent sensitive activities and sensitive zones. Permitted rules would require reliance on effects based rules to manage adverse effects. 	<ul style="list-style-type: none"> Plan change option is consistent with the COM objectives in providing for a certain range of activities which do not compromise the vitality and viability of established commercial centres. Enables activities which are not provided for in other zones in the UA (e.g. City Centre and Mixed-use Zones). In combination with the building bulk and location controls and active frontage rules, these activities can locate in the COM with managed design aspects to protect the COM's character, amenity and walkability.
Garden Centres				
Trade Supplier				
Marine Retail				
Drive Through Facility				
Hire Premise				
Commercial Service				
Service Station				
General Retail	Permitted with maximum GFA per site of 100m ² or where the goods sold are also made on-site.	<ul style="list-style-type: none"> Permitted Permitted with increased maximum GFA limits Discretionary 	<ul style="list-style-type: none"> Consenting costs beyond the GFA threshold and hours of operation. Existing activities that do not comply with rules would rely on existing use rights. Provides for a permitted threshold for these activities. If a high number of these activities establish there is potential for adverse cumulative effects on the viability and vitality of established commercial centres. 	<ul style="list-style-type: none"> Provides opportunity for general retail activities in the COM. Manages potential adverse effects on other established centres. Consistent with Strategic Direction Chapter policies and higher order strategic directions. Retains COM land for more appropriate activities.
Food and Beverage Activity	Permitted with a maximum GFA per site of 250m ² and hours of operation limitations.	<ul style="list-style-type: none"> Permitted Permitted with no hours of operation restriction Discretionary 		<ul style="list-style-type: none"> Provides opportunities for food and beverage activities outside of the city centre area which is important for employees and visitors of the area. GFA and hours of operation limits encourage larger scale restaurant type activities to locate in more appropriate commercial centre zones. Retains COM land for more appropriate activities.
Grocery Store	Permitted	<ul style="list-style-type: none"> Permitted with GFA limit Discretionary 	<ul style="list-style-type: none"> Anchor tenants like grocery stores being located outside of established commercial centres could detract from the viability of commercial centres. 	<ul style="list-style-type: none"> Reduced planning restrictions and costs for grocery stores. In combination with other zones proposed under PC88A – J the plan change option provides sufficient land supply for grocery stores over the life of the district plan.
Entertainment Facility	Discretionary	<ul style="list-style-type: none"> Permitted 	<ul style="list-style-type: none"> Consenting costs. 	

Visitor Accommodation		<ul style="list-style-type: none">• Permitted with effects based controls such as traffic and GFA• Non-Complying	<ul style="list-style-type: none">• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• These activities can have adverse effects (including reverse sensitivity). The proposed discretionary activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the COM.
Funeral Home				
Community Activities				
Recreational Facilities	Permitted	<ul style="list-style-type: none">• Permitted with effects based controls such as GFA limits and hours of operation• Discretionary	<ul style="list-style-type: none">• Permitted activity status enables these activities to establish without consent which could diminish the land capacity for activities like industrial and trade retail activities.• Activities like educational facilities adjacent to industrial activities could have reverse sensitivity effects.	<ul style="list-style-type: none">• Consistent with COM objectives, higher order policy direction and higher order documents.• Reduced consenting costs for these activities.• Provides for a range of mixed-use activities that are considered appropriate for the COM and do not have significant adverse effects on the viability and vitality of established commercial centres.
Emergency Service				
Educational Facilities				
Place of Assembly	Discretionary	<ul style="list-style-type: none">• Permitted• Non-Complying	<ul style="list-style-type: none">• Consenting costs.• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• These activities can have adverse effects (including reverse sensitivity). The proposed discretionary activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the COM.• More enabling than non-complying activity status.
Care Centre				
Hospital				

Efficiency and Effectiveness

57. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the COM.
 - The proposed rules are more effective than the status quo in managing adverse effects as the WDP has a minimal level of control of activities and design.
 - The proposed rules provide for a permitted threshold of activities, in line with the COM objectives, so that consent requirements are not overly restrictive.

Economic Growth and Employment Opportunities

58. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed COM rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the COM and prioritising the City Centre as the District's focal point. The fact that the proposed rules are more restrictive for certain activities than the status quo is considered to be beneficial for economic growth and employment opportunities as this will improve COM amenity and in turn encourage more investment and development.
59. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

60. There is no known risk due to insufficient information.

Conclusion

61. It is considered that the proposed plan change provisions to manage activities in the COM are appropriate.

Subdivision

62. The WDP provides for subdivision in the B3 as a controlled activity where the net site area of an allotment is at least 100m² and the minimum site frontage is 6m, or 12m in the case of a corner site. In the B2 the minimum site size is 300m² and the frontages are 15m, and 30m for corner sites.
63. The COM proposes to retain the status quo of the B2. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
64. A number of alternatives have been evaluated in relation to subdivision in the COM. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as

access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the COM. However, this is considered to be overly restrictive and not proportional to the effects being managed.

65. It is considered that the status quo provisions of the B2 have been operating efficiently and effectively and are consistent with the outcomes sought in the COM. The 300m² minimum site size is considered more appropriate than 100m² as it is anticipated that larger scale activities will occur in the COM rather than small scale boutique type retail and commercial activities. Therefore, it is considered appropriate to retain the status quo of the B2.

5. Conclusion

66. Pursuant to s32 of the RMA, the proposed COM objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
67. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to the business areas surrounding Whangarei City.

Plan Change 88E: Local Commercial Zone Neighbourhood Commercial Zone

Part 6 of Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 6** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Urban Area (**UA**) objectives, policies and performance standards are evaluated in terms of s32 within **Part 2**. Section 4 of this report assesses the proposed Local Commercial Zone (**LC**). Section 5 of this report assesses the proposed Neighbourhood Commercial Zone (**NC**)

1.2 The Proposed Plan Change

2. Plan Change 88E (**PC88E**) seeks to introduce two new zones into the Operative Whangarei District Plan (**WDP**); the LC and the NC. The LC and NC propose to recognise suburban and neighbourhood centres within the UA of Whangarei District by providing for a mix of commercial, community and residential activities within urban suburbs of Whangarei, Ruakaka and Marsden Point. PC88E will include:
 - A new 'Local Commercial Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - A new 'Neighbourhood Commercial Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Zone maps – denoting the LC and NC.
 - Consequential changes to the WDP.
3. PC88E includes a description of the proposed LC and NC to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules. Refer to the **Proposed Plan Changes Text and Maps** volume for particular detail.

2. Background

2.1 Existing Environment and Description of Proposed LC and NC

4. Existing local and neighbourhood commercial areas are found within urban areas of the Whangarei District and provide convenient goods and services for people, primarily resident in the surrounding area. There are two categories of these areas based on scale.
5. Proposed NC areas include individual shops and small groups of shops providing a limited range of everyday goods and services to the immediate neighbourhood and essentially serve a walk-in population. Being situated within urban residential areas it is essential that the range and scale of activities is compatible with neighbouring residential activity and local amenity values.
6. Proposed NC areas are small in land area and shop sizes are generally between 100-300m² with the overall land area for a centre being up to 1 ha. The anchor store is likely to be a dairy. These centres are scattered throughout the urban area of Whangarei District, including Whangarei City, the five urban

villages (Kamo, Tikipunga, Maunu, Otaika and Maunu) and the one satellite town of Ruakaka-Marsden Point.

7. Proposed LC are areas service wider suburban areas, anchoring the City's main suburbs and Ruakaka-Marsden Point, and provide a range of commercial, service and community activities (such as grocery stores, a range of retail goods and services, small scale office activities and community, recreation and health services) supporting the surrounding residential activities. These areas can reduce reliance on car travel for meeting day-to-day requirements. The LC provides multi-purpose destinations for customers. Parking is primarily provided onsite and these centres are generally well served by passenger transport.
8. Proposed LC areas vary in size and character between 2 – 6 ha in land area and generally serve up to 10,000 people. Supermarkets commonly anchor these centres and between 20-30 outlets, comprising a variety of smaller specialist stores, provide retail, limited office, community and other services to the suburban population on an integrated basis. Often another large format retailer is located in the centre. Service stations may also be a feature.
9. There are 10 proposed LC areas in the Whangarei District. The areas have a mix of zoning under the WDP, Business 3 Environment (**B3**), Kamo Activity Precinct (**KAP**), Business 2 Environment (**B2**) with scheduled activity rules and Port Nikau Environment (**PNE**). Common rules applying to the areas include management of:
 - Activities such as hours of operation, religious observances, offensive activities, retail and office, hazardous substances, network utility operations, parking and traffic, signs, fences, artificial lighting, electromagnetic radiation, outdoor storage, aerals and aerial support structures.
 - Built form including building height, coverage, setbacks, daylight angles, outdoor living courts, verandahs, landscaping, and coastal minimum floor area.
 - Subdivision including requiring a net site area of at least 100m², as well as provisions relating to allotment shape, frontage, existing buildings, Sites of Significance to Maori, significant features, road and cycleway layout and formation, street lighting, and servicing requirements.

2.2 Resource Management Issues

10. The following bullet points are a summary of the key resource management issues for LC and NC:
 - Lack of strong policy direction and rules for the development and subdivision of LC can lead to fragmentation of the city centre, as retail and commercial activities locate in local centres, compromising the vibrancy and economic performance of the city centre.
 - LC and NC support the economic and social wellbeing of the community, but have the potential to cause adverse effects on the environment generally and on the character and amenity values of the urban areas in which they occur.
 - Activities within the LC and NC have the potential to have adverse effects, (such as glare, noise and traffic movements) on adjoining sensitive land uses e.g. residential, open space.

- Lack of policy direction and rules managing activities within Living Environments (residential zones) in the WDP has resulted in sprawl of commercial activities and the compromised viability of LC.

3. Proposed Local Commercial and Neighbourhood Commercial Zones

11. The purpose of PC88E is to recognise existing suburban commercial and community areas and to provide for a distribution of local and neighbourhood commercial zones. The WDP provisions have been reviewed in the urban plan changes, with changes being made in response to changes in legislation, policies and practices.
12. PC88E proposes to delete chapter 41 Business 3 Environment and proposes to delete in part chapter 74 Business 1, 2, 3, 4 Environment. In conjunction with the other plan changes within the urban plan change package the new LC and NC chapters are proposed to replace the B3. Proposed subdivision provisions for the LC and NC are contained within the new subdivision chapter (see Plan Change 148).
13. PC88E proposes to zone land as LC, in locations that create a community focal point and provide convenient business and service activities. The amenity values of the suburbs are highly valued and the LC aims to maintain and enhance the vibrancy, vitality and sense of place of the area. Activities which are not consistent with the anticipated amenity, character and uses within the LC are encouraged to be located outside of the LC. It is proposed to achieve these outcomes through zone mapping, and a new suite of objectives, policies and provisions specific to the LC.
14. A zoning policy is proposed to be located within the Strategic Direction Chapter (SD) proposed under Plan Change 148 to support the mapping criteria. With regard to zone mapping, in order to determine whether or not an area is consistent with the LC the following criteria have been considered:

TABLE 1: PROPOSED LC ZONING CRITERIA	
Criteria	Reason/Issue
Are comprised or zoned for a range of existing small scale commercial and community activities to support the surrounding residential community.	Activities such as boutique retail, offices, restaurants, café, doctors' surgery, playcentres, community halls are appropriate for the LC and support the surrounding residential community.
Are not identified as hazard prone.	Avoiding the consolidation of built development within hazard prone areas consistent with section 6(h) of the RMA.
Have predominately active street frontages and strong pedestrian networks.	Buildings and developments which do not provide active frontages to cater to pedestrians or are not of a scale or character that is compatible with the LC expectations are considered less appropriate for the LC.
Are not located within 500m of the City Centre Zone and maintain the viability of the City Centre Zone.	Protection of the viability of the city centre is important to the urban areas. Establishing a separation between suburbs and the city centre enables the clarification of where activities are

	acceptable. Separation creates the ability to establish different levels of urban design and amenity.
Have an identified demand for business, service and community activities for the surrounding residential community.	LC must have sufficient demand from surrounding residential activities to maintain economic viability.
Occupy a total contiguous land area not exceeding 6ha.	<p>Consolidation of activities is essential to maintain the walkability and amenity of the LC.</p> <p>Sprawling activities have the potential to have adverse effects on surrounding residential zones.</p> <p>Large areas of LC have the potential to create too much vacant capacity, providing the opportunity for activities to locate outside of more appropriately zoned locations such as the City Centre Zone.</p>

15. PC88E proposes to zone land as NC to provide a limited range of everyday goods and services and essentially serve a walk-in population. Being situated within urban residential areas it is essential that the range and scale of activities is compatible with neighbouring residential activity and local amenity values.
16. A zoning policy is proposed to be located within the SD proposed under Plan Change 148 to support the mapping criteria. With regard to zone mapping, in order to determine whether or not an area is consistent with the NC the following criteria have been considered:

TABLE 2: PROPOSED NC ZONING CRITERIA	
Criteria	Reason/Issue
Are comprised of or zoned for a range of small scale commercial and service activities to support the surrounding residential community.	Activities that provide convenience retail and commercial services are appropriate to be located within close walking distance of residential suburbs.
Have predominately active street frontages	Existing shops, dairies, hairdressers etc maintain an active store frontage and contribute to the amenity of the residential suburb.
Occupy a maximum total contiguous land area not exceeding 1ha.	<p>Sprawling activities have the potential to have adverse effects on surrounding residential zones.</p> <p>Large areas of NC have the potential to create too much vacant capacity, providing the opportunity for activities to locate outside of more appropriately zoned locations such as the LC.</p>

4. Section 32 Analysis LC

4.1 Appropriateness in Terms of Purpose of RMA

17. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88E is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed LC objectives, this report goes on to assess whether the proposed

objectives are the most appropriate way to achieve the purpose of the RMA, other higher order objectives proposed in the Urban Area (UA), other higher order documents and the WDP. The level of analysis undertaken in this report is appropriate to the scale of the proposal. (Note that Section 5 of this report contains the s32 analysis of the NC.

18. PC88E proposes the following objectives for LC, the reasons for which are detailed in Table 3:

TABLE 3: S32 ASSESSMENT OF PROPOSED LC OBJECTIVES	
Proposed LC Objectives	Reason/Issue
<p>LC-O1 – Range of Activities</p> <p>Provide a distribution of LC that provide mixed use development, including commercial, community and residential activities, while not undermining the vitality and viability of the city centre.</p>	<p>This objective is proposed to enable a mix of development within the LC.</p> <p>Distribution of community centres across Whangarei City and Ruakaka to support the needs of surrounding suburbs.</p> <p>Management of scale of activities within LC is necessary to protect the viability of the central city.</p>
<p>LC-O2- Urban Character and Amenity</p> <p>Maintain and enhance the urban character and amenity of LC.</p>	<p>It is intended that the general amenity and character of the LC will be relatively high. Methods of achieving this include implementing urban design standards and incentivizing high quality design.</p>
<p>LC-O3 – Urban Design</p> <p>Development of LC demonstrates high quality urban form that positively interacts with the public realm and is sympathetic to the surrounding environment.</p>	
<p>LC-O4 – Discouraged Activities</p> <p>Discourage Industrial Activities within the LC to maintain the LC amenity and character.</p>	<p>Some activities are not anticipated within the LC due to their scale, nature and intensity. These activities can often have adverse effects and are inconsistent with the anticipated outcomes of the LC.</p> <p>Lack of management has resulted in the sprawl of commercial activities throughout the Living Environments. LC provides an appropriate location for these activities.</p>
<p>LC-O5 – Commercial Sprawl</p> <p>Contain local commercial activities within LC.</p>	

19. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 2 demonstrates that the proposed LC objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88E. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88E is inconsistent with s8.

TABLE 4: LINKAGE OF PROPOSED LC OBJECTIVES WITH PART 2 OF THE RMA						
Proposed LC Objectives						
		LC-O1	LC-O2	LC-O3	LC-O4	LC-O5
RMA Part 2 Sections	5(2)(a)	√	√	√		√
	5(2)(b)					
	5(2)(c)	√	√	√		
	6(a)					
	6(h)					
	7(b)	√	√	√		
	7(c)	√	√	√	√	√
	7(f)	√	√	√		

20. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

21. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88E. Of particular relevance to PC88E are the RPS, the LTP, 30/50 and the UDS. Table 5 provides an overview of the proposed LC objectives' consistency with the more relevant higher order documents.

TABLE 5: LINKAGE OF PROPOSED LC OBJECTIVES WITH HIGHER ORDER DOCUMENTS						
LC Objectives						
		LC-O1	LC-O2	LC-O3	LC-O4	LC-O5
Higher Order Documents	RPS	√	√	√	√	√
	LTP					
	30/50	√	√	√	√	√
	UGS	√	√	√		√
	UDS			√		

4.3 Appropriateness in Relation to Strategic Direction Chapter

22. The proposed LC objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter (SD) proposed under Plan Change 148. The overarching SD objectives and policies and their links to the proposed LC objectives are shown in Table 6 below. This table

illustrates that the objectives of the LC are effectively linked to the overall objectives and policies of the SD which are considered to be appropriate in terms of s32 (Plan Change 148 s32 Report).

TABLE 6: LINKING BETWEEN RELEVANT STRATEGIC DIRECTION CHAPTER AND LC OBJECTIVES		
Proposed Strategic Direction Objective	Proposed Strategic Direction Policies	Proposed LC Objectives
SD-O1 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	LC-O1, LC-O2
SD-O2 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	LC-O1, LC-O2
SD-O3 – Growth Accommodate future growth through urban consolidation of Whangarei City, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	LC-O1 – O5
SD-O5 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	LC-O4 and LC-O5
Urban Area Objectives		
SD-O11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	LC-O1
SD-O12 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	LC-O2
SD-O13 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	LC-O3-O5

4.4 Appropriateness of Proposed Policies and Methods

23. A s32 assessment must determine whether the proposed LC provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed Policies

24. The proposed objectives in LC seek to ensure a distribution of areas where a mix of commercial and community services support local residents while maintaining urban character and amenity, high quality urban form and containing sprawl of commercial activities. These objectives are achieved through the application of policies and methods.
25. The policies proposed are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the LC.
 - Enabling activities that enhance the vibrancy, community sense of place and amenity of LC.
 - Requiring development to be well designed by:
 - Locating active uses (e.g. retail, restaurants, etc.) at ground floor.
 - Ensuring buildings are designed with active frontages to create a pleasant and safe walkable place.
 - Managing vehicle crossings and parking areas to re-focus the LC on pedestrians and cyclists rather than vehicles.
 - Requiring verandahs to provide sun and rain cover.
 - Managing the scale and design of buildings to achieve quality urban design outcomes and ensure that sunlight access is protected.
 - Ensuring residential activities are designed to protect residential amenity.
26. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the LC chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review.
27. Table 7 below demonstrates that the policies proposed for the LC implement the proposed LC objectives, and that the methods implement the proposed LC policies:

TABLE 7: LINKING OF PROPOSED LC PROVISIONS		
Proposed LC Objective	Proposed LC Policies	Proposed LC Methods
LC-O1 Range of Activities	LC-P2, LC-P3, LC-P11	LC-R13 – R46
LC-O2 Urban Character and Amenity	LC-P1, LC-P5, LC-P6, LC-P8	LC-R2, LC-R3, LC-R5 – R12
LC-O3 Urban Design	LC-P1, LC-P2, LC-P5, LC-P7	LC-R2, LC-R3, LC-R5 – R12
LC-O4 Discouraged Activities	LC-P2, LC-P9	LC-R38 – R43
LC-O5 Commercial Sprawl	LC-P8	LC-R8, LC-R13 - 46

28. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in clearly stating the types of activities that are appropriate within the LC, promoting residential activities or incentivising high quality

urban design outcomes. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed LC Boundaries

29. Spatial mapping is an appropriate method of achieving the objectives of the LC as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the LC in achieving the objectives of the LC the following three options were evaluated:

- **Option 1:** Status Quo, retain the current spatial extent of the B3, KAP, Port Nikau Environment (Master Plan) and rezone these areas to LC.
- **Option 2:** Map the LC based on the criteria identified in section 3 above and proposed zoning policy in the SD. (Plan change option)
- **Option 3:** Do not map LC.

30. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: EVALUATION OF ALTERNATIVES - MAPPING PROVISIONS		
Option	Costs	Benefits
Option 1 - Status quo	<u>Environmental</u> Does not give effect to the consolidation direction of 30/50. Does not fit with the rezoning proposed by the package of urban plan changes. Inconsistent with draft National Planning Standards. <u>Economic</u> Zoning may not reflect actual land use, leading to “dishonest zoning”. <u>Social</u> May not provide for adequately for local centres decreasing social wellbeing. <u>Cultural</u> None known.	<u>Environmental</u> No increased pressure on infrastructure services. <u>Economic</u> No change to amount of land zoned for local centres. <u>Social</u> Status quo so familiar to district plan users. <u>Cultural</u> No change to current approach.
Option 2 - Map using plan change criteria (plan change option)	<u>Environmental/Cultural</u> None known. <u>Economic</u> Potential changes in development capacity. <u>Social</u> Requires shift and upskilling for District Plan users.	<u>Environmental</u> Using defined criteria allows areas to be assessed as to the appropriate zoning. Gives effect to the consolidation direction of 30/50. Fits with the rezoning proposed by the package of urban plan changes. Consistent with draft National Planning Standards. <u>Economic</u>

		Land use (current and future) is reflected by appropriate zoning, giving certainty to business and community. <u>Social</u> Suburbs can be provided centres that meet the day to day needs of the community. <u>Cultural</u> None known.
Option 3 – Do not map LC	<u>Environmental</u> May not give effect to the consolidation direction of 30/50. Does not fit with the rezoning proposed by the package of urban plan changes. <u>Economic</u> Less land for local centres and less opportunity for economic growth. <u>Social</u> May not adequately provide for local centres decreasing social wellbeing. <u>Cultural</u> None known.	<u>Environmental</u> None known. <u>Economic</u> May identify more land for local centres and more opportunity for economic growth. <u>Social</u> May identify and provide for local centres leading to social wellbeing. <u>Cultural</u> None known.
	Efficiency	Effectiveness
Option 1	This option is not efficient or effective to map local commercial and community activities as it includes other areas within the city that are not physically located in the suburbs.	
Option 2 - Plan change option	This option is considered an efficient and effective method to provide for local commercial and community activities. The option ensures that appropriate locations are zoned. This option is effective in achieving the objectives of the LC.	
Option 3	The uncertainty of this option results in the inability to provide for appropriate activities and servicing of suburbs. This option is ineffective and inefficient.	
Economic Growth and Employment Opportunities		
LC provides economic benefit to the district. Option 1 does not represent any change to the current employment and economic growth opportunities. Option 2 represents low to medium growth in employment and economic growth by better matching zoning to land use, enabling growth opportunities without regulatory constraint. Option 3 has unknown economic growth and employment opportunities.		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 3 has a risk of acting due to uncertain/insufficient information.		

31. Option 2 (plan change option) is considered to be the most appropriate method to achieve the proposed objectives of the LC.

4.4.3 Proposed LC Provisions

32. The proposed provisions in the LC are assessed below. The proposed provisions are grouped by topic and effects. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height, Ceiling Height and Height in Relation to Boundary

33. The proposed LC objectives seek to enable and encourage commercial and community activities while maintaining urban character and amenity and seeking to achieve high quality urban design outcomes. To achieve these objectives, the bulk and form of the built environment within the LC must be carefully managed.
34. Proposed Rule LC-R2 manages building height within the LC. The proposed maximum building height of 11m is consistent with B3 and KAP maximum building height of 11m in the WDP.
35. Proposed Rule LC-R4 manages the internal floor-to-ceiling height of buildings by requiring a minimum 3.5m floor-to-ceiling height at ground floor and a minimum 2.7m floor-to-ceiling height above ground floor. There are currently no floor-to-ceiling height rules in the B3. However, the WDP Kamo Walkability Environment Urban Design Guidelines recommend these heights in the KAP.
36. In conjunction with the maximum building height provision it is proposed to impose a height in relation to boundary (**HRB**) rule LC-R5 to further protect amenity values of adjacent Open Space and Residential zones. The WDP currently imposes rules relating to daylight angles where properties are adjacent to Living Environments. There has been a lack of clarity regarding this rule and the proposed HRB provision will allow for more clarity in interpretation and implementation.
37. Alternatives considered were:
- **Option 1:** Modified status quo; retain the current B3 and KAP building height rules and daylight angle (HBR) rules and add an internal floor to ceiling height. (Plan change option)
 - **Option 2:** Reduce the maximum building height and have no control of daylight angles and ceiling heights.
 - **Option 3:** Have no building height, ceiling height and daylight angle controls in the LC.
38. Evaluation of these alternative options have been summarised in Table 9:

TABLE 9: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Modified status quo Plan Change option	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> 11m maximum building height is not flexible enough to allow taller buildings where these may be appropriate and have positive economic benefits. Minimum building and floor to ceiling heights may increase costs for some developers.	<u>Environmental</u> Building heights are managed to minimise shading. Maintains built form and urban amenity. <u>Economic and Social</u> Floor to ceiling height requirements provide for well articulated and ventilated buildings Floor-to-ceiling height requirements encourage flexible and adaptable building design. <u>Cultural</u> None identified.
Option 2:	<u>Environmental</u> Reduced potential built form and scale changing the amenity of the LC.	<u>Environmental and Social</u> Building heights are managed to minimise shading. <u>Economic</u>

Reduce building height	<u>Economic</u> Reduced ability to accommodate more building floor space and activities. Minimum building and floor-to-ceiling heights may increase costs for some developers. <u>Social and Cultural</u> None identified.	Reduced building height encourages more efficient use of land. No floor-to-ceiling height requirements provides more building design. <u>Cultural</u> None identified.
Option 3: No maximum building heights	<u>Environmental, Social and Cultural</u> Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and change in the amenity of LC. <u>Economic</u> None known.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Increased development opportunities with no height restrictions.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo option efficiently provides for development within the LC.	A maximum 11m building height effectively achieves the objectives of LC and maintains amenity and urban form.
Option 2	Option 2 is not considered to be efficient as it reduces the capacity of the built environment to accommodate growth and development within the LC.	Option 2 would not be effective in meeting the objectives of the LC to maintain amenity and good urban design.
Option 3	Option 3 would result in no building height controls which will not result in any kind of management of effects, being completely inefficient and ineffective.	
Economic Growth and Employment Opportunities		
Option 3 provides the most economic growth and employment opportunities by not managing building height. Option 2 limits the opportunities for economic growth and employment in the LC.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

39. Option 1 (Plan change option) is considered to be the most appropriate method. Option 1 will achieve the expectations for the LC and achieve the proposed LC objectives.

Active Frontages

40. The proposed LC objectives seek to prioritise pedestrians and enhance active frontages at ground floor. Active frontage is proposed to be defined as:

means building frontages which are designed to have a connection to the road allowing visual interaction between pedestrians and people within buildings.

41. Proposed Rules LC-R6, LC-R14, manage active frontage by controlling building setbacks, building frontages, verandahs and fences along road boundaries.

Building Setbacks

42. The B3 imposes a mix of building setbacks from road boundaries and a 3m setback from any Living or Open Space Environment. KAP also requires a 3m setback from Living Environments, but imposes a pedestrian network which requires buildings to be setback no further than 1.5m from the road boundary.

43. Setbacks from building line restrictions are proposed to be addressed in Plan Change 109 – Transport).
44. The proposed LC building setbacks require buildings to be within 1.5m of the road boundary at ground floor. The proposed building setbacks seek to maintain an active building frontage and to enable and encourage positive outcomes such as through site links, which help promote the LC as a pedestrian-centric environment.

Building Frontages

45. Proposed Rule LC-R6 requires clear glazing at ground floor, manages the location of public entrances, requires consent for roller doors along site frontages and manages “blank walls”, which are proposed to be defined as:

Means a wall or side of a building that has no glazing, architectural detail, landscaping or artwork to enhance appearance adjacent roadways or pedestrian environments.

46. The B3 does not have any building frontage rules. KAP does manage building frontage in particular clear glazing. It has been identified through consultation and research that there is a need for more urban design controls within the LC, particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being overly restrictive.

Verandahs

47. The B3 and KAP currently requires verandahs to be constructed along the entire frontage (excluding access). Proposed Rule LC-R7 aims to slightly reduce the width of verandah required so that there is more sunlight access on the footpaths and to manage the fascia height of verandahs so that they do not dominate building facades. Additionally, it is proposed to require consent for any signs located on top of a verandah to make the building facade more visible and to avoid clutter from disjointed signage.

Fences

48. There are no operative rules in the B3 or the KAP relating to fencing. Proposed Rule LC-R11 would require consent for any fence along a road boundary where the fence is not required by by-law or for public health and safety. There is minimal risk of a fence being erected along a road boundary in the LC, however it is considered important to manage fencing as it could have significant adverse effects on streetscape and active frontage.
49. There are a wide range of alternatives considered in relation to the proposed active frontage controls. Additional rules were considered as well as different rule thresholds and all options were compared to the status quo. At a high level the alternatives considered were:
- **Option 1:** Status Quo, retain the current B3 provisions with no active frontage controls.
 - **Option 2:** Manage building setbacks, building frontages, verandahs and fences along road boundaries. (Plan change option)

- **Option 3:** Require consent for all buildings as a restricted discretionary activity and assess each application on its merits.

50. Evaluation of these alternative options have been summarised in Table 10:

TABLE 10: SECTION 32 ASSESSMENT OF ACTIVE FRONTAGE OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental and Social</u></p> <p>Rules would not help achieve active frontages and would therefore not improve Crime Prevention Through Environmental Design or pedestrian-centric aspects of the LC.</p> <p><u>Economic</u></p> <p>No management of active frontage could diminish the amenity of the LC which could in turn negatively affect the viability of LC activities.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Reduced costs for developers as there would be less District Plan rules to comply with.</p>
Option 2: Plan Change option	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Additional costs for developers to meet district plan rules.</p>	<p><u>Environmental, Economic and Social</u></p> <p>Improved urban design and active frontages in the LC. Improved amenity could contribute to the vibrancy and vitality of the LC.</p> <p>Some flexibility for developers with regard to building setbacks.</p> <p>Buildings can be designed to comply.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: Consent for all buildings	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic and Social</u></p> <p>Additional costs as any building would require consent.</p> <p>Degree of uncertainty as there would not be any rule thresholds and design outcomes would rely on policy interpretation.</p>	<p><u>Environmental, Economic and Social</u></p> <p>Opportunity for improved urban design and active frontages in the LC. Improved amenity could contribute to the vibrancy and vitality of the LC. If policies reflected in consented developments.</p> <p><u>Cultural</u></p> <p>None identified.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	<p>Consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Key objectives of the LC are to enhance active frontage, create a pedestrian-centric environment and promote high quality urban design. Option 1 does not address these issues.</p>	
Option 2	<p>Option 2 is considered to be an improvement of the status quo provisions providing a more efficient and effective method of achieving the objectives of the proposed LC.</p>	
Option 3	<p>Option 3 would not be efficient as consent would be required for every building where as in many cases it is likely more appropriate to state a permitted threshold.</p>	<p>Option 3 would result in the improvement of the status quo provisions introducing active frontage provisions to meet the objectives of the proposed LC.</p>
Economic Growth and Employment Opportunities		

There is not considered to be a significant impact in terms of economic growth and employment opportunities; however, Option 2 is considered to be the most beneficial in this regard as it aims to enhance amenity in the LC through active frontage controls while also providing for a permitted threshold to reduce consenting costs.

Risk of acting and not acting if there is uncertain or insufficient information

There is no known risk due to insufficient information.

51. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the proposed LC objectives.

Outdoor Areas of Storage

52. The B3 currently manages outdoor areas of storage or stockpiles to limit their size and to manage discharges or adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce the rules. Proposed Rule LC-R13 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer. Alternatives considered were to retain the status quo or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the LC.

Impervious Areas

53. The WDP does not manage impervious areas in the B2, B3 and B4 Environments. Proposed Rule LC-R8 would require consent for impervious areas greater than 90% of the net site area and impervious areas that are not setback 5m from MHWS or the top of a river bank.
54. Impermeable surfaces contribute to the amenity and coverage of sites, potentially decreasing green landscaping. Significant site coverage with impermeable surfaces can result in increased stormwater runoff and necessity to attenuate stormwater. The proposal to include impervious area limits aim to improve amenity and manage stormwater.
55. With regard to the MHWS and river setback, research has confirmed that impervious areas adjacent to MHWS, such as parking spaces, can compromise the future use of the esplanade area as a pedestrian walkway and have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.
56. LC at Marsden Cove is an exception. The existing centre has been developed to orientate around the constructed canals. Buildings have been oriented and located in close proximity to the canals to create a high level of amenity and accessibility to water.
57. The alternative considered for the LC generally was the status quo. However, it is important that the District Plan protects areas immediately adjacent to MHWS and rivers from inappropriate development and manages stormwater and amenity. Table 11 below demonstrates the appropriateness of the proposed provisions.

TABLE 11: S32 ASSESSMENT OF IMPERVIOUS AREAS RULES	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff. Improves amenity by requiring landscaping within sites to break up impervious areas. <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei City and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed LC by improving amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Zone Boundary Effects

58. The proposed LC is generally located adjacent to proposed Living and Green Spaces Zones. Proposed Rule LC-R9 seeks to require landscaping along these shared boundaries to reduce adverse effects on Living and Green Spaces Zones and manage potential reverse sensitivity effects. The WDP does not have any landscaping requirements adjacent to Living or Open Space Environments. Proposed Rule LC-R10 seeks to manage the hours of operation of activities in proximity to Living Zones. This rule retains the status quo of the B3 and KAP. Due to the higher scale of development enabled in the LC and the range of activities enabled in the LC it is considered important to manage potential cross boundary effects.
59. The alternative considered was to retain the status quo with no landscaping requirements and hours of operation limits only in certain areas. Table 12 below demonstrates the appropriateness of the proposed provisions.

TABLE 12: S32 ASSESSMENT OF CROSS BOUNDARY RULES	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive Zones. Protects residential amenity.

Potential additional costs to comply with rules.	<u>Economic</u> Manages reverse sensitivity effects. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear, not considered to be onerous and have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed LC by protecting amenity in adjacent zones.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Parking and Vehicle Crossings

60. Proposed Rules LC-R12 and LC-R26 manage vehicle crossings and parking spaces and propose the following:
- Any new vehicle crossing over a footpath would require consent as a discretionary activity.
 - Any car parking space located between the building frontage and any road boundary of a site is a discretionary activity.
61. The proposed rules aim to create a pedestrian-centric environment with active building frontages. The alternative considered was the status quo which only requires consent for parking spaces within 2m of a road boundary. However, consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Table 13 below demonstrates the appropriateness of the proposed provisions.

TABLE 13: S32 ASSESSMENT OF PARKING AND VEHICLE CROSSING PROVISIONS	
Costs	Benefits
<u>Environmental</u> Compliance with parking and vehicle crossing rules could limit the ability of service activities to be accommodated within constrained sites and will alter the bulk form within the LC. <u>Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment, with safer and more accessible footpaths and improved active frontages. <u>Economic</u> Improves amenity within the LC which in turn can encourage more investment and generate more economic activity. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and policy guidance provides direction on effects that need to be considered and methods of managing adverse effects where the rules are infringed.	The proposed rules are considered effective in meeting the objectives of the proposed LC by improving walkability and active frontages.

Economic Growth and Employment Opportunities
The proposed rules are not considered to have significant impacts on economic growth and employment, as activities can be designed to meet the rules and policy direction. Where standalone car parks seek consent to establish there is clear policy direction for them to be sleeved at ground floor by smaller scale retail and active uses. Therefore, proposed rule LC-R12 would not completely restrict standalone car parking facilities, but would manage their design and encourage more economic activity in the form of smaller scale active along the ground floor frontage.
Risk of acting and not acting if there is uncertain or insufficient information
There is no known risk due to insufficient information.

Definition Grouping - Activities

62. Part 1 of this s32 Report discusses the new definitions proposed under Plan Change 88. Table 14 below provides an overview of the plan change option for each definition grouping table activity and the other options considered under this s32 assessment. Table 14 also demonstrates the costs and benefits associated with each proposed plan change option.
63. Principles applied to the control of activities:
- Management of activities in the LC is necessary to provide a balance between providing access to goods and services for residents and local communities while maintaining the viability of the LC.
 - Development within the LC has the potential to undermine other business zones.
 - Urban amenity and pedestrian access is protected and maintained.
 - Provision for service stations, community activities, visitor accommodation, retirement villages etc which provide an essential service, by design are may not to maintain active frontages.

TABLE 14: SECTION 32 ASSESSMENT OF PROPOSED LC RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Rural Production Activities	Non-complying.	<ul style="list-style-type: none">• Permit all rural production activities.• Restrict some rural production activities.• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying.	<ul style="list-style-type: none">• Additional cost to apply for consent for rural production activities.	<ul style="list-style-type: none">• Rural production activities are highly unlikely in the LC, however, Council is encouraging the development of green rooves and it is therefore considered beneficial to enable farming on green rooves.• Sets clear expectations for community as rural production activities, are not encouraged in LC.• Improves amenity within LC and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate Zones.
Industrial Activities				
General Industry	Non-complying.	<ul style="list-style-type: none">• Permit all industrial activities.• Prohibit all industrial activities.• Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying.	<ul style="list-style-type: none">• Not able to apply for consent for industrial activities, excluding artisan industrial activities. Some industrial activities which are not necessarily noxious (e.g. warehousing and storage) are now prohibited in CC.• Larger artisan industrial activities would require consent as a non-complying activity.• Artisan industrial activities may generate adverse effects as there is an industrial aspect to the activity; however, a 300m² GFA ensures they are small in scale.	<ul style="list-style-type: none">• Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain LC land for more appropriate activities that are more consistent with the LC objectives.• Improved amenity of LC by avoiding adverse effects form industrial activities.• Small scale artisan industrial activities would be provided for which would be consistent with the intent and objectives of the LC.
Manufacturing and storage				
Repair and maintenance services				
Marine industry				
Waste management facility	Prohibited.			
Landfill				
Artisan industrial activities	Permitted with maximum GFA of 300m ² . The goods sold on site are also manufactured on site. Any outdoor area associated with the activity is not located between the front of the building and the road.			
Residential Activities				

Supported Residential Care	Discretionary.	<ul style="list-style-type: none">• Status quo – permitted• Permitted with effects based controls	<ul style="list-style-type: none">• Additional consenting costs.	<ul style="list-style-type: none">• Supported residential care is maybe appropriate on a case by case basis to enable suitable accessibility, sense of community and vitality of LC.
Residential Unit (Principal and Minor)	Permitted with controls for minimum internal areas, outdoor living courts and location above ground floor. Notification exemption is provided for residential units which only infringe on-site amenity rules (e.g outdoor living courts).	<ul style="list-style-type: none">• Status quo – permitted with outdoor living court controls.• Permitted with additional effects based controls such as outlook space and habitable room orientation.	<ul style="list-style-type: none">• Additional controls for residential units compared to the status quo.• Some urban design issues would not be actively managed by the District Plan.• LC has a strong focus on active frontage at ground level and would not be supportive of residential units at ground floor.• Potential for reverse sensitivity with residential activities in proximity to noisy or late night activities.	<ul style="list-style-type: none">• The District Plan would continue to be enabling for residential activities.• Additional urban design controls to ensure on site amenity for residents is protected, while not being overly restrictive.• Consistent with LC objectives, higher order policy direction and higher order documents.
Retirement Village Premises	Discretionary	<ul style="list-style-type: none">• Status quo – permitted subject to compliance with bulk and location and traffic movements.• Permitted with effects based controls.• Restricted Discretionary.	<ul style="list-style-type: none">• Additional controls for retirement villages compared to the status quo.• Some urban design issues would not be actively managed by the District Plan.• LC has a strong focus on active frontage may not be supportive of retirement villages. .• Potential for reverse sensitivity with residential activities in proximity to noisy or late night activities.	<ul style="list-style-type: none">• The District Plan would continue to be enabling for retirement villages.• Additional urban design controls to ensure on site amenity for residents is protected, while not being overly restrictive.• Consistent with LC objectives, higher order policy direction and higher order documents.
Commercial Activities				
Motor Vehicle Sales	Discretionary with maximum GFA of 300m².	<ul style="list-style-type: none">• Status quo - permit activities except for offensive trades under the Health Act 1956 which are non-complying.• Provide for these activities as either permitted or discretionary with a suite of effects based controls.• Prohibit these types of retail activities	<ul style="list-style-type: none">• Consent would now be required for these retail activities with policies that would not be strongly supportive.• Existing activities would rely on existing use rights and would require consent beyond existing use rights.• Plan change option does allow for consent to be applied for which could result in some of these activities establishing in the LC and having adverse effects if the policies do not appropriately manage effects.	<ul style="list-style-type: none">• Consistent with LC objectives, higher order policy direction and higher order documents.• Improved amenity of LC by managing these retail activities which could have negative character and amenity effects.• LC land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.• Provides for a discretionary tier of a size consistent with other retail activities envisaged in the LC.
Garden Centres	The goods sold on site are also manufactured on site.			
Marine Retail				
Drive Through Facilities	Discretionary			
Hire Premise	Non-complying.			

Service Stations	Discretionary.	<ul style="list-style-type: none"> • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of commercial activities. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC.
Funeral Home	Non-complying.			
Trade Suppliers	<p>Discretionary with maximum GFA of 300m².</p> <p>The goods sold on site are also manufactured on site.</p> <p>Any outdoor area associated with the activity is not located between the front of the building and the road.</p>	<ul style="list-style-type: none"> • Status quo - permit activities except for offensive trades under the Health Act 1956 which are non-complying. • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of retail activities 	<ul style="list-style-type: none"> • Consent would now be required for these retail activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some of these activities establishing in the LC and having adverse effects if the policies do not appropriately manage effects. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Improved amenity of LC by managing these retail activities which could have negative character and amenity effects. • LC land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones. • Provides for a discretionary tier of a size consistent with other retail activities envisaged in the LC.
Grocery Store	Permitted with maximum GFA of 300m ² .	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC. • GFA limit keeps activities at a human scale and retains fine grain character of LC. • Large scale activities are encouraged to locate in more appropriate zones.
General Retail				
Commercial Services				
Food and Beverage Activity				
Entertainment Facilities	Permitted with a maximum individual activity is less than 1,000m ² GFA. And any outdoor area associated with the activity is not located between the front of the building and the road.	<ul style="list-style-type: none"> • Permitted with no GFA limit • Permitted with 450m² GFA limit. • Discretionary 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC. • More permissive than a 450m² GFA limit. • GFA limit keeps activities at a human scale and retains fine grain character of LC.

				<ul style="list-style-type: none"> Provides opportunities for community activities within LC achieving the LC objectives.
Visitor Accommodation	Restricted Discretionary.	<ul style="list-style-type: none"> Status quo – permitted subject to compliance with bulk and location and traffic movements. Permitted with effects based controls. Discretionary. 	<ul style="list-style-type: none"> Additional controls compared to the status quo. Some urban design issues would not be actively managed by the District Plan. LC has a strong focus on active frontage may not be supportive. Potential for reverse sensitivity in proximity to noisy or late night activities. 	<ul style="list-style-type: none"> The District Plan would continue to be enabling for visitor accommodation. Additional urban design controls to ensure on site amenity for residents is protected, while not being overly restrictive. Consistent with LC objectives, higher order policy direction and higher order documents.
Community Activities				
Place of Assembly	Permitted with a maximum individual activity is less than 1,000m ² GFA. And any outdoor area associated with the activity is not located between the front of the building and the road.	<ul style="list-style-type: none"> Permitted with no GFA limit. Permitted with 450m² GFA limit. Discretionary 	<ul style="list-style-type: none"> Consent would now be required beyond the GFA threshold. Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> Consistent with LC objectives, higher order policy direction and higher order documents. Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC. More permissive than a 450m² GFA limit. GFA limit keeps activities at a human scale and retains fine grain character of LC. Provides opportunities for community activities within LC achieving the LC objectives.
Recreational Facilities				
Care Centre	Discretionary.	<ul style="list-style-type: none"> Permitted with no GFA limit. Permitted with 450m² GFA limit. 	<ul style="list-style-type: none"> Consent would now be required beyond the GFA threshold. Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> Consistent with LC objectives, higher order policy direction and higher order documents. Reduces the risk of incompatible land use activities. Maintains a mix of active activities within the LC.
Educational Facilities	Permitted with a maximum individual activity is less than 1,000m ² GFA. And any outdoor area associated with the activity is not located between the front of the building and the road.	<ul style="list-style-type: none"> Permitted with no GFA limit Permitted with 450m² GFA limit. Discretionary 	<ul style="list-style-type: none"> Consent would now be required beyond the GFA threshold. Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> Consistent with LC objectives, higher order policy direction and higher order documents. Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC.

				<ul style="list-style-type: none"> • More permissive than a 450m² GFA limit. • GFA limit keeps activities at a human scale and retains fine grain character of LC. <p>Provides opportunities for community activities within LC achieving the LC objectives.</p>
Health Care Facilities	Permitted with maximum GFA of 300m ²	<ul style="list-style-type: none"> • Status quo – permitted. • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC. • GFA limit keeps activities at a human scale and retains fine grain character of LC. • Large scale activities are encouraged to locate in more appropriate zones.
Emergency Service	<ul style="list-style-type: none"> • Any individual activity is less than 1000m² GFA. • Any outdoor area associated with the activity is not located between the front of the building and the road. 	<ul style="list-style-type: none"> • Permitted with no GFA limit. • Permitted with 450m² GFA limit. • Discretionary. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by LC policies but would require careful design consideration to ensure compatibility with the LC. • More permissive than a 450m² GFA limit. • GFA limit keeps activities at a human scale and retains fine grain character of LC. • Provides opportunities for community activities within LC achieving the LC objectives.
Hospital	Non-Complying	<ul style="list-style-type: none"> • Status quo – permitted. • Permitted or discretionary with effects based controls. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold and at ground floor. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • LC land would be retained for higher amenity activities that are more consistent with LC objectives. • Consent would be required to ensure that if these activities established they would be carefully designed and operated. • These activities would be encouraged to locate in more appropriate zones.

Efficiency and Effectiveness

64. It is considered that the proposed suite of rules for the definition grouping table activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the LC.
 - The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes.
 - The proposed rules provide for a permitted threshold of activities, in line with the LC objectives, so that consent requirements are not excessive.
 - In combination with the other zones proposed under PC88 the definition grouping activities are provided for in areas considered appropriate. As demonstrated in Attachment 1 of Part 1 of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across this District.

Economic Growth and Employment Opportunities

65. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed LC rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the LC.
66. As discussed in above, in combination with the other zones proposed under PC88 the range of definition grouping activities are provided for across various zones. While some activities are not encouraged or enabled in the LC they are provided for elsewhere.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

67. There is no known risk due to insufficient information.

Conclusion

68. The plan change options detailed within Table 14 are considered to be the most appropriate methods to achieve the proposed LC objectives.

Subdivision

69. The proposed LC objectives seek to enable and encourage subdivision to provide for a mix of commercial, service and community activities, while maintaining urban character and seeking to achieve high quality urban design outcomes. To achieve these objectives, subdivision of land, minimum allotment size, allotment shape and minimum frontages within the LC must be carefully managed.

70. Proposed Rule SUB-R7 manages subdivision within the LC. The WDP provides for subdivision in the B3 Environment as a controlled activity where the net site area of an allotment is at least 100m². The proposed minimum allotment net site area is consistent with B3.
71. In conjunction with the minimum allotment net site area, it is proposed to impose a building area of 100m² and a site frontage is not less than 6m and not more than 30m or 12m and 60m in the case of a corner site. These shape factors further protect the amenity values of the LC and the surrounding residential zones. The WDP currently imposes similar shape factor rules.
72. Alternatives considered were:
- **Option 1:** Status quo; retain the current B3 and KAP minimum allotment size (100m²) and shape factor rules. (Plan Change Option)
 - **Option 2:** Minimum allotment size of 450m² and shape factor rules.
73. Evaluation of these alternative options have been summarised in Table 15:

TABLE 15: SECTION 32 ASSESSMENT OF SUBDIVISION OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status quo; retain the current B3 minimum allotment size (100m²) and shape factor rules.	<u>Environmental</u> Allotment size, frontage and future built development is significantly different to L1 in the WDP and the surrounding residential environment., does not maintain the amenity of the LC and surrounding residential zones. <u>Economic</u> Increased density of development and on-going demand on services with implications for infrastructure funding and development. <u>Social and Cultural</u> None identified.	<u>Environmental</u> None identified. <u>Economic</u> Significant opportunities for development. <u>Social and Cultural</u> None identified.
Option 3: Minimum allotment size of 450m² and shape factor rules. (Plan Change Option)	<u>Environmental</u> None known. <u>Economic</u> Opportunities for development are retained but capacity is limited. <u>Social and Cultural</u> None identified.	<u>Environmental</u> Maintains current levels of amenity anticipated within local commercial areas. <u>Economic</u> Increased development opportunities from status quo. <u>Social and Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo option could effectively provide for development within the LC. Option 1 does not efficiently provide for the opportunity to accommodate for growth and consolidation of LC.	
Option 2	Option 2 is not considered to be efficient and effective as it potentially alters the amenity of the LC to be inconsistent with the LC objectives.	

Option 3	Option 3 is considered to be efficient and effective as it provides for development in a manner that is consistent with the amenity of the LC.
Economic Growth and Employment Opportunities	
Option 2 provides the most economic growth and employment opportunities by decreasing minimum allotment size. Option 3 provides for limited opportunities for economic growth and employment in the LC.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

74. Option 3 (Plan change option) is considered to be the most appropriate method to achieve the LC objectives.

5. Section 32 Analysis: NC

5.1 Appropriateness in Terms of Purpose of RMA

75. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88E is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, this report assesses whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order objectives proposed in the Urban Area (**UA**) and other higher order documents. The level of analysis undertaken in this report is appropriate to the scale of the proposal. Note that section 4 of this report contains the s32 analysis of the LC.
76. PC88E proposes the following objectives for NC, the reasons for which are detailed in Table 16:

TABLE 16: S32 ASSESSMENT OF PROPOSED NC OBJECTIVES	
Proposed NCE Objectives	Reason/Issue
NC-O1 – Range of Activities Provide a distribution of commercial and community activities, while not undermining the vitality and viability of the LC.	The objective is proposed to enable a mix of development to service the surrounding residential activities. Distribution of small scale retail, commercial services and community activities will support the needs of the residential areas of Whangarei City and Ruakaka/Marsden Point. Management of activity scale is important to protect the vitality and viability of the LC.
NC-O2 Urban Character and Amenity Maintain and enhance the urban character and amenity of the NC.	It is intended that the general amenity and character of the NC will be complementary to the surrounding residential zones. It is important that the scale of activities and built environment maintains the amenity of the NC. High level of urban design is anticipated.
NC-O3 – Urban Design Development that demonstrates high quality urban form that positively interacts with the public realm and is sympathetic to the surrounding environment.	
NC-O4 – Discouraged Activities Discourage Industrial Activities within the NC to maintain the NC amenity and character.	Some activities are not anticipated in the NC, due to their scale, nature and intensity. These activities can often have adverse effects and are inconsistent with the anticipated outcomes of the NC.

77. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 2 demonstrates that the proposed NC objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88E. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88E is inconsistent with s8.

TABLE 17 LINKAGE OF PROPOSED NC OBJECTIVES WITH PART 2 OF THE RMA				
		Proposed NC Objectives		
		NC-O1	NC-O2	NC-O3
RMA Part 2 Sections	5(2)(a)	√	√	√
	5(2)(b)			
	5(2)(c)	√	√	
	6(a)			
	6(h)			
	7(b)	√	√	
	7(c)	√	√	
	7(f)	√	√	

78. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

5.2 Appropriateness in Relation to Higher Order Documents

79. The provisions of higher order documents were considered in the formulation of the NC objectives and policies in PC88E. Of particular relevance to PC88E are the RPS, the LTP, 30/50 and the UDS. Section 5 provides a comprehensive evaluation of the consistency of PC88E in relation to relevant higher order documents. Table 18 provides an overview of the proposed NC objectives' consistency with the more relevant higher order documents.

TABLE 18: LINKAGE OF PROPOSED NC OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		NC Objectives		
		NC-O1	NC-O2	NC-O3
Higher Order Documents	RPS	√	√	√
	LTP			
	30/50	√		√
	UGS	√		
	UDS		√	

5.3 Effectiveness and Efficiency of Proposed Policies and Methods

80. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

5.4 Appropriateness in Relation to Strategic Direction Chapter

81. The proposed NC objectives are subservient to the higher order district wide objectives set out in the SD proposed under Plan Change 148. The overarching SD objectives and policies and their links to the proposed NC objectives are shown in Table 19 below. This table illustrates that the objectives of the NC are effectively linked to the overall objectives and policies of the SD which are considered to be appropriate in terms of s32 (refer to Plan Change 148 s32 evaluation).

TABLE 19: LINKING BETWEEN RELEVANT STRATEGIC DIRECTION CHAPTER AND NC OBJECTIVES		
Proposed Strategic Direction Objective	Proposed Strategic Direction Policies	Proposed NC Objectives
SD-O1 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	NC-O1
SD-O2 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	NC-O2
SD-O3 – Growth Accommodate future growth through urban consolidation of Whangarei City, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	NC-O1
SD-O5 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	NC-O4
Urban Area Objectives		
SD-O11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	
SD-O12 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	NC-O3
SD-O13 – Unanticipated Activities	SD-P2, P4	NC-O4

Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.		
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5.5 Appropriateness of Proposed Policies and Methods

82. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed NC objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed NC provisions.

5.5.1 Proposed policies

83. The proposed objectives in NC seek to ensure a distribution of accessible neighbourhood commercial activities that provide goods and services to meet the day to day needs of local neighbourhoods. These objectives are achieved through the application of policies and methods:
84. The NC policies proposed for inclusion are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the NC.
 - Enabling activities that enhance the vibrancy, community sense of place and amenity of NC.
 - Requiring development to be well designed by:
 - Locating active uses (e.g. retail, restaurants, etc.) at ground floor.
 - Ensuring buildings are designed with active frontages to create a pleasant and safe walkable place.
 - Managing bulk and location of building to maintain the surrounding residential built form.
 - Managing the scale and design of buildings to achieve quality urban design outcomes and ensure that sunlight access is protected.
 - Ensuring residential activities are designed to protect residential amenity.
85. The proposed NC policies are considered the most efficient and effective for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the NC chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review.
86. Table 20 below demonstrates that the policies proposed for the NC implement the proposed NC objectives, and that the methods implement the proposed NC policies:

TABLE 20: LINKING OF PROPOSED NC PROVISIONS		
Proposed NC Objective	Proposed NC Policies	Proposed NC Methods
NC-O1	NC-P2	NC-R11 – R39

NC-O2	NC-P1, NC-P5-P7, NC-P9	NC-R2, NC-R7, NC-R11, NC-R27 – R39
NC-O3	NC-P3-P5, NC-P9	NC-R10
NC-O4	NC-P6, NC-P7	NC-R27 – R39

87. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in clearly stating the types of activities that are appropriate within the NC, promoting residential activities or incentivising high quality urban design outcomes. Therefore, the existing policies present additional costs and risk compared to the proposed NC policies.

5.5.2 Proposed NC Boundaries

88. Spatial mapping is an appropriate method of achieving the objectives of the NC as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the NC in achieving the objectives of the NC the following three options were evaluated:

- **Option 1:** Status Quo; retain the current spatial extent of the B3 and rezone these areas to NC.
- **Option 2:** Map the NC based on the criteria and proposed zoning policy in the SD identified in section 3 above. (Plan change option)
- **Option 3:** Do not map NC.

89. Evaluation of these alternative options have been summarised in Table 21:

TABLE 21: EVALUATION OF ALTERNATIVES - MAPPING PROVISIONS		
Option	Costs	Benefits
Option 1 - Status quo	<u>Environmental</u> Does not give effect to the consolidation direction of 30/50. Does not fit with the rezoning proposed by the package of urban plan changes. <u>Economic</u> Zoning may not reflect actual land use, leading to “dishonest zoning”. <u>Social</u> May not provide adequately for services in neighbourhoods decreasing social wellbeing. <u>Cultural</u> None known.	<u>Environmental</u> None known. <u>Economic</u> No change to amount of land zoned for neighbourhood commercial and service activities. <u>Social</u> Status quo so familiar to district plan users. <u>Cultural</u> No change to current approach.
Option 2 - Map using plan change criteria (plan	<u>Environmental</u> None known. <u>Economic</u> None known.	<u>Environmental</u> Using defined criteria allows areas to be assessed as to the appropriate zoning. Gives effect to the consolidation direction of 30/50.

change option)	<u>Social</u> Requires shift and upskilling for District Plan users. <u>Cultural</u> None known.	Fits with the rezoning proposed by the package of urban plan changes. <u>Economic</u> Land use (current and future) is reflected by appropriate zoning, giving certainty to business and community. <u>Social</u> Commercial and service activities can be provided that meet the day to day needs of the community. <u>Cultural</u> None known.
Option 3 - Map using different criteria	<u>Environmental</u> May not give effect to the consolidation direction of 30/50. Does not fit with the rezoning proposed by the package of urban plan changes. <u>Economic</u> Uncertain criteria. May identify less land for commercial and service activities and less opportunity for economic growth. <u>Social</u> May not adequately provide for commercial and service activities decreasing social wellbeing. <u>Cultural</u> None known.	<u>Environmental</u> None known. <u>Economic</u> May identify more land for commercial and service activities and more opportunity for economic growth. <u>Social</u> May identify and provide for commercial and service activities leading to social wellbeing. <u>Cultural</u> None known.
	Efficiency	Effectiveness
Option 1	This option is not efficient and effective at mapping NC as it includes other areas that are not neighbourhood services.	
Option 2 - Plan change option	This option is considered an efficient method to provide for NC.	This option is effective in achieving the objectives of the NC.
Option 3	This option is not efficient at mapping NC as it is unknown.	This option is not effective in achieving the objectives for PC88.
Economic Growth and Employment Opportunities		
Neighbourhood commercial and service activities provide economic benefit to the district. Option 1 does not represent any change to the current employment and economic growth opportunities. Option 2 represents low to medium growth in employment and economic growth by better matching zoning to land use, enabling growth opportunities without regulatory constraint. Option 3 has unknown economic growth and employment opportunities.		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 3 has a risk of acting due to uncertain/insufficient information.		

90. Option 2 (plan change option) is considered to be the most appropriate method to achieve the proposed objectives of PC88E. The criteria can also be applied to zoning changes, arising from submissions to PC88E or future plan change applications

5.5.3 Proposed NC Provisions

91. The proposed provisions in the NC are assessed below. The proposed provisions are grouped by topic and effects. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height and Height in Relation to Boundary

92. The proposed NC objectives seek to enable and encourage commercial and community activities suburbs to provide convenient neighbourhood services. while maintaining urban character and the surrounding residential amenity and seeking to achieve high quality urban design outcomes. To achieve these objectives, the bulk and form of the built environment within the NC must be carefully managed.
93. Proposed rule NC-R2 manages building height within the NC. The proposed maximum building height of 8m is consistent with the adjacent residential zones proposed in PC88.
94. In conjunction with the maximum building height (HRB) provision it is proposed to impose a height in relation to boundary rule NC-R4 to further protect amenity values of adjacent Open Space and Residential zones. The WDP currently imposes rules relating to daylight angles where properties are adjacent to Living Environments. There has been a lack of clarity regarding this rule and the proposed HBR provision will allow for more clarity in interpretation and implementation.
95. Alternatives considered were:
- **Option 1:** Status Quo: Retain the current B3 building height rules and daylight angle rules.
 - **Option 2:** Reduce the maximum building height to be consistent with the proposed Residential Zone of 8m. (Plan Change Option).
 - **Option 3:** Increase the maximum building height.
96. Evaluation of these alternative options have been summarised in Table 22:

TABLE 22: SECTION 32 ASSESSMENT OF BUILDING HEIGHT OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental, Social and Cultural</u> Potential for adverse effects in relation to shading, human scale of development and change in the amenity of NC and surrounding residential zones. <u>Economic</u> None known.	<u>Environmental</u> Building heights are managed to minimise shading. maintaining a consistent bulk and scale for buildings. <u>Economic and Social</u> None identified. <u>Cultural</u>

		None identified.
Option 2: Reduce building height Plan Change option	<u>Environmental</u> Reduced built form and scale changing the amenity of the areas. Inconsistent built form from the surrounding residential zones. <u>Economic</u> 8m building height is not flexible enough to allow taller buildings where these may be appropriate and have positive economic benefits. Without a minimum building height, land has been used inefficiently. <u>Social and Cultural</u> None identified.	<u>Environmental and Social</u> Building heights are managed to minimise shading, human scale of development is maintained and NC is consistent with surrounding residential zones. <u>Economic</u> Reduced building height encourages more efficient use of land. <u>Cultural</u> None identified.
Option 3: Increase building height	<u>Environmental, Social and Cultural</u> Potential for adverse effects in relation to shading, human scale of development and change in the amenity of NC and surrounding residential zones. <u>Economic</u> Nil	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Increased development opportunities with increased height restrictions.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Option 1 would not be effective in meeting the objectives of the NC to maintain amenity and good urban design.	
Option 2	A maximum 8m building height effectively achieves the objectives of NC and maintains amenity and urban form.	
Option 3	Option 3 is not considered to be efficient and effective as it increases the risk of increased bulk form and built scale of development in the NC reducing amenity and changing character.	
Economic Growth and Employment Opportunities		
Option 3 provides the most economic growth and employment opportunities by increasing building height. Option 2 limits the opportunities for economic growth and employment in the NC.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

97. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the NC and achieve the proposed NC objectives.

Active Frontages

98. The proposed NC objectives seek to prioritise pedestrians and enhance active frontages at ground floor. Active frontage is proposed to be defined as:

means uses/buildings that have a visual connection with the street level (usually from a ground floor) and entrances from the street. It will involve a degree of clear glazing but does not need to be fully glazed. The design should imply to users on the street that there is proximity and interaction between them and people within buildings.

99. Proposed Rules NC-R5, NC-R8, NC-R10 manage active frontage by managing building setbacks, building frontages, verandahs and fences along road boundaries.

Building Setbacks

100. The Living zones of the WDP imposes a 4.5m building setbacks from road boundaries of 4.5m, whereas B3 imposes a reduced building setback from road frontage to improve active frontages and passive surveillance. KAP requires a 3m setback from Living Environments, but imposes a pedestrian network which requires buildings to be setback no further than 1.5m from the road boundary.
101. Setbacks from building line restrictions are proposed to be addressed in Plan Change 109 – Transport).
102. The proposed NC building setbacks require buildings to be within 1.5m of the road boundary at ground floor. The proposed building setbacks seek to maintain an active building frontage and to enable and encourage positive outcomes such as through site links, which help promote the NC as a pedestrian-centric environment. The proposed NC includes a 5m setback from adjoining Residential or Open Space zoned land to maintain privacy and amenity.

Building Frontages

103. Proposed Rule NC-R5 requires clear glazing at ground floor, manages the location of public entrances, requires consent for roller doors along site frontages, and manages blank walls.
104. The B3 does not have any building frontage rules. KAP does manage building frontage in particular clear glazing. It has been identified through consultation and research that there is a need for more urban design controls within the NC, particularly with regard to ground floor active frontage. The proposed rules have been informed by best practice urban design and are intended to protect and enhance active frontage while not being overly restrictive.

Verandahs

105. The B3 currently requires verandahs to be constructed along the entire frontage (excluding access). Proposed Rule NC-R10 aims to slightly reduce the width of verandah required so that there is more sunlight access on the footpaths and to manage the fascia height of verandahs so they do not dominate the building facades. Additionally, it is proposed to require consent for any signs located on top of a verandah to make the building facade more visible and avoid clutter from disjointed signage.

Fences

106. There are no operative rules in the B3 or the KAP relating to fencing. Living Environments have fencing rules to control height and design. Proposed Rule NC-R8 would require consent for any fence along a road boundary where the fence is not required by by-law or for public health and safety. There is minimal risk of a fence being erected along a road boundary in the NC, however it is considered important to manage fencing as it could have significant adverse effects on streetscape and active frontage.
107. There are a wide range of alternatives considered in relation to the proposed active frontage controls. Additional rules were considered as well as different rule thresholds, and all options were compared to the status quo. At a high level the alternatives considered were:

- **Option 1:** Status Quo: Retain the current B3 and KAP provisions with no active frontage controls.

- **Option 2:** Manage building setbacks, building frontages, verandahs and fences along road boundaries. (Plan change option)
- **Option 3:** Require consent for all buildings as a restricted discretionary activity and assess each application on its merits.

108. Evaluation of these alternative options have been summarised in Table 23:

TABLE 23: SECTION 32 ASSESSMENT OF ACTIVE FRONTAGE OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental and Social</u> Rules would not help achieve active frontages and would therefore not improve CPTED or pedestrian-centric aspects of the NC. <u>Economic</u> No management of active frontage could diminish the amenity of the NC which could in turn negatively affect the viability of NC activities. <u>Cultural</u> None identified.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Reduced costs for developers as there would be less District Plan rules to comply with.
Option 2: Plan Change option	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional costs for developers to meet district plan rules.	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the NC. Improved amenity could contribute to the vibrancy and vitality of the NC. Some flexibility for developers with regard to building setbacks. <u>Cultural</u> None identified.
Option 3: Consent for all buildings	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Additional costs as any building would require consent. Degree of uncertainty as there would not be any rule thresholds and design outcomes would rely on policy interpretation.	<u>Environmental, Economic and Social</u> Improved urban design and active frontages in the NC. Improved amenity could contribute to the vibrancy and vitality of the NC. <u>Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Key objectives of the NC are to enhance active frontage, create a pedestrian-centric environment and promote high quality urban design. Option 1 does not address these issues.	
Option 2	Option 2 is considered to be an improvement of the status quo provisions providing a more efficient method of achieving the objectives of the proposed NC.	
Option 3	Option 3 would not be efficient as consent would be required for every building where as in many cases it is likely more appropriate to state a permitted threshold.	Option 3 would result in the improvement of the status quo provisions introducing active frontage provisions to meet the objectives of the proposed NC.
Economic Growth and Employment Opportunities		

There is not considered to be a significant impact in terms of economic growth and employment opportunities. However, Option 2 is considered to be the most beneficial in this regard as it aims to enhance amenity in the NC through active frontage controls while also providing for a permitted threshold to reduce consenting costs.

Risk of acting and not acting if there is uncertain or insufficient information

There is no known risk due to insufficient information.

109. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the NC and achieve the proposed NC objectives.

Outdoor Areas of Storage

110. The B3 and Living Environments currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges or adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce the rules. Proposed Rule NC-R11 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer. Alternatives considered were to retain the status quo or to delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the NC.

Impervious Areas

111. The WDP does not manage impervious areas in the B2, B3 and B4. Proposed Rule NC-R6 would require consent for impervious areas greater than 75% of the net site area and impervious areas that are not setback 5m from MHWS or the top of a river bank.
112. Impermeable surfaces contribute to the amenity and coverage of sites, potentially decreasing green landscaping. Significant site coverage with impermeable surfaces can result in increased stormwater runoff and necessity to attenuate stormwater. The proposal to include impervious area limits aim to improve amenity and manage stormwater.
113. With regard to the MHWS and river setback, research has confirmed that impervious areas adjacent to MHWS, such as parking spaces, can compromise the future use of the esplanade area as a pedestrian walkway and have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.
114. The alternative considered was the status quo. However, it is important that the District Plan protects areas immediately adjacent to MHWS and rivers from inappropriate development and manages stormwater and amenity. Table 24 below demonstrates the appropriateness of the proposed provisions.

TABLE 24: S32 ASSESSMENT OF IMPERVIOUS AREAS RULES	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways.
<u>Economic</u>	

Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	Improves water quality by managing stormwater runoff. Improves amenity by requiring landscaping within sites to break up impervious areas. <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed NC by improving amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Zone Boundary Effects

115. The proposed NC is generally surrounded by proposed Living Zones. Due to the higher scale in the NC and range of activities enabled in the NC it is considered important to manage potential cross boundary effects. Proposed Rule NC-R7, seeks to manage the hours of operation of activities in proximity to Living Zones. This rule retains the status quo of the B3 and KAP.
116. The alternatives considered was the reduction or increase of hours of operation. Table 25 below demonstrates the appropriateness of the proposed provisions.

TABLE 25: S32 ASSESSMENT OF CROSS ZONE BOUNDARY RULES	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive Zones. Protects residential amenity. <u>Economic</u> Manages reverse sensitivity effects. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be too onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed NC by protecting amenity in adjacent zones.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	

Risk of acting and not acting if there is uncertain or insufficient information
There is no known risk due to insufficient information.

Car Parking

117. Proposed Rule NC-R9 manages the location of parking spaces. The proposed rule aims to create a pedestrian-centric environment with active building frontages. The alternative considered was the status quo which only requires consent for parking spaces within 2m of a road boundary. However, consultation and research have confirmed that the status quo is inefficient and ineffective in achieving quality urban design outcomes. Table 26 below demonstrates the appropriateness of the proposed provisions.

TABLE 26: S32 ASSESSMENT OF PARKING AND VEHICLE CROSSING PROVISIONS	
Costs	Benefits
<u>Environmental</u> Compliance with the parking rule could limit the ability of service activities to be accommodated within constrained sites and will alter the bulk form within the NC. <u>Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment with safer and more accessible footpaths and improved active frontages. <u>Economic</u> Improves amenity within the NC which in turn can encourage more investment and generate more economic activity. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and policy guidance provides direction on effects that need to be considered and methods of managing adverse effects where the rules are infringed.	The proposed rules are considered effective in meeting the objectives of the proposed NC by improving walkability and active frontages.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and policy direction.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Definition Grouping - Activities

118. Part 1 of this s32 Report discusses the new definitions proposed under Plan Change 88. Table 27 below provides an overview of the plan change option for each definition grouping activity and the other options considered under this s32 assessment. Table 27 also demonstrates the costs and benefits associated with each proposed plan change option.
119. Principles applied to the control of activities:
- Management of activities in the NC is necessary to provide a balance between providing access to goods and services for residents and neighbourhoods while maintaining the viability of the LC.

- NC is located within residential environments, surrounded by residential zones. To maintain residential amenity it is necessary to limit the nature and scale of activities within the NC
- Residential density should be limited to maintain sufficient NC availability to meet needs for goods and services.

Activities that have potential effects similar to those of residential activities are provided for.

TABLE 27: SECTION 32 ASSESSMENT OF PROPOSED RULES FOR DEFINITION GROUPING ACTIVITIES				
Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Rural Production Activities	Prohibited.	<ul style="list-style-type: none"> • Permit all rural production activities. • Prohibit some rural production activities. • Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying. 	<ul style="list-style-type: none"> • Not able to apply for consent for rural production activities. 	<ul style="list-style-type: none"> • Sets clear expectations for community. • Maintains amenity within NC and retains land for more appropriate uses. • Rural production activities are required to locate in more appropriate Zones.
Industrial Activities				
Industrial Activities	Non-complying.	<ul style="list-style-type: none"> • Permit all industrial activities • Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying. • Discretionary activity. 	<ul style="list-style-type: none"> • Consent would be required for these activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> • Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain NC land for more appropriate activities that are more consistent with the NC objectives. • Improved amenity of NC by avoiding adverse effects from industrial activities.
Residential Activities				
Supported Residential Care	Permitted with controls for numbers of patients, density of accommodation units, requirements for outdoor living space.	<ul style="list-style-type: none"> • Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying. • Discretionary activity. • Non-complying activity. 	<ul style="list-style-type: none"> • Additional controls for Supported Residential Care compared to the status quo. • NC has a strong focus on active frontage at ground level and would not be achieved by Supported Residential Care activities. • Potential for reverse sensitivity with residential activities in proximity. 	<ul style="list-style-type: none"> • Supported residential care is appropriate where potential effects are limited to those similar to a residential activity. • Maintains accessibility, sense of community for residents.

Residential Unit (Principal and Minor)	Permitted provided that activities are ancillary to commercial service, food and beverage or retail activity. With controls for minimum internal areas, outdoor living courts. Notification exemption is provided for residential units which only infringe on-site amenity rules e.g. outdoor living courts.	<ul style="list-style-type: none"> • Status quo – permitted with outdoor living court controls. • Permitted with additional effects based controls such as outlook space and habitable room orientation. • Discretionary activity. 	<ul style="list-style-type: none"> • Additional controls for residential units compared to the status quo. • Some urban design issues would not be actively managed by the District Plan. • NC has a strong focus on active frontage at ground level and would not be supportive of residential units at ground floor. • Potential for reverse sensitivity with residential activities in proximity to noisy or late night activities. 	<ul style="list-style-type: none"> • Residential activities are encouraged to locate in appropriate locations, while recognising the value of co-location. • Protects the NC to primarily provide for activities supplying good and services. • Additional urban design controls to ensure on site amenity for residents is protected, while not being overly restrictive. • Consistent with NC objectives, higher order policy direction and higher order documents.
Retirement Village Premises	Permitted with controls for numbers of patients, density of accommodation units, requirements for outdoor living space.	<ul style="list-style-type: none"> • Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying. • Discretionary activity. • Non-complying activity. 	<ul style="list-style-type: none"> • Additional controls for Supported Residential Care compared to the status quo. • NC has a strong focus on active frontage at ground level and would not be achieved by Supported Residential Care activities. • Potential for reverse sensitivity with residential activities in proximity. 	<ul style="list-style-type: none"> • Supported residential care is appropriate where potential effects are limited to those similar to a residential activity. • Maintains accessibility, sense of community for residents.
Commercial Activities				
Motor Vehicle Sales Garden Centres Marine Retail Drive Through Facilities Hire Premise Service Stations Funeral Home Trade Suppliers	Non-complying	<ul style="list-style-type: none"> • Status quo - permit activities except for offensive trades under the Health Act 1956 which are non-complying. • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of retail activities. 	<ul style="list-style-type: none"> • Consent would now be required for these retail activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities establishing in the NC and having adverse effects if the policies do not appropriately manage effects. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale commercial activities are encouraged to locate in more appropriate zones.
Grocery Store	Permitted with maximum GFA of 300m ²	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • GFA limit keeps activities at a human scale and retains fine grain character of NC. • Large scale commercial activities are encouraged to locate in more appropriate zones.

General Retail	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • More permissive than a 450m² GFA limit. • Large scale activities are encouraged to locate in more appropriate zones.
Commercial Services	Permitted with maximum GFA of 300m ² and an outdoor area less than 500m ² .	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale commercial activities are encouraged to locate in more appropriate zones.
Food and Beverage Activity				
Entertainment Facilities	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Non-complying activity. 	<ul style="list-style-type: none"> • Consent would now be required for these activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities establishing in the NC and having adverse effects if the policies do not appropriately manage. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale commercial activities are encouraged to locate in more appropriate zones.
Visitor Accommodation	Permitted with controls for numbers of visitors, density of accommodation units, requirements for outdoor living space.	<ul style="list-style-type: none"> • Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying. • Discretionary activity. • Non-complying activity. 	<ul style="list-style-type: none"> • Additional controls for Visitor Accommodation compared to the status quo. • NC has a strong focus on active frontage at ground level and would not be achieved by Visitor Accommodation activities. • Potential for reverse sensitivity with residential activities in proximity. 	<ul style="list-style-type: none"> • Visitor Accommodation is supported where potential effects are limited to those similar to a residential activity.
Community Activities				
Place of Assembly	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted. • Permitted with 450m² GFA limit. • Non-complying activity. 	<ul style="list-style-type: none"> • Consent would now be required for these activities with policies that would not be strongly supported. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale community activities are encouraged to locate in more appropriate zones.
Recreational Facilities				

			establishing in the NC and having adverse effects if the policies do not appropriately manage effects.	
Care Centre	Permitted with controls for numbers of patients, density of accommodation units, requirements for outdoor living space.	<ul style="list-style-type: none"> • Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying. • Discretionary activity. • Non-complying activity. 	<ul style="list-style-type: none"> • Additional controls for Care Centre compared to the status quo. • NC has a strong focus on active frontage at ground level and would not be achieved by Care Centre activities. • Potential for reverse sensitivity with residential activities in proximity. 	<ul style="list-style-type: none"> • Care Centre is supported where potential effects are limited to those similar to a residential activity. • Maintains accessibility, sense of community for residents.
Educational Facilities	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Non-complying activity. 	<ul style="list-style-type: none"> • Consent would now be required for these activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities establishing in the NC and having adverse effects if the policies do not appropriately manage effects. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale community activities are encouraged to locate in more appropriate zones.
Health Care Facilities	Permitted with maximum GFA of 300m ²	<ul style="list-style-type: none"> • Status quo – permitted • Permitted with 450m² GFA limit. • Permitted with 1000m² GFA limit. 	<ul style="list-style-type: none"> • Consent would now be required beyond the GFA threshold. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Larger individual activities may be enabled by NC policies but would require careful design consideration to ensure compatibility with the NC. • Large scale community activities are encouraged to locate in more appropriate zones.
Emergency Service	Non-complying	<ul style="list-style-type: none"> • Status quo - permit activities except for offensive trades under 		

Hospital		<p>the Health Act 1956 which are non-complying.</p> <ul style="list-style-type: none"> • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of retail activities. 	<ul style="list-style-type: none"> • Consent would now be required for these retail activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. • Plan change option does allow for consent to be applied for which could result in some these activities establishing in the NC and having adverse effects if the policies do not appropriately manage. 	<ul style="list-style-type: none"> • Consistent with NC objectives, higher order policy direction and higher order documents. • Large scale community activities are encouraged to locate in more appropriate zones.
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Efficiency and Effectiveness

120. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:

- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the NC.
- The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes.
- The proposed rules provide for a permitted threshold of activities, in line with the NC objectives, so that consent requirements are not excessive.
- In combination with the other zones proposed under PC88 the definition grouping activities are provided for in areas considered appropriate. As demonstrated in Attachment 1 of Part 1 of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across this District.

Economic Growth and Employment Opportunities

121. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed NC rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the NC.

122. As discussed previously, in combination with the other zones proposed under PC88 the range of definition grouping activities are provided for across various zones. While some activities are not encouraged or enabled in the NC they are provided for elsewhere.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

123. There is no known risk due to insufficient information.

Conclusion

124. The plan change options detailed within Table 27 are considered to be the most appropriate methods to achieve the proposed NC objectives.

Subdivision

125. The proposed NC objectives seek to enable and encourage commercial and community activities to provide convenient and neighbourhood services. while maintaining urban character and the surrounding residential amenity and seeking to achieve high quality urban design outcomes. To achieve these objectives, subdivision of land, minimum allotment size, allotment shape and minimum frontages within the NC must be carefully managed.

126. Proposed Rule SUB-R5 manages subdivision within the NC with a proposed allotment size of 450m². The WDP provides for subdivision in the L1 and B3 as a controlled activity where the net site area of an

allotment is at least 500m² (reticulated) and 100m² respectively. The proposed minimum allotment net site area is less than the Living Environments in the WDP, but larger than B3. The proposed minimum allotment net site area is consistent with that proposed in the Medium Density Residential Zone to maintain a level of amenity and built density similar to the surrounding residential environments. Maintaining a larger lot size of 450m² enables sufficient area for primary and ancillary activities onsite such as a retail activity with ancillary residential unit.

127. In conjunction with the minimum allotment net site area, it is proposed to impose a minimum site frontage of 14m and an allotment dimension either a circle with a diameter of 14m, or a square of at least 12m by 12m. These shape factors further protect the amenity values of the NC and the surrounding residential zones. The WDP currently imposes similar shape factor rules.

128. Alternatives considered were:

- **Option 1:** Retain the current L1 minimum allotment size (500m² GFA) and shape factor rules.
- **Option 2:** Retain the current B3 minimum allotment size (100m²) and shape factor rules.
- **Option 3:** Minimum allotment size of 450m² and shape factor rules. (Plan Change Option)

129. Evaluation of these alternative options have been summarised in Table 28:

TABLE 28: SECTION 32 ASSESSMENT OF NC SUBDIVISION OPTIONS		
	Costs	Benefits
Option 1: Retain the current L1 minimum allotment size (500m² GFA) and shape factor rules	<u>Environmental</u> Lack of intensification and consolidation of activities compared to B3 in the WDP. <u>Economic</u> Opportunities for development are retained but capacity is limited. <u>Social and Cultural</u> None identified.	<u>Environmental</u> Maintains current levels of amenity anticipated within residential areas. <u>Economic</u> Maintains opportunities for development. <u>Social and Cultural</u> None identified.
Option 2: Retain the current Business 3 minimum allotment size (100m²) and shape factor rules.	<u>Environmental</u> Allotment size, frontage and future built development is significantly different to L1 in the WDP and the surrounding residential environment. Does not maintain the amenity of the NC and surrounding residential zones. <u>Economic</u> Increased density of development and on-going demand on services with implications for infrastructure funding and development. <u>Social and Cultural</u> None identified.	<u>Environmental</u> None identified. <u>Economic</u> Significant opportunities for development. <u>Social and Cultural</u> None identified.
Option 3: Minimum allotment size of	<u>Environmental</u> None known. <u>Economic</u>	<u>Environmental</u> Maintains current levels of amenity anticipated within residential areas.

450m2 and shape factor rules. (Plan Change Option)	Opportunities for development are retained but capacity is limited. <u>Social and Cultural</u> None identified.	<u>Economic</u> Increased development opportunities from status quo. <u>Social and Cultural</u> None identified.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Consultation and research have confirmed that the status quo option could effectively provide for development within the NC. Option 1 does not efficiently provide for the opportunity to accommodate for growth and consolidation of NC.	
Option 2	Option 2 is not considered to be efficient and effective as it potentially alters the amenity of the NC to be inconsistent with the NC objectives.	
Option 3	Option 3 is considered to be efficient and effective as it provides for development in a manner that is consistent with the amenity of the NC.	
Economic Growth and Employment Opportunities		
Option 2 provides the most economic growth and employment opportunities by decreasing minimum allotment size. Option 3 provides for limited opportunities for economic growth and employment in the NC.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

130. Option 3 (Plan change option) is considered to be the most appropriate method. Option 3 will achieve the expectations for the NC and achieve the proposed NC objectives.

6. Conclusion

131. Pursuant to s32 of the RMA, the proposed LC and NC objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
132. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to local and neighbourhood commercial areas.

Plan Change 88F: Shopping Centre Zone

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 7** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated within the s32 evaluation report for **Plan Change 148**.

1.2 The Proposed Plan Change

2. Plan Change 88F (**PC88F**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Shopping Centre Zone (**SCZ**). The SCZ proposes to replace the existing Business 3 (**B3**), Business 4 (**B4**) and Open Space (**OS**) Environments at Okara Shopping Centre (**Okara**); and to replace the existing Business 2 (**B2**) Environment at Tarewa Shopping Centre (**Tarewa**) and at an area west of Okara on the northern side of Commerce Street (**Okara West**). PC88F will include:
 - A new 'Shopping Centre Zone Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the SCZ.
 - Consequential changes to the WDP.
3. PC88F includes a description of the proposed SCZ to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. The central area of Whangarei City is referred to as the City Centre. The City Centre has not been explicitly defined in previous strategic documents or plans; although the policy framework in the WDP does refer to inner and outer CBD. The WDP describes the B1 Environment as generally comprising Whangarei's City Centre (shown in red in Figure 1 below) and provides support for Bulk Format Retail (**BFR**) activities to be located outside of the inner CBD and are more appropriately located in the outer (periphery) CBD and away from sub-urban nodes or local centres.

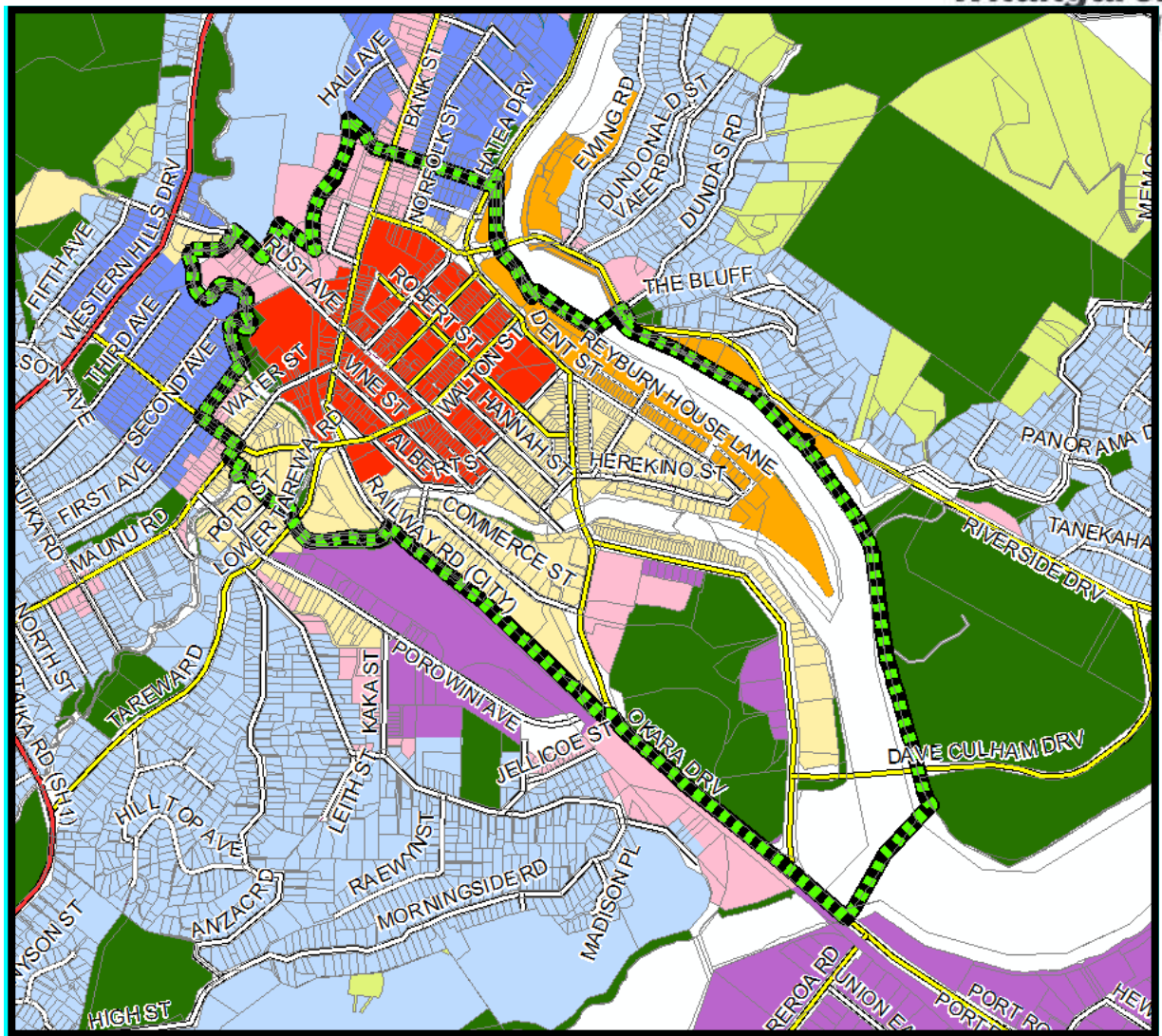


Figure 1: Whangarei Central meshblock outlined in green and black

5. The policy frame work notes that “these locations are more appropriate because of the size and function of such retail activity, and their potential to compromise pedestrian or residential amenity values. Bulk format retail typically require large building footprints and large servicing and car parking areas due to the nature of their retail activity” and goes on to note that “retail activities such as shopping centres can generate much greater social, economic and environmental benefits if they are located within mixed-use activity centres, co-located with other complementary stores. This type of retail will be supported in the inner and outer CBD, and for primary and secondary suburban nodes”.
6. The Environments (zones) in the WDP outside of the B1 (i.e. the B2 – 4 and Living 1 – 3 Environments) are generally quite permissive. A wide variety of commercial and industrial activities are enabled within the Business Environments, however within those Environments there are not currently zoning provisions which clearly provide for appropriate establishment of BFR.
7. In 2014 Council notified a plan change to the WDP (PC130) which proposed a new Bulk Format Retail Environment (**BRFE**). The spot zone was designed with standalone provisions and sought to legitimise zoning provisions at Okara Park Shopping Centre and to extend those provisions to an adjacent piece of Council owned land, currently zoned Open Space), and previously occupied by the

Old Boys Rugby Club. Upon appeal, PC130 was disallowed by the Environment Court which concluded that the plan change was not supported by the WDP.

8. PC88F is very different to PC130. PC88F has been carefully considered in the context of a full review of the urban areas in the WDP, including a review of all Business Environments. PC88F is an integral part of a complete package of plan changes which includes a comprehensive review and replacement of Chapter 6 of the WDP on which the environment Court place considerable weight whilst determining PC130.
9. The content of PC88F also differs to PC130. The key differences are as follows:
 - PC130 proposed to spot zone Okara Shopping Centre. PC88F considers all potential shopping centre locations alongside a suite of plan changes addressing all Business zoning in the district.
 - PC130 provided for BFR. PC88F provides for shopping centres.
 - PC130 sought to extend the boundary of Okara Park Shopping Centre to provide additional capacity for BFR. PC88F does not provide additional capacity and is limited to locations where shopping centres already exist – Tarewa, Okara and Okara West (**the shopping centres**).

2.2 Resource Management Issues

10. Sections 2.2.1 – 2.2.4 discuss the following key resource management issues in relation to the shopping centres.
 - Commercial sprawl
 - Connectivity and transport
 - Urban design outcomes
 - Dishonest zoning

2.2.1 Commercial sprawl

11. Over the last decade there has been an ongoing decline of the City Centre as the primary retail and commercial service centre for the District. This has resulted in a number of empty shops and office space. This has flow on effects of decreased foot traffic, and a subsequent lack of vibrancy including a limited night-time and weekend economy.
12. One of the drivers identified for this decline is that of commercial sprawl, or businesses locating outside of normal business areas. Commercial sprawl usually manifests in three main ways:
 - Sporadic retail and commercial development throughout Whangarei City, including within areas zoned for industrial purposes.
 - Sizeable retail centres locating outside of the City Centre (including the shopping centres).
 - Commercial activities spreading into residential areas, particularly on the City Centre fringe and along arterial routes.

13. The issue of commercial sprawl is primarily caused by the inadequacy of planning provisions in Environments (zones) outside of the B1 (i.e. the B 2 – 4 and Living Environments). Often these provisions are not restrictive enough to effectively manage commercial expansion. Supporting objectives and policies also do not give sufficient guidance or weight to clearly preclude certain types of commercial development from some areas. This allows a wide range of commercial activities to exist within different Environments, undermining any preference to preclude particular activities (e.g. office or retail) from operating within light industrial or residential areas in proximity to the City Centre; or in the case of large retail activities, in locations further away from the City Centre than is considered appropriate.
14. The issue of commercial sprawl is directly related to the shopping centres. These have (generally) been established and/or expanded into new locations by way of resource consents. The shopping centres have a history of cumulative sprawl. This was noted by the Environment Court in the decision for PC130. However, the shopping centres now form part of the existing environment and represent significant physical resources that must be managed.
15. PC88F proposes a new Shopping Centre Zone chapter which will clearly define the outcomes and expectations for the shopping centres and provide for appropriate activities within them. Along with PC88A, and PC88F working together aim to address commercial sprawl by revising the planning framework for Whangarei city and encouraging appropriate activities to be consolidated in the City Centre and within the existing shopping centres.

2.2.2 Connectivity and transport

16. Historically the City Centre has been dominated by, and designed for, motor vehicles. This has, in part, resulted in poor connectivity between the City Centre and surrounding areas such as the Town Basin, the Civic Centre at Forum North and the shopping centres. For example, the roading network forms a barrier to pedestrian movement, and is particularly detrimental to the connection between the City Centre and the Town Basin. Additional hindrances to connectivity include a lack of wayfinding information and limited public transport options.
17. Projects such as the Hatea Loop and the Pocket Park on Port Road have been completed to improve the connectivity between the shopping centres and the City Centre. Projects such as Parking to Park and the Green Blue Network are also planned to further pedestrianise the City Centre and enhance connectivity between key parts of Whangarei City, including between the City Centre and the shopping centres.
18. Pedestrian connectivity has been enhanced in recent years. There is still room for improvement to allow easier access on foot (as well as cycle), and to improve the experience of people within Whangarei City, and within the shopping centres in particular. Although the shopping centres are 'destination centres' to which people drive in order to undertake shopping activities, shoppers become pedestrians on arrival and while undertaking activities in the shopping centres. Providing a more appropriate balance between these aspects of design is an issue addressed by PC88F.
19. The issues of connectivity and transport are largely addressed through Plan Change 109 – Transport, as well as through mechanisms outside the District Plan and RMA. However, this is also a key issue

within the SCZ and is central to the consideration of PC88F. It is vital to retain a pedestrian scale within the SCZ and provide for activities which are primarily pedestrian-centric rather than vehicle-centric.

2.2.3 Urban design outcomes

20. Sense of place is made up of a sense of belonging/attachment to a location and physical (urban design) and intangible elements of a place that contribute to its special character or 'familiarity'. A strong sense of place is important for people to positively identify with where they live, and to attract visitors and businesses. A sense of place is also important for the promotion or 'branding' of a city and can strengthen stewardship towards the urban environment.
21. Good urban design can be used to enhance sense of place by signifying specific areas/character, creating gateways and wayfinding features, and framing streets and view shafts towards natural areas. However, urban design responses should not be generic, but have an appropriate recognition of the history, character and function of the specific location.
22. Generally, there is a lack of consistency and quality urban design and landscaping in Whangarei City. This urban environment does little to encourage a strong sense of ownership and belonging. Positive urban design outcomes are required if Whangarei is to create an attractive environment for people to live, work and visit. PC88F considers different approaches to addressing urban design at the shopping centres. This is discussed further in section 4.

2.2.4 Dishonest Zoning

23. The development of the shopping centres has, historically, been resource consent driven. This has resulted in development in some areas which does not reflect the underlying zoning. Zoning anomalies are most obvious at Okara where parts of the development are currently zoned Open Space. The Environment Court noted in the decision for PC130 that resource consents had been granted for activities which were inconsistent with underlying zoning and that the matter should be resolved as part of a general revision of Business zones and /or of the WDP.

3. Proposed Shopping Centre Zone

24. The proposed SCZ aims to consolidate existing larger general retail activities within the existing shopping centres. The SCZ is intended for predominantly larger general retail, with limited provision made for supporting small scale food and beverage activities such as cafes for the comfort of visitors and employees.
25. The SCZ features comparative shopping 'destinations' and recognises the need for large retail spaces. Shopping centres are car-focused and require sizeable areas for suitable vehicle access and on-site parking to cater for private motor vehicles. It is essential that shopping centres are designed to be safe and pleasant for pedestrians and cyclists as well.
26. High traffic volumes and the requirement for larger sites than are available in the City Centre and Local Commercial Centres mean that the SCZ is incompatible with the anticipated amenity and

character of these zones. Shopping centres can have significant adverse effects on the vitality and functioning of other commercial and/or retailing centres such as the City Centre. Therefore, the extent to which shopping centres within the SCZ compete with the functions of other centres must be carefully managed. The extent to which the SCZ affects the amenity of neighbouring zones must also be carefully managed. The SCZ is intended to provide an area within which shopping centres can be accommodated to manage potential effects.

27. The SCZ is appropriate where local infrastructure (i.e. roads, wastewater and storm-water) has sufficient capacity to accommodate and consolidate further development of larger general retail.
28. The proposed SCZ is distinct from any other proposed zones as the issues and anticipated environmental results are unique. It is a Special Purpose Zone (**SPZ**) which has been developed in accordance with draft National Planning Standards (**the Standards**). The criteria in the draft Standards for introducing a SPZ are that the proposed land use activities and anticipated development within the defined area:
 - a. Are significant to the district or region
 - b. Could not be enabled in by any other zone
 - c. Could not be enabled by the introduction of an overlay, precinct, designation, development area or specific control.

TABLE 1: SPECIAL PURPOSE ZONE CRITERIA ASSESSMENT	
Criteria	Considerations
A	The shopping centres are significant 'destinations' for residents and visitors to Whangarei District. People make dedicated and purposeful journeys to visit Tarewa, Okara and Okara West.
B	Other draft Standards Business zones were considered. The City Centre, Mixed-use, Commercial and Local Commercial zones are unable to achieve the quality urban design and consolidated larger general retail formation necessary to manage a 'destination' shopping centre.
C	Other planning tools were considered: overlay, precinct, development area and specific controls had to be so detailed in such a specific manner to achieve the anticipated development that they constituted a separate zone. Designation is not available as there is no appropriate requiring authority for shopping centre purposes.

29. It is proposed to achieve the SCZ outcomes through zone mapping, a new suite of objectives, policies and provisions specific to the Shopping Centre Zone and urban design guidelines.
30. With regard to zone mapping, existing areas which have been developed in a manner that is consistent with the anticipated outcomes of the SCZ are proposed to be mapped as SCZ. To determine whether an area of development is consistent with the SCZ the following criteria have been considered in accordance with zoning policy SD-P21:
 - The combined existing net retail area exceeds 2000m².
 - The net floor area for existing retail activities has a minimum average of 450m².

- Three or more existing retailers are located at a single existing 'destination' shopping centre.
 - Multiple national brands are present.
 - The shopping centre can be planned, managed and developed as a single facility.
 - Shared common public facilities (such as parking, restrooms, rest areas, pedestrian network) are provided.
 - The City Centre Zone is within 1km of the shopping centre.
 - The shopping centre is not bisected by a public road.
31. Strategic documents such as Whangarei 20/20 Plus (**20/20 Plus**), The Whangarei District Council Growth Strategy – Sustainable Futures 30/50 (**30/50**) were also used to guide the zone mapping of the SCZ. These strategic documents and the mapping criteria are further discussed in sections 4.2 and 4.4.2, respectively.
32. Three existing shopping centre locations were identified being Okara, Tarewa and Okara West. These locations are shown in Figure 2 below.

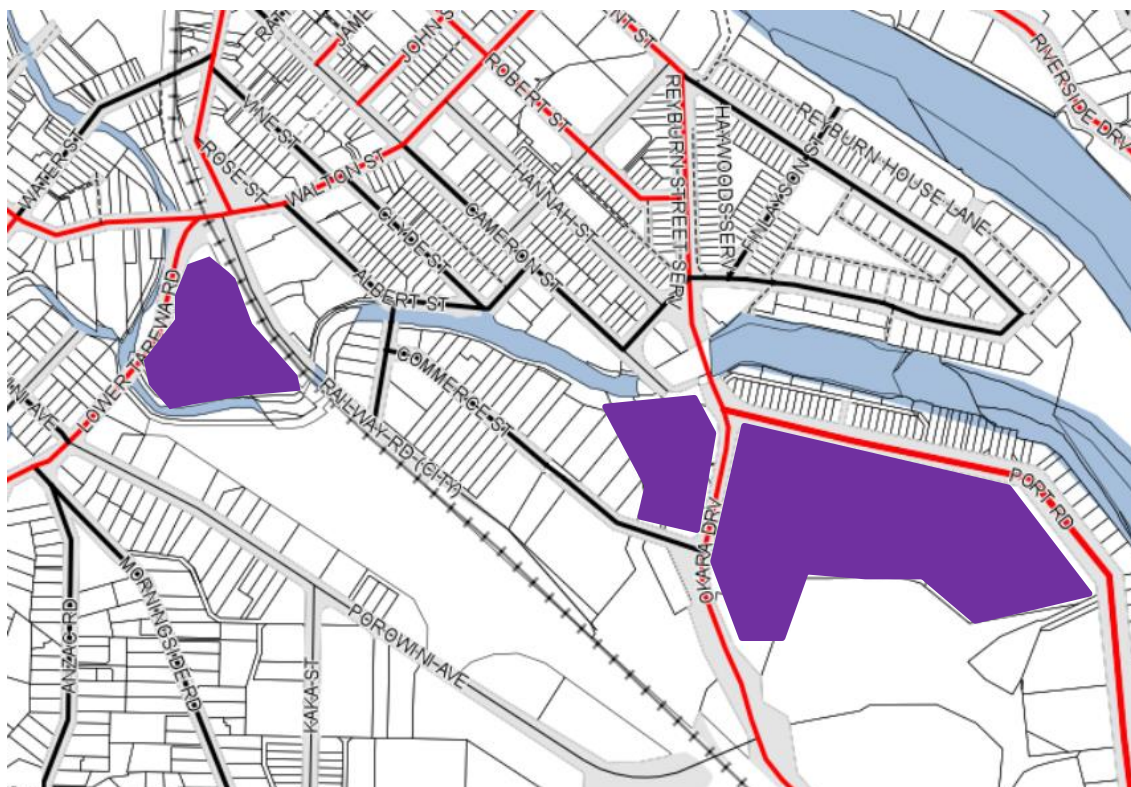


Figure 1: SCZ Zoning

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

33. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC88F is the most appropriate way to achieve the purpose of the RMA. To confirm the

appropriateness of the proposed objectives, sections 4.1, 4.2 and 4.3 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order objectives proposed in the Strategic Direction Chapter and other higher order documents. The level of analysis undertaken in this report is appropriate to the scale of the proposal.

34. PC88F seeks to revise the planning framework for the shopping centres. As discussed in section 2.2 above there are several resource management issues present within existing shopping centre locations. Therefore, it is considered appropriate to introduce the proposed SCZ to provide a more suitable planning framework for the shopping centres, and the City Centre and to address the current resource management issues.

35. PC88F proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED SCZ OBJECTIVES	
Proposed SCZ Objectives	Reason/Issue
SCZ-01 – Consolidation Larger compatible general retail stores are located in consolidated shopping centres.	This is an enabling objective to provide for a unique type of development type within appropriate locations.
SCZ-02 – Pedestrians A safe, pedestrian friendly and convenient shopping environment is provided.	This objective recognises that quality pedestrian environment is integral to quality shopping experience in a shopping centre and has been included to ensure that vehicle and pedestrian needs are both provided for in a balanced manner.
SCZ-03 – Centre Viability The primacy, function and vitality of the City Centre, Local Centres and Waterfront are supported.	Some activities are not anticipated within the shopping centres due to their scale, nature and intensity. These ensure that the shopping centres develop in a manner that is compatible with outcomes sought for the City Centre and Waterfront, and for the Local Commercial Zone which serves suburban shopping needs.
SCZ-04 – Adverse Effects Adverse effects on adjacent zones are managed.	Some effects created by shopping centres can have adverse effects on adjacent zones which could also compromise the outcomes of those zones. This objective is intended to ensure that development occurs in a manner which enables objectives and outcomes of all adjacent zones to be achieved and maintained.
SCZ-05 – Urban Design Development outcomes reflect best practice urban design.	It is intended that the general amenity and character of the shopping centres need to be relatively high. Methods of achieving this include implementing urban design standards discouraging future development or redevelopment which is not compatible with high quality urban design.

36. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed SCZ objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88F. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88F is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED CC OBJECTIVES WITH PART 2 OF THE RMA						
Proposed City Centre Zone Objectives						
		SCZ -01	SCZ -02	SCZ -03	SCZ -04	SCZ -05
RMA Part 2 Sections	5(2)(a)	✓	✓	✓		
	5(2)(c)		✓		✓	✓
	7(b)	✓		✓	✓	
	7(c)	✓	✓		✓	✓
	7(g)	✓		✓	✓	

37. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

38. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88F. Of particular relevance to PC88F are the Regional Policy Statement (RPS), Long Term Plan (LTP), 30/50, 20/20 Plus, 20/20 Momentum, the Urban growth Strategy (UGS), the Weekend and Night Time Economy Strategy (WNTES), Whangarei City Centre Plan (WCCP) and the Urban development Strategy (UDS). **Part 1** of the s32 provides a comprehensive evaluation of the consistency of PC88F in relation to relevant higher order documents. Table 4 provides an overview of the proposed SCZ objectives' consistency with the relevant higher order documents.

TABLE 4: LINKAGE OF PROPOSED SCZ OBJECTIVES WITH HIGHER ORDER DOCUMENTS						
Proposed City Centre Zone Objectives						
		SCZ -01	SCZ -02	SCZ -03	SCZ -04	SCZ -05
Higher Order Documents	RPS	✓	✓	✓	✓	✓
	LTP					
	30/50	✓		✓		
	20/20 Plus	✓	✓	✓	✓	✓
	20/20 Momentum	✓				
	UGS	✓		✓		
	WNTES		✓	✓		
	WCCP		✓	✓		
	UDS		✓	✓		✓

4.3 Appropriateness in Relation to Strategic Direction Chapter

39. The proposed SCZ objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148 (PC148). The overarching Strategic Direction Chapter objectives and policies and their links to the proposed SCZ objectives are shown in Table 5 below. This table illustrates that the objectives of the SCZ are effectively linked to the overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32.

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND SCZ OBJECTIVES		
Proposed Strategic Direction Objective	Proposed Strategic Direction Policies	Proposed SCZ Objectives
SD-01 Provide for differing character and amenity values by having a range of Environments with differing expectations.	SD-P1 To manage effects on character and amenity values by providing for a range of Environments with differing expectations.	SCZ-O1 SCZ-O2 SCZ-O3 SCZ-O4 SCZ-O5
	SD-P19 To provide for specific activities or areas where special circumstances apply by identifying and zoning areas as special purpose zones.	
	Zoning Policies SD-P21	
SD-02 Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4 To ensure that the scale and nature of new land use activities are consistent with the existing level of amenity and the stated overview for the relevant zone.	SCZ-O1 SCZ-O3
	SD-P10 To protect character and amenity by managing built form and encouraging best practice urban design.	SCZ-O4 SCZ-O5
SD-11 Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8 To ensure that there is sufficient residential and business development capacity by zoning land where Development is feasible and: <ul style="list-style-type: none"> 1. Is serviced with development infrastructure; or 2. Funding for development infrastructure is identified in the Long Term Plan. 	SCZ-O1
SD-012 Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P10 To protect character and amenity by managing built form and encouraging best practice urban design.	SCZ-O2 SCZ-O4 SCZ-O5

SD-013 Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2 To manage the establishment and location of new activities to avoid conflicts between incompatible land uses.	SCZ-O1 SCZ-O3 SCZ-O4
	SD-P4 To ensure that the scale and nature of new land use activities are consistent with the existing level of amenity and the stated overview for the relevant zone.	SCZ-O1 SCZ-O3

4.4 Appropriateness of Proposed Policies and Methods

40. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed Policies

41. The proposed SCZ objectives seek to support the City Centre, Local centres and Waterfront by consolidating larger general retail activities into existing shopping centres. The objectives seek to improve pedestrian experiences within the shopping centres and to support best practice urban design as development occurs. These objectives are achieved through the application of policies and methods, as well as the use of land use and subdivision rules.
42. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the SCZ.
 - Enabling activities that enhance the vibrancy, economic performance, walkability and amenity of the SCZ.
 - Discouraging activities that could compromise the vibrancy, economic performance, walkability and amenity of the City Centre, Local Centres or the Waterfront.
 - Requiring development and redevelopment to be well designed by:
 - Providing for quality communal facilities and landscaping
 - Ensuring buildings are designed with active frontages to create a pleasant and safe place to walk.
 - Ensuring building exteriors are appropriately treated
 - Ensuring buildings are positioned in a manner that improves pedestrian and cyclist circulation while supporting connections within the shopping centres.

- Managing subdivision design to ensure that the use of land for shopping centres is protected.
- Managing the scale and design of buildings to achieve quality urban design outcomes and ensure that sunlight access to adjacent zones is protected.
- Managing activities to support safe and efficient provision and operation of infrastructure.
- Preserving public access to future reserve and esplanade areas.

43. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the SCZ chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the WDP rolling review. Table 6 below demonstrates that the policies proposed for the SCZ implement the proposed SCZ objectives, and that the methods implement the proposed SCZ policies:

TABLE 6: LINKING OF PROPOSED SCZ PROVISIONS		
Proposed SCZ Objective	Proposed SCZ Policies	Proposed SCZ Methods
SCZ-01 – Consolidation Larger compatible general retail activities are located in consolidated shopping centres.	SCZ-P1-5	SCZ-R8-25
SCZ-02 – Pedestrians A safe, pedestrian friendly and convenient shopping environment is provided.	SCZ-P9	SCZ-R2 SCZ-REQ1
SCZ-03 – Centre Viability The primacy, function and vitality of the City Centre and Local Centres are supported.	SCZ-P1-5	SCZ-R8-25
SCZ-04 – Adverse Effects Adverse effects on adjacent zones are managed.	SCZ-P1-13	SCZ-R4 SCZ-R6 SCZ-R7
SCZ-05 – Urban Design Development outcomes reflect best practice urban design.	SCZ-P6-13	SCZ-R2 SCZ-R5 SCZ-R9 SCZ-REQ1

44. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D and Chapter 6 of the WDP. However, the existing policies are not considered to be effective in clearly stating the types of activities that are appropriate within the shopping centres, where the shopping centres are located, or encouraging high quality urban design outcomes. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed SCZ Boundaries

45. Spatial mapping is considered to be an appropriate method of achieving the objectives of the SCZ as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the SCZ in achieving the objectives of the SCZ the following three options were evaluated:

- **Option 1: Status Quo:** Retain the current underlying zoning at the shopping centres.
- **Option 2:** Map the SCZ based on the criteria identified in section 3 above. (Plan change option).
- **Option 3:** Map the shopping centres based on new business zones proposed in the urban area review / draft Standards (ie don't use the SCZ).

46. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental</u> Development at inappropriate locations will continue to compromise urban environment and amenity. Dishonest zoning will not be addressed Fails to sustainably manage the existing shopping centre resources. <u>Economic</u> Commercial sprawl will continue to compromise the City Centre Inconsistent with other proposed Business zones Inconsistent with draft Standards <u>Social</u> Larger more fragmented City which is not as well connected and walkable. <u>Cultural</u> None identified.	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> None identified
Option 2: Map SCZ based on criteria in section 3	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Reduced spatial area for activities enabled by SCZ (e.g. consolidated larger general retail supported by small scale food and beverage activities, etc.)	<u>Environmental</u> Pedestrian orientated Consolidated provision for larger general retail supported by small scale food and beverage activities Consistent with and works together with other proposed Business zones <u>Economic and Social</u> Larger general retail activities are provided for in a manner which complements and supports the City Centre. Consistent with and works together with other proposed Business zones <u>Cultural</u> None identified.
Option 3: Rezone to new Business zone	<u>Environmental and Cultural</u> None identified. <u>Economic and Social</u> Significantly reduced opportunities for activities enabled by SCZ (e.g. larger general	<u>Environmental and Cultural</u> None identified <u>Economic and Social</u> None identified

	retail, small scale food and beverage activities, etc.) Oversupply other land for other activities could be created which could result in additional commercial sprawl or incompatible land uses.	
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option has produced a large sprawling commercial area which has resulted in an inefficient pattern of investment and development.	This option is not effective as it creates a City that is fragmented and sprawling. It also compromises the viability of the City Centre.
Option 2	This option would efficiently consolidate the shopping centres in more suitable locations with existing land uses that are appropriate for larger general retail activities and supportive of the City Centre.	This option would effectively consolidate larger general retail activities development in existing areas and would provide for a more compact City with better connections with the City Centre.
Option 3	This option is similar to Option 2 but is slightly less efficient in the short term because the new zones do not provide for larger general retail activities to the extent that the plan change option does.	This option is similar to Option 1 but would be slightly more effective, addressing the issue commercial sprawl. The city would not be as walkable and connected as intended. And there would be increased uncertainty about the future of larger general retail activities developments.
Economic Growth and Employment Opportunities		
All options provide for a similar level of economic growth and employment opportunities as the shopping centres would be zoned as one of the available Business Zones under any option. Each zone would enable a different range of activities, but each would provide economic growth and employment opportunities. With regard to the NPS:UDC, Option 2 provides sufficient land supply for the activities enabled by the SCZ provisions.		
Risk of acting and not acting if there is uncertain or insufficient information		
Option 1	The risk associated with not acting and acting is moderate in the instance of Option 1 as retaining the current zoning could further decrease the walkability of the City and increase the risk to the City Centre due to commercial sprawl as activities spread further to the periphery. Additionally, some of the periphery is identified as flood susceptible and high levels of infrastructure investment in these areas presents a risk.	
Option 2	The risk associated with not acting is moderate as the status quo would be maintained. The risk associated with acting is low as the proposed rezoning would reflect existing patterns of development and land use and will provide sufficient land supply for on-going development of the larger general retail activities in existing shopping centres.	
Option 3	The risk associated with not acting is moderate as the status quo would be maintained. The risk associated with acting is low to moderate because the option would partially resolve commercial sprawl issues, but would not provide for larger general retail activities with enough certainty.	

47. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the SCZ as it will best reflect patterns of existing land use and development, minimising commercial sprawl, while also providing land supply for on-going consolidated development and redevelopment of the shopping centres creating a compact and pedestrianised walkable area.

4.4.3 Proposed SCZ Rules

48. The proposed provisions in the SCZ are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Height, Height in relation to Boundary and Building Area

49. The proposed SCZ objectives seek to provide for larger general retail activities within shopping centres while requiring high quality urban design outcomes. To achieve this, larger scale developments need to be provided for while also managing the effects of large buildings.
50. Proposed Rule SCZ-R3 manages building height within the SCZ. The proposed maximum building height of 15m is less than the B1 maximum building height of 20m. It provides for construction of approximately 2-3 story buildings within the SCZ and provides opportunity for taller buildings to be provided by way of consent. This is considered appropriate because the resource consent process can ensure that the larger facilities achieve best practice urban design.
51. Proposed Rule SCZ-R4 manages the height of buildings in relation to their boundaries (**HIRB**). This is important where shading effects could compromise residential activity or sensitive zones nearby. The SCZ does not permit residential activity within it, however it is close to Waterfront and Mixed- Use Zones where residential activity is encouraged. Some SCZ is zoned next to land zoned Open Space, which is a sensitive zone.
52. Proposed Rule SCZ-R5, introduces a minimum building area size in the SCZ. This is to support development which meets the objectives for the SCZ, being to provide for larger general retail activities in a shopping centre format. The minimum sizes have been informed by relevant industry definitions.
53. Alternatives considered were:
- **Option 1:** Status Quo: Retain the current WDP building height rules.
 - **Option 2:** Manage building height HIRB and building area. (Plan change option)
 - **Option 3:** Have no building height controls in the SCZ.
54. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING HEIGHT, HIRB AND BUILDING AREA OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<u>Environmental, Economic, Social and Cultural</u> Inconsistent underlying zoning means there isn't a consistent height limit, HIRB or building area. Different parts of the shopping centres require different heights, which increases consent uncertainty.	<u>Environmental</u> None identified <u>Economic and Social</u> None identified. <u>Cultural</u>

		View shafts to Parihaka are better protected compared to having no building rules as per Option 3.
Option 2: Plan Change option	<u>Environmental</u> None identified. <u>Economic</u> The maximum building height and potential GFA is limited. <u>Social and Cultural</u> None identified.	<u>Environmental and Social</u> Building heights and locations are managed to minimise shading and adverse effects on sensitive zones and activities. SCZ land can be optimised <u>Economic</u> Consent process supports quality developments which will benefit shopping centres and the City Centre. Maximum GFA is not limited so capacity can be maximised. <u>Cultural</u> View shafts to Parihaka are protected.
Option 3: No maximum/minimum size controls	<u>Environmental, Social and Cultural</u> Without a maximum building height or HIRB, there is the potential for adverse effects in relation to shading, human scale of development and view shafts to Parihaka. No minimum build area could compromise shopping centre quality and the objectives of the SCZ. <u>Economic</u> Increased development could compromise shopping centre Quality and the viability of the City Centre.	<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Increased development opportunities with no height HIRB or minimum build area restrictions.
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	Option 1 is inconsistent and outcomes are uncertain.	The status quo does not reflect the outcomes sought by the SCZ objectives
Option 2	Option 2 is considered to be an improvement of the status quo provisions providing a more efficient method of achieving the objectives of the proposed SCZ.	Option 2 would result in the improvement of the status quo provisions increasing the effectiveness of the building provisions to meet the objectives of the proposed SCZ.
Option 3	Option 3 would result in no building size controls which will not result in any kind of management of effects, being totally inefficient and ineffective.	
Economic Growth and Employment Opportunities		
Option 3 provides the most economic growth and employment opportunities in the SCZ, by not managing building size. On balance Options 1 and 2 have similar impacts in terms of economic growth and employment opportunities as Option 1 has a variable baseline maximum but Option 2 provides a consistent standard and is a better option for economic growth and employment opportunities for Whangarei City as a whole.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no known risk due to insufficient information.		

55. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the SCZ and achieve the proposed SCZ objectives.

Building Setbacks

56. The WDP requires various setbacks in some areas identified as SCZ with up to 4.5m setbacks from roads in some locations, as well as setbacks from Living and Open Space Environment boundaries and Mean High Water Springs (**MHWS**).
57. Proposed Rule SCZ-R6 retains the building setbacks from MHWS and Living and Open Space Environment.
58. It important that the District Plan protects areas immediately adjacent to MHWS from inappropriate development and manages stormwater and amenity of nearly sensitive zones. The alternative considered was the status quo. Removing the provisions is not considered a be a viable alternative and have not been considered
59. Table 9 below demonstrates the appropriateness of the maintaining the status quo.

TABLE 9: S32 ASSESSMENT OF BUILDING SETBACK PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff. Improves amenity managing effects on areas and sensitive zones <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development Access to water ways is better protected.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed SCZ by improving walkability and managing amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Impervious Areas

60. The WDP does not manage impervious areas in the Business 2, 3 and 4 Environments. Proposed Rule SCZ-R7 would require consent for impervious areas greater than 85% of the net site area and impervious areas that are not setback 5m from MHWS.

61. With regard to the impervious area limit, one issue with the WDP is that the Business 2, 3 and 4 Environments apply to many different areas of the District, and each of these areas has different outcomes. The proposed SCZ is located in proximity to the City Centre and Mixed Use Zones and seeks to have a higher amenity than heavy industrial type zones in other locations. By providing a tailored SCZ zone for this area it provides the opportunity to introduce rules that are better suited to the area. This includes impervious area limits which aim to improve amenity and manage stormwater, both of which are identified issues in this area.
62. With regard to the MHWS setback, research has confirmed that impervious areas, such as car parks, adjacent to MHWS can compromise the future use of the esplanade area as a pedestrian walkway and have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.
63. The alternative considered was the status quo; however, it is important that the District Plan protects areas immediately adjacent to MHWS from inappropriate development and manages stormwater and amenity. The status quo does not manage this issue at all and is not considered to be a viable alternative
64. Table 10 below demonstrates the appropriateness of the proposed provisions.

TABLE 10: S32 ASSESSMENT OF IMPERVIOUS AREA PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff in a way that is also appropriate for a shopping centre. Improves amenity by requiring landscaping within sites to break up impervious areas.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed SCZ by improving walkability and managing amenity while appropriately providing for shopping centre development.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Provision of Communal Facilities and Pedestrian Connections

65. In Rule SCZ-R2, PC88F proposes requirements relating to entrances on to pedestrian connections for re-development in the SCZ. Rule SCZ-R5 proposes provision of communal bathroom facilities GFA is increased SCZ-R9 requires that small scale food and beverage activities provide rubbish bins and carefully locate seating for patrons. If the permitted activity requirements cannot be met, then the activity status becomes discretionary and decision making is supported by the SCZ policies.
66. These rules are intended to ensure that any activity which establishes in the SCZ contributes to communal facilities in the relevant shopping centre (as a whole) to collectively meet the objectives of the SCZ. Pleasant shopper and pedestrian experiences are central to the rationale for these provisions.
67. The alternative considered was the status quo; being no control of such matters. However, it is important that the District Plan encourages comprehensive development of communal facilities within shopping centres in order to achieve the objectives of the SCZ and for Whangarei District as a whole. Table 11 below demonstrates the appropriateness of the proposed provisions.

TABLE 11: S32 ASSESSMENT OF COMMUNAL FACILITIES AND PEDESTRIAN CONNECTIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by requiring store fronts to link to pedestrian walkways, and keeping seating clear of walkways. Improves shopping centre amenity by requiring rubbish bins to service food and beverage outlets., reducing litter. Helps to create a more shopper friendly experience <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity. Improved facilities will make shopping centre a more pleasant to be in and potentially increase time shoppers spend in them. <u>Cultural</u> None identified
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed SCZ by improving walkability and managing amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Definition Grouping Activities

68. **Part 1** of the s32 discusses the new definitions proposed under Plan Change 88. **Part 1** of the s32 assesses the residential and business capacity enabled through PC88. The proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity. Given that capacity has been assessed as being appropriate, Table 12 below provides an assessment of the plan change option for each definition grouping table activity for the SCZ

TABLE 12: SECTION 32 ASSESSMENT OF PROPOSED RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Prohibited	<ul style="list-style-type: none">• Permit all rural production activities• Non-complying Activity	<ul style="list-style-type: none">• Not able to apply for consent for rural production activities.	<ul style="list-style-type: none">• Sets clear expectations for community as rural production activities will not occur in SCZ.• Improves amenity within SCZ and retains land for more appropriate uses.• Rural production activities are required to locate in more appropriate Zones.
Plantation forestry				
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Prohibited	<ul style="list-style-type: none">• Permit all industrial activities• Allow some industrial activities• Non-complying Activity	<ul style="list-style-type: none">• Not able to apply for consent for industrial activities. Some industrial activities which are not necessarily noxious (e.g. warehousing and storage) are now prohibited in SCZ.	<ul style="list-style-type: none">• Industrial activities would compromise using the SCZ for larger general retail• Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain SCZ land for more appropriate activities that are more consistent with the SCZ objectives.• Improved amenity of SCZ by avoiding adverse effects from industrial activities.
Manufacturing and storage				
Repair and maintenance services				
Marine industry				
Waste management facility				
Landfill				
Artisan industrial activities				
Residential Activities				
Supported Residential Care	Prohibited	<ul style="list-style-type: none">• Permitted with additional effects based controls such as outlook space and habitable room orientation.	<ul style="list-style-type: none">• Not able to apply for consent for any residential activities• Additional controls for residential units compared to the status quo.	<ul style="list-style-type: none">• Avoids sensitivity of residential activities in proximity to noisy or late night activities.• Residential activities would compromise using the SCZ for larger general retail.
Principal Residential Unit				

Minor Residential Unit				<ul style="list-style-type: none"> Residential activities are required to locate in more appropriate zones which would avoid adverse effects from residential activities and retain SCZ land for additional activities that are more consistent with the SCZ objectives. Consistent with SCZ objectives, higher order policy direction and higher order documents.
Commercial Activities				
Motor Vehicle Sales Garden Centres Marine Retail Drive Through Facilities Hire Premise Service Stations Funeral Home Trade Suppliers Entertainment Facilities Home Occupation Visitor Accommodation	Non-Complying	<ul style="list-style-type: none"> Status quo - permit activities except for offensive trades under the Health Act 1956 which are non-complying. Provide for these activities as either permitted or discretionary with a suite of effects based controls. Prohibit these commercial activities Permitted with GFA limit. 	<ul style="list-style-type: none"> Consent would be required for these commercial activities with policies that would not strongly support them. Existing activities would rely on existing use rights and would require consent beyond existing use rights. Plan change option does allow for consent to be applied for which could result in some these activities establishing in the SCZ and having adverse effects if the policies do not appropriately manage the effects. Some commercial activities would compromise using the SCZ for larger general retail. 	<ul style="list-style-type: none"> Consistent with SCZ objectives, higher order policy direction and higher order documents. Improved amenity of SCZ by managing these commercial activities which could have negative character and amenity effects. SCZ land is retained for more suitable activities and these commercial activities are encouraged to locate in more appropriate zones. Provides for a non-complying tier of activities should there be an unanticipated but demonstrable need to locate in the SCZ.
Supermarket General Retail	Permitted with minimum NFA of 450m ²	<ul style="list-style-type: none"> Permitted 	<ul style="list-style-type: none"> Presence of these sized activities could compromise using the SCZ for larger general retail. Consent would now be required below the NFA threshold. 	<ul style="list-style-type: none"> Current shopping centre form reflect average NFA of 450m². Setting minimum NFA for these activities lower would compromise using the SCZ for larger general retail can could compromise the City Centre and the Waterfront. Consistent with SCZ objectives, higher order policy direction and higher order documents. Improved amenity of SCZ by managing these commercial activities which could have negative character and amenity effects.

				<ul style="list-style-type: none"> • SCZ land is retained for more suitable activities. • Small scale activities are encouraged to locate in more appropriate zones. • Supermarkets can act as anchor tenants for shopping centres.
Commercial Services	Permitted with maximum NLA of 100m ² and the total NFA of commercial services does not exceed 2% or occur in a standalone building.	<ul style="list-style-type: none"> • Permitted • Permitted with controls 	<ul style="list-style-type: none"> • These activities would not be actively managed by the proposed SCZ rules. • Some commercial services or food and beverage activities would compromise using the SCZ for larger general retail. 	<ul style="list-style-type: none"> • Food and beverage outlets are limited to a supporting role to avoid competing with the City Centre and Waterfront as a dining destination. • Consistent with SCZ objectives, higher order policy direction and higher order documents. • Improved amenity of SCZ by managing these commercial activities which could have negative character and amenity effects. • SCZ land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Food and Beverage Activity	Permitted with maximum NFA of 250m ² and the total NFA of food and beverage activities does not exceed 5% or occur in a standalone building.			
Community Activities				
Place of Assembly	Prohibited	<ul style="list-style-type: none"> • Non-complying Activity • Permitted • Limited Activities Permitted 	<ul style="list-style-type: none"> • Not able to apply for consent for community activities • Community activities would compromise using the SCZ for larger general retail. • Existing activities would require consent for extensions beyond existing use rights • Permitted threshold enables these activities to establish without consent which could diminish the land capacity for activities like residential units and offices. 	<ul style="list-style-type: none"> • Community activities would compromise using the SCZ for larger general retail. • Community activities are encouraged to locate in more appropriate zones.
Recreational Facilities				
Care Centre				
Educational Facilities				
Health Care Facilities				
Emergency Service				

Hospital				
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Efficiency and Effectiveness

69. It is considered that the proposed suite of rules for the definition grouping table activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the SCZ.
 - The proposed rules are more effective than the status quo in managing adverse effects and achieving positive outcomes as the shopping centres have a wide range of operative zoning in the WDP.
 - The proposed rules provide for a permitted threshold of activities, in line with the SCZ objectives, so that consent requirements are not excessive.
 - As demonstrated in of Part 1 of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across this District.

Economic Growth and Employment Opportunities

70. Rules managing the definition grouping table activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed SCZ rules provide for an appropriate range of activities to enable growth and employment while also protecting the purpose, amenity and character of the SCZ. The fact that some proposed rules are more restrictive for certain activities than the status quo is considered to be beneficial for economic growth and employment opportunities as this will improve SCZ amenity and in turn encourage more investment and development.
71. In combination with the other zones proposed under PC88 the range of definition grouping table activities are provided for across various zones. While some activities are not encouraged or enabled in the SCZ they are provided for elsewhere.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

72. There is no known risk due to insufficient information.

Conclusion

73. The proposed suite of rules for the definition grouping table activities for PC88F are considered to be the most appropriate.

Subdivision

74. SUB-R12 directs that subdivision within the SCZ requires a discretionary activity resource consent. Subdivision of land within the SCZ could result in fragmentation of land or subdivision in manner which could compromise the use of land for shopping centre use. A discretionary activity status allows all subdivision to be assessed on a case by case basis in accordance with the objectives and policies for the SCZ.

75. Alternatives considered were:

- **Option 1:** Status Quo – Retain the operative subdivision rules applying to the operative Environments in the SCZ, being Business 2. Business 3. Business 4 and Green Space Zones.
- **Option 2:** Proposed Plan Change - Discretionary activity status for all subdivision within SCZ.
- **Option 3:** Controlled activity status for all subdivision within the SCZ.

76. It is considered that Option 2 is the most efficient and effective for the following reasons:

- Option 1 is not an efficient nor effective option. Application of different rules from different Environments will create confusion and fail to manage the effects of subdivision. Rules which are not clear, certain and enforceable are not appropriate.
- Option 2 is the most efficient and effective option. It enables a case by case consideration of subdivision applications within the SCZ. This approach allows for consideration to be given to the variable needs and requirements of the shopping centres while affording protection against fragmentation of land.
- While Option 3 would result in slightly reduced compliance costs and provide greater flexibility and certainty for subdivision to occur within the SCZ, it is an ineffective and inefficient option as it will not allow the appropriate management of adverse effects that subdivision could have on the environment in terms of the fragmentation. It also provides limited protection to the values and amenity of sensitive adjoining zones that could be affected by subdivision.
- Option 3 provides the greatest economic growth and employment by giving the greatest flexibility and certainty for any potential future subdivision in the SCZ. Option 2 would also provide for economic growth and employment by ultimately providing for higher quality development. Option 1 would provide very limited economic growth or employment opportunities, if any.
- There is no known risk due to insufficient information.
- It is considered that Option 2 is the most efficient and effective for the following reasons:

Conclusion

77. The proposed subdivision rules PC88F are considered to be the most appropriate.

5. Conclusion

78. PC88F has been developed to provide for consolidation of larger general retail activities within existing shopping centres at Okara, Okara West and Tarewa.

79. Pursuant to s32 of the RMA, the proposed SCZ objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.

80. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to commercial sprawl, connectivity and transport, urban design outcomes and dishonest zoning.

Plan Change 88G: [Light Industrial Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 8** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88G (**PC88G**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Light Industrial Zone (**LI**). The LI proposes to replace portions of existing Business 2, 3 and 4 Environments within the UA. PC88G will include:
 - A new 'Light Industrial Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the LI.
 - Consequential changes to the WDP.
3. PC88G includes a description of the proposed LI to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Outside of the central city there is a mixture of Business 2 (**B2**), Business 3 (**B3**) and Business 4 (**B4**) Environments throughout the UA. The B3 typically applies to smaller scale local shopping centres; these have been addressed in **Part 6** of this report. The B2 has traditionally been considered a "light industrial" zone with the B4 being considered a "heavy industrial" zone. However, the B2 and B4 provisions are not significantly different and have resulted in relatively homogeneous zones.
5. The wide range of activities enabled in the B2 and B4 has led to non-industrial activities locating in the Environments, in some cases changing the character and amenity of the areas. By allowing commercial, retail, and in some cases residential activities, the WDP has created the potential for increasing land prices and reverse sensitivity effects. Additionally, as land in the B2 and B4 has been used for smaller scale uses this has depleted the supply of land available for industrial use.
6. The Upper North Island Industrial Land Demand report (**UNIILD**), prepared in February 2015, sought to review industrial land needs and current availability. The UNIILD used Whangarei District's industrial supply and demand as a case study. A key finding of this report is that:

Overall, land use planning is the most significant regulatory and policy influence affecting the supply and uptake of industrial land for industrial purposes. This provides a very strong message

that if the present function of industrial areas is to be retained then changes in land use cannot be left to the property market alone to resolve. Changes in accessibility by alternative transport modes and/or specific zoning changes may be required. The advantage of this approach is that in areas where competing, higher value land uses could crowd out industrial activity, industrial land for industrial purposes could be protected and industrial land supply maintained. It also has the added benefit of protecting the vitality of planned commercial and retail centres.

7. Besides industrial activities some of the key activities present in the B2 and B4 include uses such as garden centres, trade suppliers, hire premises and motor vehicle sales. It is important that these types of activities are provided for outside of the City Centre and local centres, as they are not considered appropriate in higher amenity commercial zones.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.3 discuss the following key resource management issues in relation to the LI and industrial activities generally:

- Adverse effects on sensitive activities
- Lack of strong policy direction
- Sufficient land supply

2.2.1 Adverse Effects on Sensitive Activities

9. Industrial activities and large scale commercial activities contribute to the ability of communities to provide for their needs, but have the potential to cause adverse effects on the environment and the character and amenity values of areas. Within the LI it is important that sensitive activities are discouraged to ensure that the ongoing operation of industrial type activities is protected. Additionally, as the B2 and B4 are often in proximity to more sensitive zones (i.e. Residential and Open Space Environments) it is important that methods are implemented at the zone boundary interfaces to manage adverse effects.

2.2.2 Lack of Strong Policy Direction

10. It is important that the LI provides clear direction of the anticipated outcomes of the zone. Lack of strong policy direction can lead to industrial land being used for non-industrial purposes, such as small-scale commercial or residential. This can result in:
 - A lack of certainty for industry investment decisions.
 - Rising land prices responding to higher value land uses such as retail, making land unaffordable for industrial land use.
 - Potential reverse sensitivity effects from sensitive activities, locating in proximity to existing industrial activities.
 - Commercial sprawl of retail, hospitality and commercial activities outside the central city area and into less appropriate areas, compromising the city's vitality and economic performance.

- Fragmentations of the industrial land supply through inappropriate subdivision removing the supply, or raising the price, of larger lots that some industrial land use requires.

2.2.3 Sufficient Land Supply

11. The National Policy Statement for Urban Development Capacity (**NPS:UDC**) requires WDC to provide sufficient business land development capacity and the required infrastructure to support this development. Industrial land supply requires flat relatively constraint free land that is protected from reverse sensitivity effects and has good access to transport routes. As there are several requirements for industrial land it is important that the potential available land is not unduly compromised. It is necessary to ensure that PC88G provides an appropriate amount of land for business and light industrial use.

3. Proposed Light Industrial Zone

12. The proposed LI provides for smaller-scale industrial activities and larger scale retail activities that are compatible with smaller-scale industrial activities such as motor vehicle sales, garden centres, trade suppliers and hire premises. Ancillary or supporting activities such as food and beverage activities are also provided for. However, other non-industrial activities are limited as a key principle of the LI is to preserve land for industrial uses.
13. Industrial activities range in scale and nature. Those anticipated within the LI are generally smaller scale, carried out indoors, and are unlikely to give rise to significant adverse effects beyond the site. This includes activities such as those involved with warehousing, bulk storage, light manufacturing and servicing activities. However, the anticipated level of amenity within the LI is lower than most other UA zones. Therefore, sensitive activities are restricted within the LI, and the scale, design and location of activities and buildings are managed on sites in proximity to more sensitive zones.
14. The following criteria have been used to identify appropriate areas for the proposed LI:

TABLE 1: PROPOSED LI ZONING CRITERIA	
Criteria	Reason/Issue
There is a range of existing smaller-scale industrial and large scale retail activities.	The LI is not anticipated to experience significant changes in land use patterns. Areas that contain an existing range of activities that are consistent with those anticipated in the LI are more appropriate to be zoned as LI than areas with a high presence of activities like restaurants, cafes, general retail, residential activities and community activities.
The area has good access to major transport routes and key resources and infrastructure.	Activities anticipated within the LI typically require access to road transport routes for deliveries and/or shipments. Access to key infrastructure such as ports and railroads is also beneficial.
The proximity of the area to more sensitive zones such as Living and Green Space Zones.	Activities in the LI are susceptible to reverse sensitivity. It is important that the LI is not located in areas that are surrounded by sensitive activities and/or more sensitive zones. Locations that are in proximity to large portions of zones such as Living, Green Space or Mixed-use Zones are less appropriate for the LI.
The existing amenity levels of the area.	The LI is not anticipated to experience significant changes in built form. Areas that have high amenity are not considered appropriate for the LI as the activities and effects based controls in the LI could compromise amenity values.

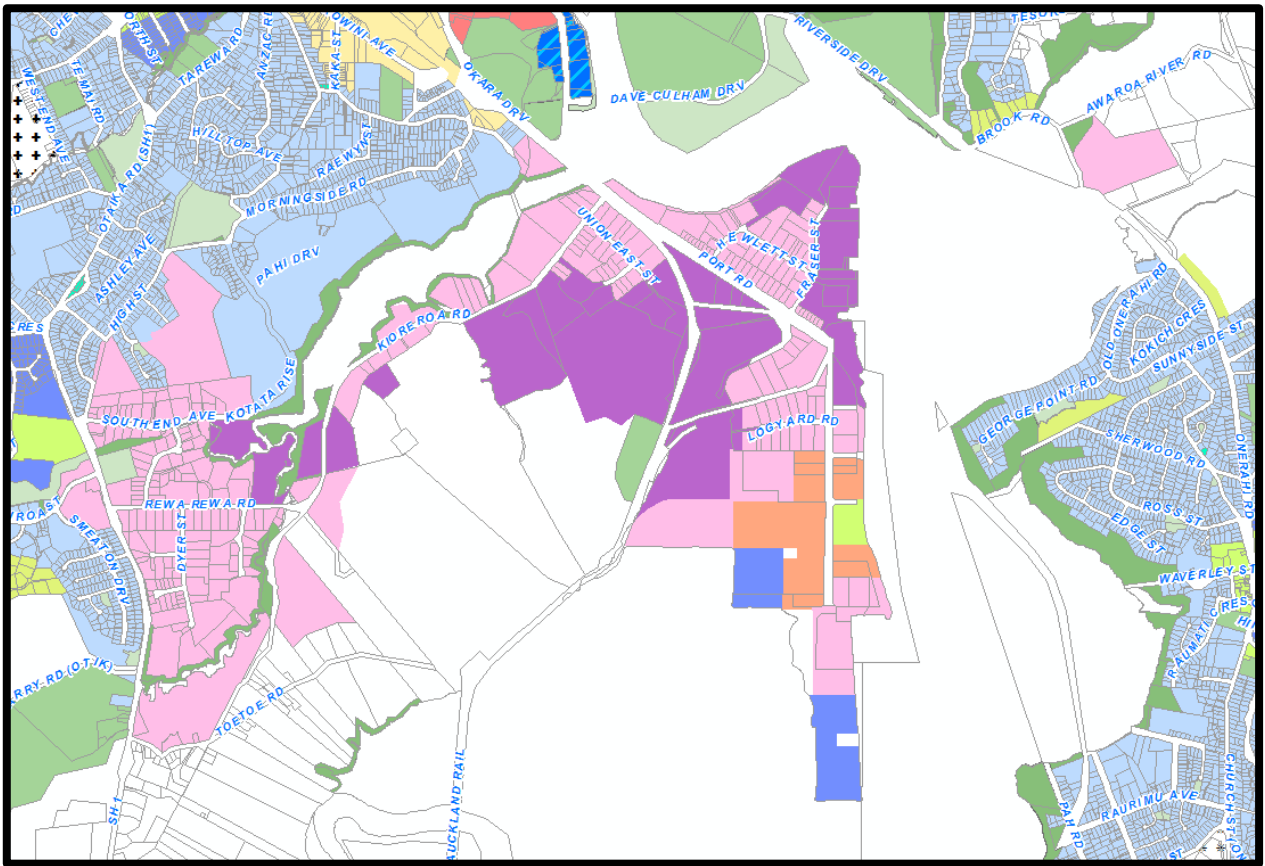


Figure 2: Proposed Light Industrial Zone south of Whangarei City shown in pink

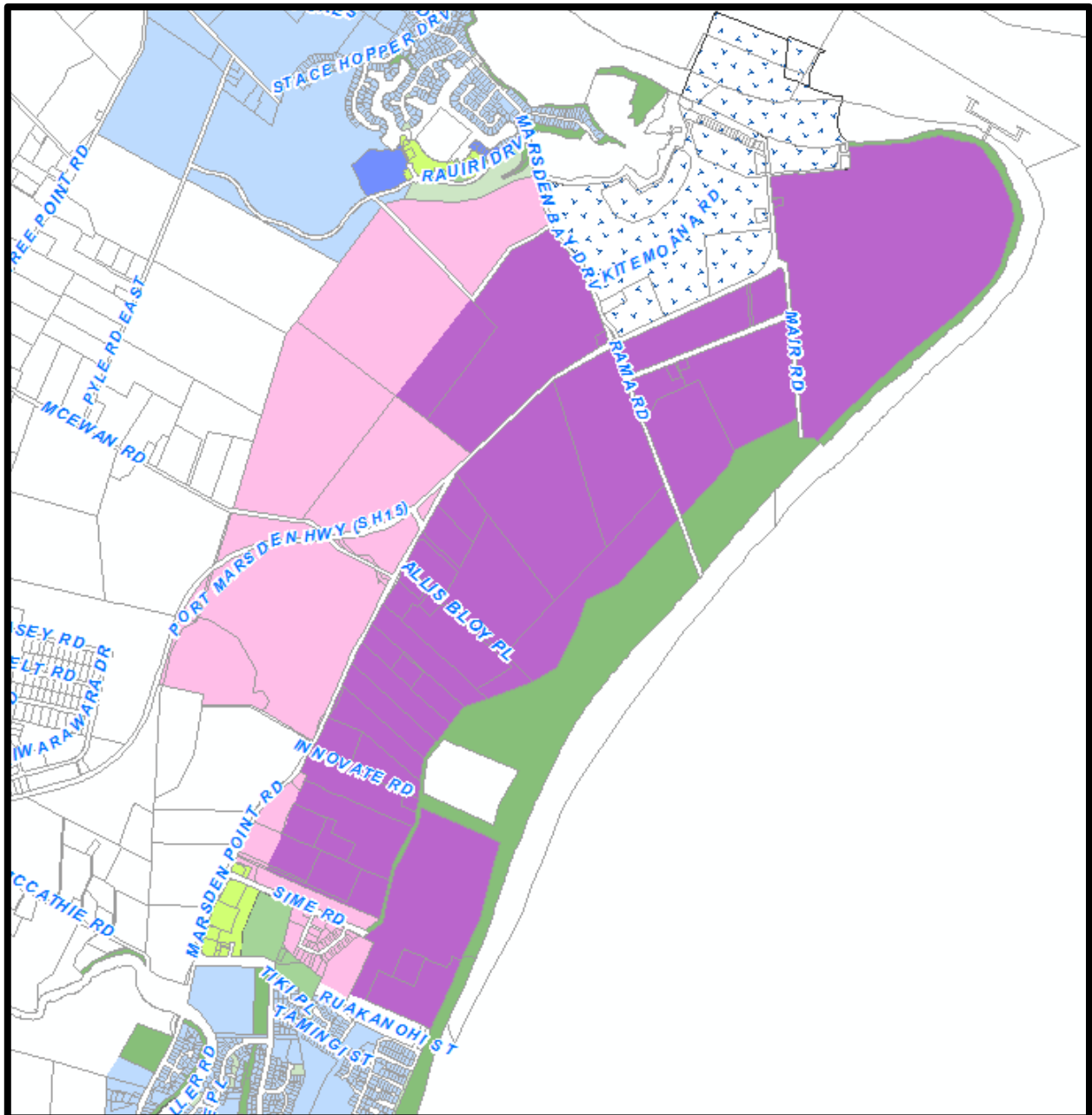


Figure 3: Proposed Light Industrial Zone at Ruakaka/Marsden Point shown in pink

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

16. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88G is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.

17. PC88G seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the LI and address the current resource management issues.
18. PC88G proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED LI OBJECTIVES	
Proposed LI Objectives	Reason/Issue
LI-O1 – Industrial Activities Industrial activities, that are not noxious or large in scale, establish and operate efficiently and effectively within the LI.	This objective aims to give clear guidance on the scale and nature of industrial activities that are anticipated within the LI to address the current lack of guidance regarding the purpose of the WDP Environments.
LI-O2 – Adverse Effects Potential adverse effects on adjacent zones and the environment are avoided, remedied or mitigated.	Smaller-scale industrial activities and large scale commercial activities have the potential to cause adverse effects on the environment and on character and amenity values. As the LI is in proximity to more sensitive zones (i.e. Living and Green Space Zones) it is important that adverse effects are managed.
LI-O3 – Ancillary Activities Ancillary and supporting activities are enabled while ensuring that industrial land supply is not compromised and that the viability and vitality of other Business Centres are maintained.	This objective acknowledges that industrial activities often involve or require ancillary activities. However, it is important that non-industrial activities are managed to protect industrial land supply.
LI-O4 – Reverse Sensitivity Avoid activities that may generate reverse sensitivity effects or compromise the operation of future industrial activities within the LI.	Smaller-scale industrial activities and large scale commercial activities require protection from the establishment of sensitive activities and the encroachment of more sensitive zones. This objective provides the direction to manage reverse sensitivity effects.
LI-O5 – Subdivision The supply of large allotments within the LI is preserved by managing inappropriate fragmentation from subdivision.	Subdivision patterns can result in fragmentation of industrial land which can compromise the long-term capacity of the LI to accommodate industrial activities and large scale commercial activities as intended by the zone.

19. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed LI objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88G. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88G is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED LI OBJECTIVES WITH PART 2 OF THE RMA						
		Proposed Light Industrial Zone Objectives				
		LI-O1	LI-O2	LI-O3	LI-O4	LI-O5
RMA Part 2 Sections	5(2)(a)	✓	-	✓	✓	✓
	5(2)(c)	-	✓	-	-	-
	6(a)	-	✓	-	-	-
	7(b)	✓	-	✓	✓	✓

	7(c)	-	✓	-	-	-
	7(f)	-	✓	-	-	-
	7(g)	✓	✓	✓	✓	✓

20. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

21. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88G. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 4 provides an overview of the proposed LI objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED LI OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		Proposed Light Industrial Zone Objectives				
		LI-O1	LI-O2	LI-O3	LI-O4	LI-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	-	✓	✓
	Whangarei District Growth Strategy – 30/50	✓	-	-	-	✓
	Blue/Green Network	-	✓	-	-	-
	Upper North Island Industrial Land Demand	✓	-	✓	-	✓

4.3 Appropriateness in Relation to the Strategic Direction Chapter

22. The proposed LI objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed LI objectives are shown in Table 5 below. This table illustrates that the objectives of the LI are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND LI OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed LI Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	LI-O1
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	LI-O2
SD-03 – Growth	SD-P6	LI-O1, O3, O5

Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.		
SD-04 – Sense of Place Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District's unique identity and sense of place.	SD-P18	LI-O2
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	LI-O4
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	LI-O1, O3
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	LI-O2, O4

4.4 Appropriateness of Proposed Policies and Methods

23. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed LI Policies

24. The proposed LI objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
25. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the LI.
 - Managing the scale and nature of industrial activities to manage adverse effects.
 - Managing non-industrial activities to protect existing industrial activities, industrial land supply and the viability of commercial centres.
 - Managing cross boundary effects as the LI is located adjacent to the more sensitive zones.
 - Managing stormwater and future esplanade corridors by protecting mean high water springs and river banks from inappropriate development.
 - Avoiding fragmentation by managing subdivision.
26. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the LI chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below

demonstrates that the policies proposed for the LI implement the proposed LI objectives, and that the methods implement the proposed LI policies:

TABLE 6: LINKING OF PROPOSED LI PROVISIONS		
Proposed LI Objective	Proposed LI Policies	Proposed LI Methods
LI-O1 – Industrial Activities Industrial activities, that are not noxious or large in scale, establish and operate efficiently and effectively within the LI.	LI-P1, P2, P3	LI-R2, R7 – R11
LI-O2 – Adverse Effects Potential adverse effects on adjacent zones and the environment are avoided, remedied or mitigated.	LI-P1, P2, P4, P5	LI-R3 – R11, R28 – R32, mapping
LI-O3 – Ancillary Activities Ancillary and supporting activities are enabled while ensuring that industrial land supply is not compromised and that the viability and vitality of other Business Zones are maintained.	LI-P3	LI-R12 – R24, R25 – R27, R34 – R39
LI-O4 – Reverse Sensitivity Avoid activities that may generate reverse sensitivity effects or compromise the operation of future industrial activities within the LI.	LI-P3	LI-R3 – R6, R7 – R11.2-3, R12 – R21.1, R24.3, R33, R35, R38, mapping
LI-O5 – Subdivision The supply of large allotments within the LI is preserved by managing inappropriate fragmentation from subdivision.	LI-P6	SUB-R9

27. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in providing clear direction for the LI area. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed LI Boundaries

28. Spatial mapping is considered to be an appropriate method of achieving the objectives of the LI as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the LI in achieving the objectives of the LI the following three options were evaluated:
- **Option 1:** Status Quo: Map the LI to match the current extent of the WDP B2.
 - **Option 2:** Map the LI based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
 - **Option 3:** Replace the B2 and B4 with a single Industrial Zone.
29. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>

<p>Option 1: Status Quo</p>	<p><u>Environmental</u> Potential adverse effects on amenity and character in proximity to the City Centre where the B2 is currently located.</p> <p><u>Economic</u> Operational costs arising from reverse sensitivity effects as large portions of the B2 are located in proximity to Living Zones.</p> <p>Rising land prices around the City Centre making B2 land unaffordable for industrial use.</p> <p>Smaller allotment pattern in B2 could compromise use of land for future industrial activities.</p> <p>Insufficient land supply to meet projected industrial land demand.</p> <p><u>Social</u> Adverse effects on walkability adjacent to the City Centre and Waterfront Zones.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental & Cultural</u> None identified</p> <p><u>Economic</u> No change to the current level of compliance and enforcement cost.</p> <p><u>Social</u> Status quo so familiar to district plan users.</p>
<p>Option 2: Map LI based on criteria in section 3</p>	<p><u>Environmental, Social & Cultural</u> None identified</p> <p><u>Economic</u> Change in zoning pattern could result in some existing activities no longer being consistent with the zone and needing to rely on existing use rights.</p> <p>More prescriptive than Option 3 as smaller-scale and larger-scale industrial zones would be separately identified.</p>	<p><u>Environmental</u> Improved amenity within the City Centre, Waterfront, Living and Green Space Zones compared to Option 1 as the LI would be relocated away from some of these areas.</p> <p>Better environmental protection than Option 3 which would significantly increase the capacity for noxious and larger-scale industrial activities.</p> <p><u>Economic</u> Reduced reverse sensitivity effects compared to Option 1.</p> <p>Sufficient land supply is provided for industrial land.</p> <p>Existing B2 land which is less suitable for industrial activities due to site size, proximity to sensitive activities, etc. would be rezoned as an alternative zone to enable more efficient use of the land.</p> <p><u>Social</u> Improved walkability around City Centre compared to Option 1 as the B2 in this area would be rezoned for more appropriate uses.</p> <p><u>Cultural</u> None identified.</p>
<p>Option 3: Single Industrial Zone</p>	<p><u>Environmental</u> Smaller-scale and larger-scale industries have differing requirements for locating and operating. A single zone may not adequately provide for both while mitigating adverse environmental effects.</p> <p>Noxious and larger-scale industries may be constrained from operating efficiently through the location of incompatible</p>	<p><u>Environmental & Cultural</u> None identified.</p> <p><u>Economic</u> Larger, more general industrial zone could provide greater flexibility for industrial activities.</p> <p><u>Social</u> Less complex compared to Options 1 and 2, only one zone covering all industry land use.</p>

	<p>smaller-scale industrial activities and non-industrial activities.</p> <p><u>Economic</u></p> <p>Land may not be protected for noxious and larger-scale industries leading to:</p> <ul style="list-style-type: none"> • rising land prices making land unaffordable for larger-scale industrial land use • subdivision removing the supply of larger lots required by larger-scale industry. <p><u>Social</u></p> <p>Could enable noxious and larger-scale industrial activities in sensitive locations adversely affecting social wellbeing.</p> <p><u>Cultural</u></p> <p>None identified.</p>	
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option efficiently identifies a zone for smaller-scale industrial activities.	Option 1 does not effectively achieve the objectives of the LI as the zoning pattern compromises industrial land supply and does not effectively manage reverse sensitivity.
Option 2	This option is considered efficient in that it proposes a new zone with clear expectations and outcomes for the area.	This option would effectively provide for smaller-scale industrial activities and other compatible activities while managing reverse sensitivity and protecting the viability of established commercial centres.
Option 3	This option is efficient in identifying land for industrial use but does not provide clarity as to where smaller-scale and larger-scale industrial activities are appropriately located.	This option would not effectively manage adverse effects as noxious and larger-scale industrial activities could potentially locate in inappropriate areas and would not effectively protect the larger-scale industrial land supply as the zone could be fragmented and compromised by other uses.
Economic Growth and Employment Opportunities		
<p>Industrial development and land use provides economic benefit to the district.</p> <p>Option 2 provides the most opportunity for economic growth and employment opportunities as it has been assessed as providing sufficient capacity for projected business growth and identifies more appropriate locations for smaller-scale industrial activities.</p> <p>Options 1 and 3 provide for economic growth and employment opportunities, but potentially at the expense of noxious and larger-scale industries and with wider effects on the sustainable development of the City Centre, other commercial centres and Living Zones.</p>		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk of acting due to insufficient information.		

30. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the LI. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed LI Rules

31. The proposed provisions in the LI are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of

the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Bulk and Location

32. The proposed LI objectives seek to enable smaller-scale industrial and ancillary activities while managing adverse amenity effects, especially on more sensitive zones. Proposed Rule LI-R2 manages building height within the LI, with a proposed maximum building height of 20m. Proposed Rule LI-R4 seeks to manage the height in relation to boundary (**HIRB**) adjacent to Living and Green Space Zones. Proposed Rule LI-R3 seeks to manage building setbacks from roads (2.5m), Rural Production, Living and Green Space Zones (5m), Heavy Industrial, Local Commercial or Mixed-use Zones (3m) and from Mean High Water Springs (**MHWS**) and rivers over 3m wide (27m).
33. The proposed 27m setback from MHWS and rivers is consistent with the operative Business Environment provisions that aim to ensure that land is available for esplanade reserves/strips and that those areas are protected for conservation, ecological, recreational, access and hazard mitigation purposes. This distance was arrived at through Environment Court mediation on the WDP.
34. The status quo for building height in the proposed LI area is a range of heights as there are three operative Business Environments which have maximum building heights ranging from 11m – 20m. The three operative Business Environments also have a range of building setbacks. HIRB is managed in the WDP under Appendix 11 – Daylight Angles.
35. Alternatives considered were:
 - **Option 1:** Retain the operative B2 rules (maximum building height of 15m, 2.5m setback from roads, 3m setback from Living, Open Space and B3).
 - **Option 2:** Increased building heights and setbacks from Living and Green Space Zones and replace Appendix 11 with a HIRB rule. (Plan change option)
 - **Option 3:** No height or setback rules and instead rely on only having a HIRB control.
36. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING BULK AND LOCATION OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Retain the B2 rules	<u>Environmental</u> Industrial buildings within 3m of Living and Green Space Zones would not be as effective as Option 2 at managing adverse effects on amenity. Amenity in other zones (such as the Rural Production or Mixed-use Zones) would not be as well protected as Option 2. <u>Economic</u> 15m building height would restrict development opportunities more than Options 2 and 3.	<u>Environmental</u> More certainty of built form than Option 3, as Option 3 could result in adverse effects on amenity within large allotments where HIRB could be easily met. Setbacks from MHWS manage stormwater effects. <u>Economic</u> Additional development opportunities enabled where building can be within 3m of Living and Green Space Zones, and there would be no setbacks from the Rural Production or Mixed-use Zones.

	<p>Additional consenting costs to exceed height limits.</p> <p>3m setbacks from Residential and Open Space Environments has greater potential for reverse sensitivity effects than Option 2.</p> <p><u>Social</u></p> <p>Appendix 11 – Daylight Angles is not clear for plan users.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Social and Cultural</u></p> <p>None identified.</p>
Option 2: Plan Change option	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Reduced development opportunities by increasing setback from Living and Green Space Zones, and including setbacks from additional zones.</p> <p>Additional consenting costs to breach setbacks.</p>	<p><u>Environmental and Social</u></p> <p>More certainty of built form than Option 3, as Option 3 could result in adverse effects on amenity within large allotments where HIRB could be easily met.</p> <p>HIRB rule provides more clarity for plan users than Appendix 11 – Daylight Angles.</p> <p>Setbacks form MHWS manage stormwater effects.</p> <p>Amenity better protected in the Rural Production and Mixed-use Zones.</p> <p><u>Economic</u></p> <p>Increased development opportunities associated with increased height limit.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: No maximum building heights	<p><u>Environmental, Social and Cultural</u></p> <p>Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and adverse effects on adjacent Living and Green Space Zones.</p> <p>No management of buildings next to MHWS which could result in adverse stormwater effects.</p> <p><u>Economic</u></p> <p>High density and large built form in the LI could dominate, and adversely affect, other commercial centres.</p>	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Increased development opportunities with no height restrictions.</p> <p><u>Social</u></p> <p>Simplified rules for plan users.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	<p>The status quo is considered to be an efficient and clear method of managing building heights, except for Appendix 11 – Daylight Angles which is considered inefficient.</p>	<p>Setbacks form adjacent Environments is not effective in managing reverse sensitivity effects and protecting amenity of adjacent Environments.</p>
Option 2	<p>Option 2 is considered to be an efficient and clear method of managing building heights.</p>	<p>Option 2 is considered to be more effective than the status quo in managing adverse effects on adjacent zones and reverse sensitivity. Increasing the maximum building height by 5m would still effectively manage adverse effects when coupled with the setback and HIRB rules.</p>
Option 3	<p>Option 3 is considered to be efficient as it would streamline the LI provisions.</p>	<p>Option 3 would not be effective in managing building height as the HIRB controls could be easily met on larger allotments leading to the potential for perverse outcomes.</p>

Economic Growth and Employment Opportunities
Option 3 provides the most economic growth and employment opportunities by only managing building HIRB. Options 1 and 2 have similar impact in terms of economic growth and employment opportunities.
Risk of acting and not acting if there is uncertain or insufficient information
There is no known risk due to insufficient information.

37. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the LI and achieve the proposed LI objectives.

Cross Boundary Effects

38. A portion of the proposed LI is located adjacent to operative Rural Production, and proposed Living and Green Space Zones. Proposed Rules LI-R7 – R11.2-3, R12 – R21.1, R24.3 seek to require landscaping along these shared boundaries and to require setbacks for industrial activities. Proposed Rule LI-R5 seeks to manage the fortification of fences adjacent to Living and Green Space Zone boundaries.
39. These provisions aim to reduce adverse effects on Rural Production, Living and Green Space Zones and manage potential reverse sensitivity effects. The B2 does not have industrial activity setbacks or landscaping requirements adjacent to these Environments. Due to the scale of development and activities enabled in the LI, it is considered important to manage potential cross boundary effects.
40. The alternative considered was to retain the status quo with no landscaping requirements or industrial activity setbacks; however, this is not considered appropriate. Table 9 below demonstrates the appropriateness of the proposed provisions.

TABLE 9: S32 ASSESSMENT OF CROSS BOUNDARY EFFECTS PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive zones. Protects residential amenity.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Economic</u> Manages reverse sensitivity effects. <u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed LI by protecting amenity in adjacent zones and managing reverse sensitivity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of LI immediately adjacent to more sensitive zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Outdoor Areas of Storage

41. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is inefficient. Proposed Rule LI-R6 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
42. Alternatives considered were to retain the status quo, or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the LI.

Definition Grouping Activities

43. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 10 below provides an assessment of the plan change option for the proposed LI rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 10: SECTION 32 ASSESSMENT OF PROPOSED LIGHT INDUSTRIAL ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Permitted	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit all rural production activities• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying	<ul style="list-style-type: none">• Consenting costs for plantation forestry, intensive livestock farming and farm quarrying.• Potential for industrial land to be compromised by rural production activities – however risk is low as rural production activities typically involve buildings that area easily replaced when industrial activities become viable.	<ul style="list-style-type: none">• Enables farming and seasonal activity to be undertaken on vacant industrial land prior to industrial activities becoming viable on the site.• Plantation forestry, intensive livestock farming and farm quarrying activities are unlikely to occur in the LI, therefore there are minimal risks or costs associated with requiring consent.• Industrial land supply is protected from plantation forestry, intensive livestock farming and farm quarrying activities which may compromise the future use of the site.
Seasonal Activity				
Plantation forestry	Non-Complying			
Intensive livestock farming				
Farm quarrying				
Industrial Activities				
General Industry	Permitted with maximum GFA of 7000m² and restricted discretionary beyond threshold	<ul style="list-style-type: none">• Permit all industrial activities• Permit all industrial activities with increased GFA limits• Default to discretionary activity status where 7000m² GFA is exceeded	<ul style="list-style-type: none">• Consenting costs for any landfill or waste management facility.• Consenting costs to exceed GFA.• Potential for adverse amenity effects if smaller industrial activities are noxious.• Existing activities that exceed GFA rely on existing use rights.	<ul style="list-style-type: none">• Industrial activities are provided for which is consistent with the LI.• Larger scale industrial activities require consent as they may be noxious or offensive in nature and may have adverse external effects.• Reduced consenting costs as restricted discretionary allows for a specific set of criteria to be assessed rather than full discretion assessment.• Non-complying status for waste management facilities and landfills is consistent with LI objectives as these activities generally have significant external effects.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility	Non-Complying			
Landfill				
Residential Activities				

Residential Activities	Non-Complying	<ul style="list-style-type: none"> • Status quo – permitted (except in the B4) with outdoor living court controls • Permitted with additional effects based controls such as outlook space and habitable room orientation • Prohibited 	<ul style="list-style-type: none"> • Consenting costs for any residential activity. • Existing residential activities would rely on existing use rights. • Non-complying still enables consent to be applied for which could create reverse sensitivity effects. 	<ul style="list-style-type: none"> • Manages reverse sensitivity more effectively than status quo or permitted options. • Retains land for more appropriate uses. • Residential activities are required to locate in more appropriate zones. • Non-complying with an associated policy enables residential activities to be applied as compared to the prohibited option. • More enabling than prohibited as consent can be applied for.
Commercial Activities				
Motor Vehicle Sales Garden Centres Trade Supplier Marine Retail Drive Through Facility Hire Premise Service Station	Permitted	<ul style="list-style-type: none"> • Permitted with GFA limits • Restricted Discretionary or Discretionary with a suite of effects based controls such as GFA limits, hours of operation, setbacks from Living Zones, etc. 	<ul style="list-style-type: none"> • By permitting these activities the effects based rules are relied on to manage adverse effects that may occur from these activities. • A proliferation of these activities could have adverse cumulative effects on the industrial land supply. 	<ul style="list-style-type: none"> • Plan change option is consistent with the LI objectives in providing for a certain range of activities which do not compromise the vitality and viability of established commercial centres and which are compatible with, and often support, industrial activities. • Enables activities which are not provided for in other zones. • Reduced consenting costs for these activities.
General Retail	Permitted with maximum GFA per site of 100m ² and where it is ancillary to an industrial activity on the site.	<ul style="list-style-type: none"> • Permitted • Permitted with increased maximum GFA limits • Discretionary 	<ul style="list-style-type: none"> • Consenting costs. • Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> • Provides opportunity for general retail and food and beverage activities and commercial services in the LI. • Manages potential adverse effects on the viability of other established centres. • Consistent with Strategic Direction Chapter policies and higher order strategic directions. • Retains LI land for more appropriate activities.
Commercial Service	Permitted where it is ancillary to a permitted activity and the maximum GFA per site is 250m ²			
Food and Beverage Activity	Permitted with a maximum GFA per site of 250m ² and hours of operation limitations.			

Grocery Store	Discretionary	<ul style="list-style-type: none">• Permitted with GFA limit• Non-Complying		<ul style="list-style-type: none">• In combination with other zones proposed under PC88A – J, the plan change option provides sufficient land supply for grocery stores over the life of the district plan.• Retains LI land for more appropriate activities.• These activities can have adverse effects (including reverse sensitivity), the proposed discretionary activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the LI.• Protects viability of established commercial centres as these smaller activities would not be encouraged in the LI.• Retains LI land for more appropriate activities.
Funeral Home				
Entertainment Facility	Non-Complying	<ul style="list-style-type: none">• Permitted with effects based controls such as traffic and GFA• Discretionary		
Visitor Accommodation				
Community Activities				
Emergency Service	Permitted	<ul style="list-style-type: none">• Permitted with effects based controls such as traffic and GFA• Discretionary	<ul style="list-style-type: none">• None identified.	<ul style="list-style-type: none">• Reduced consenting costs compared to alternatives considered.• Provides appropriate areas for emergency services where adverse effects can be mitigated due to the mapping.
Recreational Facilities	Discretionary	<ul style="list-style-type: none">• Permitted• Non-Complying	<ul style="list-style-type: none">• Consenting costs.• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• Protects viability of established commercial centres.• Retains LI land for more appropriate activities.• More enabling than non-complying option as activities like gyms may be appropriate in the LI depending on the nature and design of the activity.
Educational Facilities	Non-Complying	<ul style="list-style-type: none">• Permitted with effects based controls such as GFA limits and hours of operation• Discretionary		<ul style="list-style-type: none">• Manages reverse sensitivity.• Retains LI land for more appropriate activities.• Encourages these activities to locate in more appropriate zones.
Hospitals				
Place of Assembly				
Care Centre				

Efficiency and Effectiveness

44. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the LI.
 - The proposed rules are more effective than the status quo in managing adverse effects as the WDP has a minimal level of control of activities.
 - The proposed rules provide for a permitted threshold of activities, in line with the LI objectives, so that consent requirements are not restrictive.

Economic Growth and Employment Opportunities

45. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed LI rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the environment and adjacent zones.
46. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

47. There is no known risk due to insufficient information.

Conclusion

48. It is considered that the proposed plan change provisions to manage activities in the LI are appropriate.

Subdivision

49. The WDP provides for subdivision in the B3 as a controlled activity where the net site area of an allotment is at least 100m² and the minimum site frontage is 6m, or 12m in the case of a corner site. In the B2 the minimum site size is 300m² and the frontages are 15m, and 30m for corner sites.
50. The LI proposes to remove the minimum frontage requirement and to implement a minimum site size of 500m² net site area. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
51. A number of alternatives have been evaluated in relation to subdivision in the LI. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the LI. However, this is considered to be overly restrictive and not proportional to the effects being managed.

52. The status quo minimum frontage requirements are not considered effective or efficient in achieving the proposed LI objectives and are therefore not appropriate to retain. Due to the range of proposed zones included in the Urban Plan Changes it is appropriate to reconsider the minimum site size. The proposed Commercial Zone will retain the minimum site size of the B2 (300m²). The proposed 500m² minimum in the LI slightly increases this, as the LI objectives have a strong focus on protecting the industrial land supply from inappropriate uses and fragmentation. Requiring slightly large site sizes is therefore considered appropriate in achieving the LI objectives.

5. Conclusion

53. Pursuant to s32 of the RMA, the proposed LI objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
54. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to light industrial activities and areas of Whangarei.

Plan Change 88H: [Heavy Industrial Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 9** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88H (**PC88H**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Heavy Industrial Zone (**HI**). The HI proposes to replace portions of existing Business 2 and 4 Environments within the UA. PC88H will include:
 - A new 'Heavy Industry Environment' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the HI.
 - Consequential changes to the WDP.
3. PC88H includes a description of the proposed HI to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Outside of the central city there is a mixture of Business 2 (**B2**), Business 3 (**B3**) and Business 4 (**B4**) Environments throughout the UA. The B3 Environment typically applies to smaller scale local shopping centres; these have been addressed in **Part 6** of this report. The B2 Environment has traditionally been considered a "light industrial" zone with the B4 Environment being considered a "heavy industrial" zone.

5. The B4 is described in the WDP as:

Generally, it includes the heavy industrial areas of the District. In accordance with the nature of the heavy industrial activities within this Environment, the threshold levels are higher than other Business Environments.

6. The 5 year review of the WDP's efficiency and effectiveness focused upon the objectives and policies rather than zoning efficiency and effectiveness with very little noted regarding the Business Environments. In summary, the review noted that B4 has a very open Environment description and while the provisions are less permissive than B2, they do not preclude commercial and light industrial activities from establishing in the B4 Environment, creating opportunity for increasing land prices and reverse sensitivity effects.

7. The Upper North Island Industrial Land Demand report (**UNIILD**), prepared in February 2015, sought to review industrial land needs and current availability. The UNIILD used Whangarei District's industrial supply and demand as a case study. A key finding of this report is that:

Overall, land use planning is the most significant regulatory and policy influence affecting the supply and uptake of industrial land for industrial purposes. This provides a very strong message that if the present function of industrial areas is to be retained then changes in land use cannot be left to the property market alone to resolve. Changes in accessibility by alternative transport modes and/or specific zoning changes may be required. The advantage of this approach is that in areas where competing, higher value land uses could crowd out industrial activity, industrial land for industrial purposes could be protected and industrial land supply maintained. It also has the added benefit of protecting the vitality of planned commercial and retail centres.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.2 discuss the following key resource management issues in relation to the HI and heavy industrial activities generally:

- Lack of strong policy direction
- Sufficient land supply

2.2.1 Lack of Strong Policy Direction

9. It is important that the HI provides clear direction of the anticipated outcomes of the zone. Lack of strong policy direction can lead to industrial land being used for non-industrial purposes, such as commercial or residential. This can result in:

- A lack of certainty for industry investment decisions.
- Rising land prices responding to higher value land uses such as retail, making land unaffordable for industrial land use.
- Potential reverse sensitivity effects from sensitive activities, locating in proximity to existing industrial activities.
- Sprawl of retail, hospitality and commercial activities outside the central city area and into less appropriate areas, compromising the city's vitality and economic performance.
- Fragmentation of the industrial land supply through inappropriate subdivision removing the supply, or raising the price, of larger lots that some industrial land use requires.

2.2.2 Sufficient Land Supply

10. Larger-scale industrial activities may produce objectionable odour, dust, hazardous materials, noxious or noise emissions. Because of this, these activities are often located away from other commercial and sensitive activities. Noxious and larger-scale industrial activities include activities such as concrete manufacturing, wood processing, fertiliser plants, and oil refineries. These activities require large flat

allotments and access to freight routes, especially rail. They generally have large buildings, a low percentage of the allotment occupied by buildings, and a small number of employees per hectare.¹

11. The National Policy Statement for Urban Development Capacity (**NPS:UDC**) requires WDC to provide sufficient business land development capacity and the required infrastructure to support this development. As there are several requirements for industrial land it is important that the potential available land is not unduly compromised. It is necessary to ensure that PC88H provides an appropriate amount of land for larger-scale industrial use, and that this land is feasible for noxious and larger-scale industrial activities.

3. Proposed Heavy Industry Environment

12. The proposed Heavy Industrial Zone provides for noxious and larger-scale industrial activities which contribute to the economic wellbeing of the Whangarei District and the wider Northland Region. Noxious and larger-scale industrial activities often produce objectionable odour, dust, noise, emissions and hazardous materials. Consequently, the proposed HI has a lower level of amenity when compared to other zones, comprising large buildings, stockpiles of materials, fenced concreted yards and restricted public access to sites.
13. The proposed HI has been located away from more sensitive Environments (such as Residential and Open Space Environments) to ensure that adverse effects on sensitive activities are minimised, as well as to prevent reverse sensitivity effects that may limit the operation and expansion of larger-scale industrial activities. To support this approach, it is critical to protect noxious and larger-scale industrial activities from the encroaching development of sensitive activities.
14. While larger-scale industrial activities are the primary focus within the HI, the zone also provides for activities which are inherently a part of industrial activities (such as small scale food and beverage activities and ancillary offices and retail activities) but only to the extent that they are required to facilitate the operation of industrial activities.
15. The following criteria have been used to identify appropriate areas for the proposed HI:

TABLE 1: PROPOSED HI ZONING CRITERIA	
Criteria	Reason/Issue
There is a range of existing large scale industrial and large scale retail activities.	The HI is not anticipated to experience significant changes in land use patterns. Areas that contain an existing range of activities that are consistent with those anticipated in the HI are more appropriate to be zoned as HI than areas with a high presence of activities like restaurants, cafes, general retail, residential activities and community activities.
The area has good access to major transport routes and key resources and infrastructure.	Activities anticipated within the HI typically require access to transport routes for deliveries and/or shipments and heavy vehicle movements. Access to key infrastructure such as ports and railroads is also important.
The proximity of the area to more sensitive zones such as Living Zones.	Activities in the HI are susceptible to reverse sensitivity. It is important that the HI is not located in areas that are surrounded by sensitive activities and/or more

¹ Upper Northland Industrial Land Demand, BERL, Feb 2015

	sensitive zones. Locations that are in proximity to zones such as Living or Mixed-use Zones are less appropriate for the HI.
The existing amenity levels of the area.	The HI is not anticipated to experience significant changes in built form. Areas that have high amenity are not considered appropriate for the HI as the activities and effects based controls in the HI could compromise amenity values.
The area has an existing supply of large sized allotments.	The activities anticipated in the HI require large allotment sizes to operate and function effectively. Areas where allotment sizes are already highly fragmented are not appropriate for HI zoning as it would be difficult for future larger-scale industrial activities to establish.
The presence of significant natural, historical and/or cultural features.	Noxious and larger-scale industrial activities can have significant adverse external effects. Areas with identified natural, historical and/or cultural values are considered less appropriate for the HI unless there is a functional need to locate in these areas (e.g. locating in the Coastal Area near ports).

16. The proposed HI zoning is shown in pink in Figures 1 – 3 below:

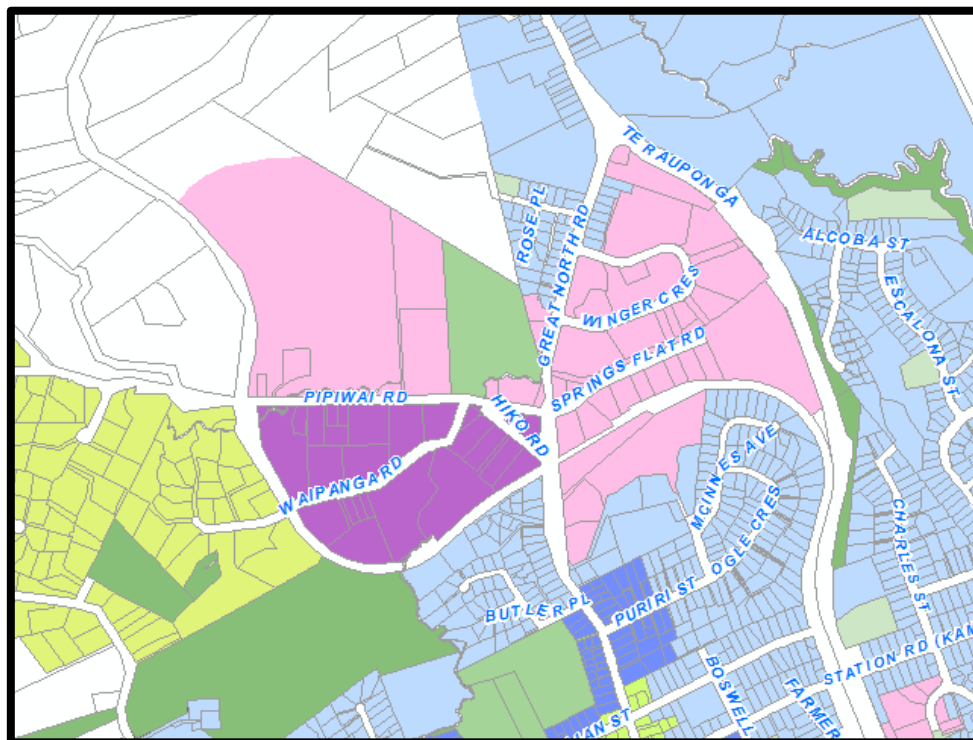


Figure 1: Proposed Heavy Industrial Zone north of Kamo shown in purple

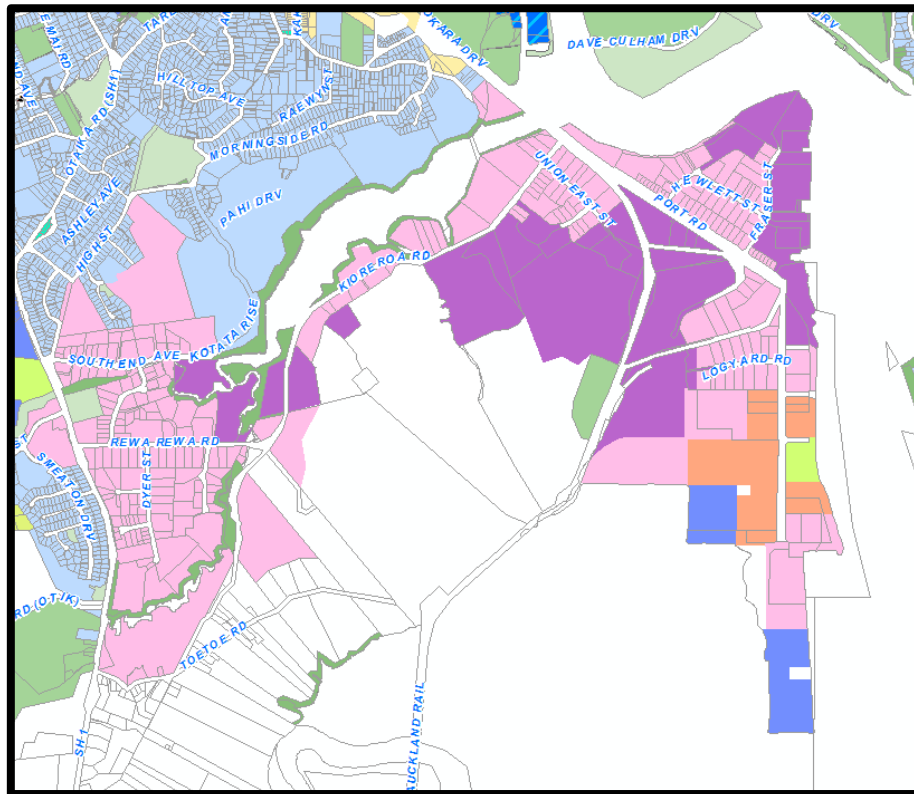


Figure 2: Proposed Heavy Industrial Zone south of Whangarei City shown in purple

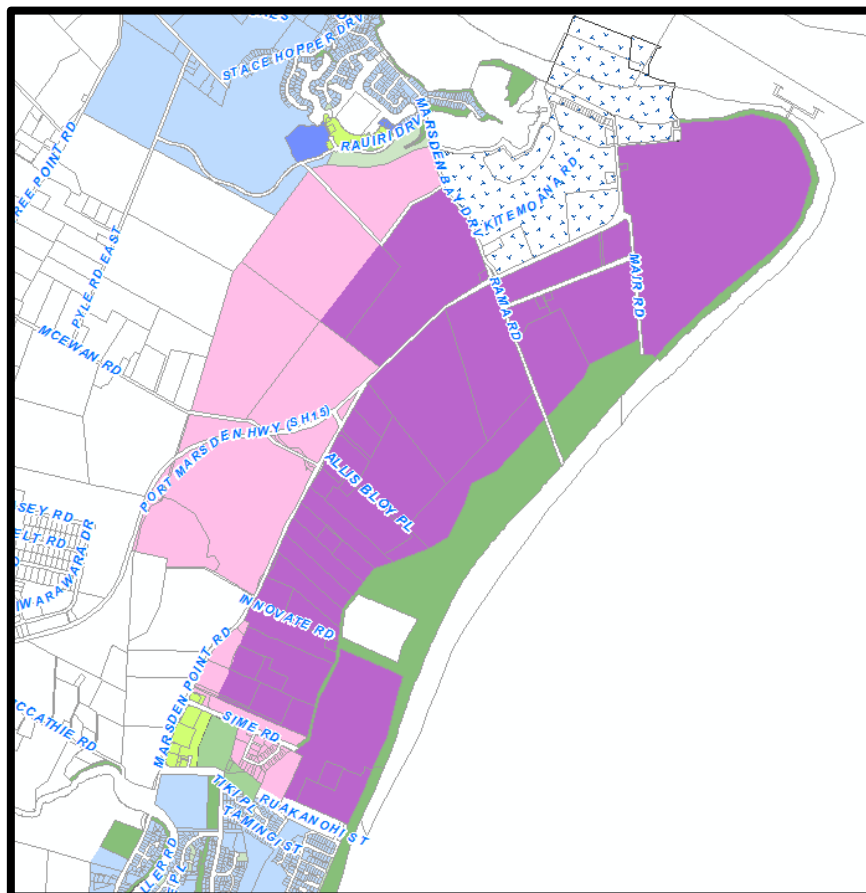


Figure 3: Proposed Heavy Industrial Zone at Ruakaka/Marsden Point shown in purple

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

17. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88H is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
18. PC88H seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the HI and address the current resource management issues.
19. PC88H proposes the following objectives, the reasons for which are detailed in Table 1:

TABLE 2: S32 ASSESSMENT OF PROPOSED HI OBJECTIVES	
Proposed HI Objectives	Reason/Issue
HI-O1 – Effective and Efficient Functioning Larger scale and noxious industrial activities function effectively and efficiently without constraint from non-compatible activities.	This objective aims to give clear guidance on the scale and nature of industrial activities that are anticipated within the HI, to address the current lack of guidance regarding the purpose of the WDP Environments.
HI-O2 – Adverse Effects Adverse effects on the natural environment and amenity of adjacent zones are managed.	Noxious and larger-scale industrial activities have the potential to cause adverse effects on the environment and on character and amenity values. As the HI is in proximity to Green Space Zones it is important that adverse effects are managed.
HI-O3 – Ancillary Activities Ancillary and supporting activities are controlled to ensure that industrial land supply is not compromised.	This objective acknowledges that industrial activities often involve or require ancillary activities. However, it is important that non-industrial activities are managed to protect industrial land supply.
HI-O4 – Reverse sensitivity Activities that may compromise the operation of noxious or large scale industrial activities within the HI, or generate reverse sensitivity or increased risk effects, are avoided.	Noxious and larger-scale industrial activities require protection from the establishment of sensitive activities and the encroachment of more sensitive zones. This objective provides the direction to manage reverse sensitivity effects.
HI-O5 – Subdivision The supply of large allotments within the HI is preserved for large scale industrial activities.	Subdivision patterns can result in fragmentation of industrial land which can compromise the long-term capacity of the HI to accommodate larger-scale industrial activities as intended by the zone.

20. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed HI objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88H. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88H is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED HI OBJECTIVES WITH PART 2 OF THE RMA

		Proposed Heavy Industrial Zone Objectives				
		HI-O1	HI-O2	HI-O3	HI-O4	HI-O5
RMA Part 2 Sections	5(2)(a)	✓	-	✓	✓	✓
	5(2)(c)	-	✓	-	-	-
	6(a)	-	✓	-	-	-
	7(b)	✓	-	✓	✓	✓
	7(c)	-	✓	-	-	-
	7(f)	-	✓	-	-	-
	7(g)	✓	✓	✓	✓	✓

21. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

22. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88H. **Part 1** of the s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 4 provides an overview of the proposed HI objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED HI OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		Proposed Heavy Industrial Zone Objectives				
		HI-O1	HI-O2	HI-O3	HI-O4	HI-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	-	✓	✓
	Whangarei District Growth Strategy – 30/50	✓	-	-	-	✓
	Blue/Green Network	-	✓	-	-	-
	Upper North Island Industrial Land Demand	✓	-	✓	-	✓

4.3 Appropriateness in Relation to the Strategic Direction Chapter

23. The proposed HI objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed HI objectives are shown in Table 5 below. This table illustrates that the objectives of the HI are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND HI OBJECTIVES

Proposed SD Objective	Proposed SD Policies	Proposed HI Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	HI-O1
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	HI-O2
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	HI-O1, O3, O5
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	HI-O4
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	HI-O1, O3 – O5
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	HI-O4

4.4 Appropriateness of Proposed Policies and Methods

24. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed HI Policies

25. The proposed HI objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
26. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the HI.
 - Enabling larger-scale and noxious industrial activities.
 - Managing cumulative effects from smaller-scale industrial activities compromising the supply of large allotments.
 - Managing non-industrial activities to protect existing industrial activities, industrial land supply and the viability of commercial centres.
 - Managing adverse visual effects on the surrounding environment.

- Managing stormwater and future esplanade corridors by protecting mean high water springs and river banks from inappropriate development.
- Avoiding fragmentation by managing subdivision.

27. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the HI chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below demonstrates that the policies proposed for the HI implement the proposed HI objectives, and that the methods implement the proposed HI policies:

TABLE 6: LINKING OF PROPOSED HI PROVISIONS		
Proposed HI Objective	Proposed HI Policies	Proposed HI Methods
HI-O1 – Effective and Efficient Functioning Larger scale and noxious industrial activities function effectively and efficiently without constraint from non-compatible activities.	HI-P1, P2, P3	HI-R2, R5, R6, R18 – R31, mapping
HI-O2 – Adverse Effects Adverse effects on the natural environment and amenity of adjacent zones are managed.	HI-P5, P6	HI-R2, R3, R4, R7.2, R15.3, R16.2, mapping
HI-O3 – Ancillary Activities Ancillary and supporting activities are controlled to ensure that industrial land supply is not compromised.	HI-P4	HI-R8 – 17
HI-O4 – Reverse sensitivity Activities that may compromise the operation of noxious or large scale industrial activities within the HI, or generate reverse sensitivity or increased risk effects, are avoided.	HI-P4	HI-R3, R21, R25, R30, mapping
HI-O5 – Subdivision The supply of large allotments within the HI is preserved for large scale industrial activities.	HI-P7	SUB-R10

28. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in giving effect to the strategic direction for the HI area. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed HI Boundaries

29. Spatial mapping is considered to be an appropriate method of achieving the objectives of the HI as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the HI in achieving the objectives of the HI the following three options were evaluated:

- **Option 1:** Status Quo: Map the HI to match the current extent of the B4.
- **Option 2:** Map the HI based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)

- **Option 3:** Replace the B2 and B4 with a single Industrial Zone.

30. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental</u></p> <p>Potential adverse effects on amenity and character as the B4 is located in proximity to more sensitive zones in several locations.</p> <p><u>Economic</u></p> <p>Operational costs arising from reverse sensitivity effects as large portions of the B4 are located in proximity to more sensitive zones.</p> <p>Some areas of B4 are not suitable for larger-scale industrial activities due to smaller site pattern, transport access, site constraints, etc. which could increase the operational or establishment costs for larger-scale industrial activities.</p> <p>Insufficient land supply to meet projected industrial land demand.</p> <p><u>Social</u></p> <p>Adverse effects on walkability adjacent to more sensitive zones.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental & Cultural</u></p> <p>None identified</p> <p><u>Economic</u></p> <p>No change to the current level of compliance and enforcement cost.</p> <p><u>Social</u></p> <p>Status quo so familiar to district plan users.</p>
Option 2: Map HI based on criteria in section 3	<p><u>Environmental, Social & Cultural</u></p> <p>None identified</p> <p><u>Economic</u></p> <p>Change in zoning pattern could result in some existing activities no longer being consistent with the zone and needing to rely on existing use rights.</p> <p>More prescriptive than Option 3 as light and heavy industrial zones would be separately identified.</p>	<p><u>Environmental</u></p> <p>Improved amenity within more sensitive zones compared to Option 1 as the HI would be relocated away from some of these areas.</p> <p>Better environmental protection than Option 3 which would significantly increase the capacity for noxious industrial activities.</p> <p><u>Economic</u></p> <p>Reduced reverse sensitivity effects compared to Option 1.</p> <p>Sufficient land supply is provided for industrial land.</p> <p>Existing B2 and B4 land which is less suitable for industrial activities due to allotment size, proximity to sensitive activities, etc. would be rezoned as an alternative zone to enable more efficient use of the land.</p> <p><u>Social</u></p> <p>Improved walkability around city fringe area compared to Option 1 as the B4 in this area would be rezoned for more appropriate uses.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: Single	<p><u>Environmental</u></p>	<p><u>Environmental & Cultural</u></p>

Industrial Zone	<p>Smaller-scale and larger-scale industries have differing requirements for locating and operating. A single zone may not adequately provide for both while mitigating adverse environmental effects.</p> <p>Noxious and larger-scale industries may be constrained from operating efficiently through the location of incompatible smaller-scale industrial activities and non-industrial activities.</p> <p><u>Economic</u></p> <p>Land may not be protected for larger-scale industries leading to:</p> <ul style="list-style-type: none"> • rising land prices making land unaffordable for larger-scale industrial land use • subdivision removing the supply of larger lots required by larger-scale industries. <p><u>Social</u></p> <p>Could enable noxious and larger-scale industrial activities in sensitive locations adversely affecting social wellbeing.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p>None identified.</p> <p><u>Economic</u></p> <p>Larger, more general single industrial zone could provide greater flexibility for industrial activities.</p> <p><u>Social</u></p> <p>Less complex compared to Options 1 and 2, only one zone covering all industry land use.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option is not efficient at providing for the sustainable management of industrial land use.	Option 1 does not effectively achieve the objectives of the HI as the zoning pattern does not manage reverse sensitivity or protect the environment and more sensitive zones.
Option 2	This option is considered an efficient method to provide for noxious and larger-scale industrial activities in appropriate locations.	This option is considered effective in achieving the HI objectives.
Option 3	This option is efficient in identifying land for industrial use but does not provide clarity as to where smaller-scale and larger-scale industrial activities are appropriately located.	This option is not effective in achieving the HI objectives.
Economic Growth and Employment Opportunities		
<p>Industrial development and land use provides economic benefit to the district.</p> <p>Option 2 provides the most opportunity for economic growth and employment opportunities as it has been assessed as providing sufficient capacity for projected business growth and identifies more appropriate locations for noxious and larger-scale industrial activities.</p> <p>Options 1 and 3 provide for economic growth and employment opportunities, but potentially at the expense of noxious and larger-scale industry and with wider effects on the sustainable development of the City Centre, other commercial centres and Living Zones.</p>		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk of acting due to insufficient information.		

31. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the HI. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed HI Rules

32. The proposed provisions in the HI are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Bulk and Location

33. The proposed HI objectives seek to enable noxious and larger-scale industrial and ancillary activities while managing adverse amenity effects, especially on adjacent Green Space Zones. Proposed Rule HI-R2 manages building height within the HI. The proposed maximum building height is 40m, with no more than 25% of the net site area to be occupied by buildings higher than 20m. This retains the status quo approach but increases the maximum from 35m to 40m.
34. Proposed Rule HI-R3 seeks to manage building setbacks from roads and zone boundaries and from Mean High Water Springs (**MHWS**) and rivers over 3m. The proposed setbacks are consistent with the status quo for the B4. The proposed 27m setback from MHWS and rivers over 3m in width aims to ensure that land is available for esplanade reserves/strips, and that those areas are protected for conservation, ecological, recreational, access and hazard mitigation purposes. This distance was arrived at through Environment Court mediation on the WDP.
35. Alternatives considered included removing any height limits and requiring bigger setbacks from different zones. However, there are no known issues with the WDP provisions. The proposed provisions enable slightly more development opportunities by increased the maximum building height by 5m, and remove the reference to Appendix 11 – Daylight Angles in the WDP as this is unclear for plan users and is considered redundant with the proposed setbacks. Table 8 below demonstrates the appropriateness of the proposed provisions.

TABLE 8: S32 ASSESSMENT OF BUILDING BULK AND LOCATION PROVISIONS	
Costs	Benefits
<u>Environmental, Economic, Social and Cultural</u> None identified.	<u>Environmental and Cultural</u> None identified. <u>Economic</u> Slightly increased development opportunities by increasing building height by 5m. <u>Social</u> More clarity for plan users by removing reference to Appendix 11 – Daylight Angles.
Efficiency	Effectiveness
There are no known issues with the status quo except for the reference to Appendix 11 – Daylight Angles. Due to the proposed change in zone boundaries and the HI	The status quo is currently effectively managing building bulk and location in the B4 apart from the daylight angle provision which is proposed to be removed.

now being located further away from more sensitive zones than the B4, increasing the height by 5m is considered appropriate.	
Economic Growth and Employment Opportunities	
The proposed rules retain the status quo and have minimal impact on economic growth and employment opportunities.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Boundary Effects

36. A portion of the proposed HI is located adjacent to Rural Production and Green Space Zones. Proposed Rules HI-R7.2, R15.3, R16.2 seek to require landscaping along these shared boundaries. These provisions aim to reduce adverse effects on Rural Production and Green Space Zones and manage potential reverse sensitivity effects. The B4 does not have landscaping requirements adjacent to Open Space Environments. Due to the scale of development and activities enabled in the HI, it is considered important to manage potential cross boundary effects.
37. The alternative considered was to retain the status quo with no landscaping requirements; however, this is not considered appropriate. Table 9 below demonstrates the appropriateness of the proposed provisions.

TABLE 9: S32 ASSESSMENT OF CROSS BOUNDARY EFFECTS PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in Rural Production and Green Space Zones.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Economic</u> Manages reverse sensitivity effects.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed HI by protecting amenity in Green Space Zones and manages reverse sensitivity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of HI immediately adjacent to Green Space Zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Outdoor Areas of Storage

38. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created

issues in the ability to monitor and enforce them and is inefficient. Proposed Rule HI-R4 aims to retain the requirement for areas of storage and stockpiles to comply with the building bulk and location rules but proposes to remove the rest of the operative provisions. Within the HI it is anticipated that there will be outdoor areas of storage and stockpiles. The operative rules are considered to be too restrictive and are not enabling for larger-scale industrial activities. Due to the proposed amendments to the zone boundaries there is minimal risk of removing these rules as the HI will be located much further from sensitive zones than the operative B4 is.

Definition Grouping Activities

39. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 10 below provides an assessment of the plan change option for the proposed HI rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 10: SECTION 32 ASSESSMENT OF PROPOSED HEAVY INDUSTRIAL ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Permitted	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit all rural production activities• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying	<ul style="list-style-type: none">• Consenting costs for plantation forestry, intensive livestock farming and farm quarrying.• Potential for industrial land to be compromised by rural production activities – however risk is low as rural production activities typically involve buildings that area easily replaced when industrial activities become viable.	<ul style="list-style-type: none">• Enables farming and seasonal activity to be undertaken on vacant industrial land prior to industrial activities becoming viable on the site.• Plantation forestry, intensive livestock farming and farm quarrying activities are unlikely to occur in the HI, therefore there are minimal risks or costs associated with requiring consent.• Industrial land supply is protected from plantation forestry, intensive livestock farming and farm quarrying activities which may compromise the future use of the site.
Seasonal Activity				
Plantation forestry				
Intensive livestock farming				
Farm quarrying				
Industrial Activities				
General Industry	Permitted with a minimum GFA of 7,000m ² and then defaulting to restricted discretionary.	<ul style="list-style-type: none">• Permitted• Increased or decreased minimum GFA• Default to discretionary where minimum GFA is not complied with	<ul style="list-style-type: none">• Consenting costs where minimum GFA is not complied with.• More enabling for smaller-scale industrial activities than the options of increasing the minimum GFA or defaulting to discretionary. If there is a proliferation of smaller-scale industrial activities, it could cumulatively compromise the land supply for larger-scale industrial activities.	<ul style="list-style-type: none">• Noxious and larger-scale industrial activities are provided for which is consistent with the LI.• Smaller scale industrial activities require consent as they may cumulatively fragment the land supply for larger-scale industrial activities.• Reduced consenting costs compared to the options of increasing the minimum GFA or defaulting to discretionary. Restricted discretionary option allows for a specific set of criteria to be assessed rather than full discretion assessment.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility				
Landfill				
Residential Activities				

Residential Activities	Non-Complying	<ul style="list-style-type: none"> Discretionary Prohibited 	<ul style="list-style-type: none"> Consenting costs for any residential activity. Existing residential activities would rely on existing use rights. Non-complying still enables consent to be applied for which could create reverse sensitivity effects. 	<ul style="list-style-type: none"> Manages reverse sensitivity more effectively than status quo or permitted options. Retains land for more appropriate uses. Residential activities are required to locate in more appropriate zones. Non-complying enables residential activities to be applied for as compared to the prohibited option.
Commercial Activities				
Motor Vehicle Sales	Permitted with maximum GFA per site of 100m ² and where it is ancillary to an industrial activity on the site.	<ul style="list-style-type: none"> Permitted with increased GFA limits Restricted Discretionary with a suite of effects based controls such as GFA limits, hours of operation, setbacks from Living Zones, etc. Discretionary or Non-Complying 	<ul style="list-style-type: none"> Consenting costs where rules are not complied with. Existing activities would rely on existing use rights. A proliferation of these activities could have adverse cumulative effects on the industrial land supply. 	<ul style="list-style-type: none"> Plan change option is consistent with the HI objectives in protecting the industrial land supply while providing for a limited range of ancillary activities. Retains HI land for more appropriate activities. More enabling than restricted discretionary, discretionary or non-complying options
Garden Centres				
Trade Supplier				
Marine Retail				
Hire Premise				
General Retail				
Commercial Service	Permitted with a maximum GFA per site of 150m ² and hours of operation limitations.	<ul style="list-style-type: none"> Permitted with no hours of operation restriction Discretionary 		
Food and Beverage Activity				
Service Station	Permitted with a maximum GFA of 50m ² for retail areas	<ul style="list-style-type: none"> Permitted Discretionary 	<ul style="list-style-type: none"> Consenting costs where rules are not complied with. 	<ul style="list-style-type: none"> Plan change option is consistent with the HI objectives in protecting the industrial land supply while providing for a limited range of ancillary activities. More enabling than discretionary option.
Drive Through Facilities	Non-Complying	<ul style="list-style-type: none"> Permitted with effects based controls such as traffic and GFA Discretionary 	<ul style="list-style-type: none"> Consenting costs. Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> These activities can have adverse effects (including reverse sensitivity). The proposed non-complying activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the HI. Protects viability of established commercial centres as these smaller activities would not be encouraged in the HI. Retains HI land for more appropriate activities.
Grocery Stores				
Entertainment Facility				
Visitor Accommodation				
Home Occupation				
Funeral Home				

Community Activities				
Emergency Service	Discretionary	<ul style="list-style-type: none">• Permitted• Non-Complying	<ul style="list-style-type: none">• Consenting costs.• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• Retains HI land for more appropriate activities.• More enabling than non-complying option.
Place of Assembly	Non-Complying	<ul style="list-style-type: none">• Permitted with effects based controls such as GFA limits and hours of operation• Discretionary		<ul style="list-style-type: none">• Manages reverse sensitivity.• Retains HI land for more appropriate activities.• Encourages these activities to locate in more appropriate zones.• Protects viability of established commercial centres.
Recreational Facilities				
Care Centre				
Educational Facilities				
Hospitals				

Efficiency and Effectiveness

40. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the HI.
 - The proposed rules are more effective than the status quo in managing adverse effects as the WDP has a minimal level of control of activities.
 - The proposed rules provide for a permitted threshold of activities, in line with the HI objectives, so that consent requirements are not restrictive.

Economic Growth and Employment Opportunities

41. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed HI rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the environment and adjacent zones.
42. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

43. There is no known risk due to insufficient information.

Conclusion

44. It is considered that the proposed plan change provisions to manage activities in the HI are appropriate.

Subdivision

45. The WDP provides for subdivision in the B4 as a controlled activity where the net site area is at least 1000m² and the minimum site frontage is 24m, or 48m in the case of a corner site.
46. The HI proposes to remove the minimum frontage requirement and to increase the minimum site size to 8,000m². The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
47. A number of alternatives have been evaluated in relation to subdivision in the HI. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the HI. However, this is considered to be overly restrictive and not proportional to the effects being managed.

48. The status quo minimum frontage requirements are not considered effective or efficient in achieving the proposed HI objectives and are therefore not considered appropriate to retain.
49. A range of minimum site sizes were considered. In formulating the proposed minimum, the existing site sizes within the proposed HI zoning were reviewed. The average site size throughout the proposed HI was calculated as being 4.7ha and the median site size was calculated as being 1.1ha. The calculation of the average and median site sizes did not include any sites that are subject to a designation or the Marsden Point Oil Refinery Overlay. A desk top assessment was also undertaken to review approximate sizes required for typical noxious and larger-scale industrial activities. As a result of this assessment, it is considered that 8,000m² is an appropriate minimum site size based on the existing site size pattern within the HI and the land area required for these activities.
50. Increasing the minimum from 1,000m² to 8,000m² is considered to be an effective method in achieving the proposed HI objectives which seek to protect the land supply for future larger-scale industrial activities. There are additional consenting costs associated with increasing the minimum site size but the benefits of managing land fragmentation are considered to outweigh the costs. Therefore, the proposed provision is considered appropriate in terms of s32.

5. Conclusion

51. Pursuant to s32 of the RMA, the proposed HI objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
52. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to heavy industrial activities and areas within Whangarei.

Plan Change 88I: [Living Zones]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 10** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. The Strategic Direction chapter objectives, policies and performance standards are evaluated in terms of s32 within **Part 2**.

1.2 The Proposed Plan Change

2. Plan Change 88I (**PC88I**) seeks to review and update zoning and provisions pertaining to residential land. Three new zones are proposed: the Residential Zone (**RES**), the Medium-density Residential Zone (**MDR**) and the High-density Residential Zone (**HDR**) to replace the existing Living 1 – 3 Environments and the Kamo Walkability Environment in the Operative Whangarei District Plan (**WDP**). PC88I will include:
 - New 'Residential Zone', 'Medium-density Residential Zone' and 'High-density Residential Zone' Chapters – with objectives, policies and rules for the zones, including land use and subdivision provisions for the zones.
 - Changes to the WDP planning maps – denoting the RES, MDR and HDR.
 - Consequential changes to the WDP.
3. PC88I includes a description of the proposed RES, MDR and HDR to identify the environmental expectations and outcomes sought in the zones through the proposed objectives, policies and rules.
4. PC88I also seeks to review the Urban Transition Environment (**UTE**), updating the zone to reflect the draft National Planning Standards (**draft Standards**), to apply new definitions and reflect the proposed higher order policy of the Urban Area (**UA**). UTE is to be renamed the Low-density Residential Zone (**LDR**) to align with draft Standards. The LDR will continue to provide for residential development while maintaining a rural outlook on the outskirts of Whangarei City. PC88I will include:
 - A conversion of the UTE Chapter to 'Low Density Residential Zone' Chapter – with the operative UTE objectives, policies and rules, reviewed and revised for consistency with the UA and other proposed Urban zones.
 - No changes to the WDP Zone mapping. Consequential amendment only to relabel UTE to LDR.
 - Any necessary changes to amend references to LDR as consequential changes to the WDP.
5. Collectively the four proposed zones (the RES, LDR, MDR and HDR) are referred to as the 'Living Zones' while the RES, MDR and HDR are referred to as the 'primary Living Zones'. Sections 2 – 5 of this report discuss the proposed RES, MDR and HDR Zones while sections 6 – 8 discuss the proposed LDR zone.

2. Background for the RES, MDR and HDR

2.1 Existing Environment

6. In 2010 the Whangarei District Growth Strategy, Sustainable Futures 30/50 2010 (**30/50**) set out a preferred future development path for the District based on a five tier settlement pattern which consolidates the existing settlement structure. This consists of Whangarei City as the primary district and regional urban centre with a strong, protected and enduring CBD; a satellite town at Marsden Point/Ruakaka which complements (but does not compete with) Whangarei City; five urban villages within greater Whangarei urban area; one rural and two coastal growth nodes; and two rural villages along with eight coastal villages.
7. In recent decades, population growth has been more volatile in Whangarei than for New Zealand as a whole, making the future harder to predict. The District is currently experiencing a growth surge due principally to lower international outflows, larger inflows of returning New Zealanders, and strong inter-regional migration (particularly from Auckland). As a result of this recent growth, in 2017 Statistics New Zealand revised upwards its population projections for future growth in the Whangarei District and Whangarei's UA. These revised projections resulted in the UA being defined as "high growth" under the National Policy Statement for Urban Development Capacity (**NPS:UDC**). This makes Whangarei District Council and Northland Regional Council subject to a range of new national policy requirements, including the preparation of a housing development capacity assessment.
8. While net international migration may taper off, Inter-regional migration has been an ongoing source of growth for the district over the last 10-15 years. To a significant degree, this is likely to be due to the District's affordability relative to the affordability of other upper North Island locations, and especially Auckland. If Whangarei District can maintain this advantage while preserving its high levels of natural amenity and reasonably strong employment growth, then it will be well placed to continue growing.
9. The Whangarei Growth Model, which is based on Statistics New Zealand's most recent medium population projections, are for the Whangarei District population to grow by approximately 1.2 percent per annum between 2018 and 2028, and by approximately 0.6 percent per annum between 2028 and 2048. This would drive demand for an additional 1560 dwellings in the short term (3 years), 3,540 in the medium term (10 years) and 5,650 in the long term (30 years). This is a total of 10,750 additional homes over the 30-year period. The NPS:UDC requires sufficient feasible capacity to be provided for the development of housing to support this growth, plus a margin of 20 percent in the short and medium term and 15 percent in the long term. This is a total of 12,620 additional homes over the 30-year period.
10. Projected long-term future growth in demand for housing is split between three different parts of Whangarei District:
 - About 40 percent of the demand is for housing in the Rural Area, which include a number of rural villages and the majority of the District's coastal environment.
 - Almost as much demand for housing is projected in Whangarei City, which comprises the District's main urban centre plus adjacent greenfield areas;

- Meanwhile 23 percent of future demand is projected to be for housing in Ruakaka/Marsden Point, which is a rapidly-urbanising area near the south head of Whangarei Harbour.
11. At present, house prices are generally higher in coastal areas and towards the north of Whangarei City and generally lower in inland areas of the District and to the south of Whangarei City. These prices reflect current locational demands (and also affect feasibility of development in these locations). Prices in the areas around the Whangarei City Centre are lower than average, which could be a major opportunity for urban transformation to lift demand to live in this area. In general, house prices in Whangarei are considerably lower than in other upper North Island cities, and crowding rates are below the national average and declining. However, there is the potential for the spill-over impact on Whangarei of Auckland's rising house prices and continued northward migration.
 12. Whangarei District does have a significant group of people who struggle to afford market housing: this is more a function of low incomes than of high prices or rents. There appears to be increasing demand for social and emergency housing provided by Housing New Zealand and community housing providers. The Ministry of Social Development's 2016 Purchasing Strategy indicates that at least 100 additional social houses are required in Whangarei, but this could increase given more recent government policy directions.
 13. The WDP provides for three main residential Environments (zones) within the UA, those being the Living 1 (**L1**), Living 2 (**L2**) and Living 3 (**L3**) Environments (**Living Environments**). In general, the L1 Environment is a medium density zone (500m² per residential unit), the L2 Environment is a high-density zone (350m² per residential unit), and the L3 Environment is an unreticulated large lot zone (2000m² per residential unit). Chapter 35 of the WDP provides the following description of the Living Environments:

Living 1, 2 and 3 Environments

Covering the urban and suburban residential and township areas of the District. Living 1 covers the 'general' urban areas, while Living 2 covers two small areas close to the centre of the City that have traditionally been developed as high density residential areas. Living 3 covers areas where development is restricted due to the physical nature of the land, a lack of proper infrastructure or because of the landscape or other values of the area.

14. In terms of residential character, 30/50 provides the following overview:

'Whangarei City has many older suburbs located within its bounds. The residential areas within Whangarei City also display a wide set of urban forms, but there is more coherency within different areas. Wooden villas and bungalows dominate the urban landscape around the Avenues, Regent and Kensington. Some of the older attractive residences have been converted to small boutique offices, especially close to Bank Street and along Norfolk Street. A mixture of brick and wooden bungalows are important in Mairtown, whilst the state housing style and wide boulevard feel is apparent in Otangarei. The multiple north facing railway cottages in Morningside are important features, and the well-wooded slopes of Parihaka help define the Riverside suburbs.'
15. The Living Environments do not provide for minor residential units, and in general detached houses on full (typically 700 – 1012m²) or 'half' sections (typically 350 – 500m²) are the dominant housing typology. Very few consents have been issued for apartments, townhouses, or retirement units, compared to similarly sized New Zealand cities. This is likely because of the relative low prices of Whangarei's

existing standalone houses. Whilst this contributes to coherence in terms of urban character, conversely it provides for limited diversity and choice of urban housing and contributes to sprawl.

16. In terms of non-residential activities, the Living Environments have provisions restricting commercial activities, industrial activities, places of assembly, etc. However, numerous non-residential activities have been established within the Living Environments. In some locations, the extent of non-residential activities has changed the overall character of the area from residential to more of a local commercial centre.
17. Within the UA there have been two recent plan changes, Plan Change 120 (**PC120**) and Plan Change 86B (**PC86B**). PC120 (operative June 2015) introduced a new Kamo Walkability Environment (**KWE**) that was specifically mapped within the Whangarei suburb of Kamo and provided for a mixed-use commercial precinct, a medium density living precinct and a low density living precinct. Urban design guidelines were also included in PC120. PC86B (operative March 2019) extended the spatial extent of the L1 and L3 on the fringes of Whangarei City by upzoning.

2.2 Resource Management Issues

18. Tables 1 – 3 below summarise the key resource management issues in the existing Living Environments:

TABLE 1: LIVING 1 ENVIRONMENT – ISSUES AND OPTIONS	
General Issues	Possible Options
<ul style="list-style-type: none"> Encroachment of non-residential (primarily commercial) activities in the L1. Anomalies associated with home occupations in Living Environments. 	<ul style="list-style-type: none"> Clearly differentiate between inappropriate non-residential activities and small scale ancillary activities. Limit further encroachment of non-residential activities into Living Environments. Relocate the boundaries of the L1 to encompass areas where encroachment has not occurred and tighten rules within residential areas beyond the boundaries.
<ul style="list-style-type: none"> Size of lots not encouraging infill development, with surplus land around existing buildings frequently unable to be developed. L1 sections traditionally based on ¼ acre sections (equivalent to 1012m²) generally enabling 2 units per site – depending on position of units and access. As current density provisions (1:500m²) are based on net site area rather than gross site area, it is difficult to obtain a complying development (in terms of density) on traditional ¼ acre sections. 	<ul style="list-style-type: none"> Encourage/incentivise amalgamation of lots. Enable more flexibility in design of development and subdivision to cater for traditional ¼ acre sections. (Design-led approach rather than density-led.) Provide for minor residential units (as introduced by KWE). Increase density.
<ul style="list-style-type: none"> Lack of specific objectives and policies supporting choice of residential densities and forms of residential development, particularly for multi-unit development. 	<ul style="list-style-type: none"> Provide specific policy framework to encourage variety and quality of residential developments.
<ul style="list-style-type: none"> Few recent examples of quality multi-unit developments or use of Council's Urban Design Panel. 	<ul style="list-style-type: none"> Provide specific policy framework to encourage good design. Provide link/reference to Council's Urban Design Guidelines.
<ul style="list-style-type: none"> The name of the Environment gives it no context and is essentially meaningless. 	<ul style="list-style-type: none"> Rename the L1, e.g. to directly relate to what it is intended to accommodate, or to reflect its characteristics. Ensure consistency with draft National Planning Standards.
<ul style="list-style-type: none"> A lack of urban public open space in the L1. 	<ul style="list-style-type: none"> Consider holistically in conjunction with the district-wide Open Space Plan Change (PC115) to ensure that land use and open space provisions are appropriately integrated.

<ul style="list-style-type: none"> • Lack of pedestrian connectivity between L1, the City Centre and Waterfront. Some disruption to neighbourhoods and local amenity through development of major ring roads (e.g State Highway 1 Western Bypass and Hatea Drive/Nixon Street extensions.) 	<ul style="list-style-type: none"> • Consider holistically in conjunction with the Transport Plan Change (PC109) to ensure that land use and transport are appropriately integrated.
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TABLE 2: LIVING 2 ENVIRONMENT – ISSUES AND OPTIONS

General Issues	Possible Options
<ul style="list-style-type: none"> • Encroachment of non-residential (primarily commercial) activities in the L2. • Anomalies associated with home occupations in Living Environments. 	<ul style="list-style-type: none"> • Clearly differentiate between inappropriate non-residential activities and small scale ancillary activities. • Limit further encroachment of non-residential activities into Living Environments. • Relocate the boundaries of the L2 to encompass areas where encroachment has not occurred and tighten rules within residential areas beyond such boundaries.
<ul style="list-style-type: none"> • Lack of specific objectives and policies for the L2 to direct appropriate growth and development. 	<ul style="list-style-type: none"> • Provide specific policy framework for L2.
<ul style="list-style-type: none"> • Traditional ¼ acre sites (1012m²) zoned L2 offer no advantages of increased density over similar sites in L1, since L2 requires a minimum net site density of 350m² per unit, therefore 3 units would require over 1050m². 	<ul style="list-style-type: none"> • Alter density requirements more applicable to L2. • Encourage amalgamation of sites or boundary adjustments. • Consider dispensing with density provisions
<ul style="list-style-type: none"> • Little encouragement for innovative design (e.g. duplexes on adjoining sites require resource consent due to infringement of side yards.) 	<ul style="list-style-type: none"> • Provide urban design guidelines applicable to type and density of development proposed. • Encourage use of Urban Design Panel.
<ul style="list-style-type: none"> • The name of the Environment gives it no context and is essentially meaningless. 	<ul style="list-style-type: none"> • Rename the L2, e.g. to directly relate to what it is intended to accommodate, or to reflect its characteristics. • Ensure consistency with draft National Planning Standards.

TABLE 3: LIVING 3 ENVIRONMENTS – ISSUES AND OPTIONS

General Issues	Possible Solutions
<ul style="list-style-type: none"> • Encroachment of non-residential (primarily commercial) activities in the L3. • Anomalies associated with home occupations in Living Environments. 	<ul style="list-style-type: none"> • Clearly differentiate between inappropriate non-residential activities and small scale ancillary activities. • Limit further encroachment of non-residential activities into Living Environments. • Relocate the boundaries of the L3 to encompass areas where encroachment has not occurred and tighten rules within residential areas beyond such boundaries.
<ul style="list-style-type: none"> • Lack of specific objectives and policies for the L3 to direct appropriate growth and development. 	<ul style="list-style-type: none"> • Provide specific policy framework for L3.
<ul style="list-style-type: none"> • The name of the Environment gives it no context and is essentially meaningless. 	<ul style="list-style-type: none"> • Rename the L3, e.g. to directly relate to what it is intended to accommodate, or to reflect its characteristics. • Ensure consistency with draft National Planning Standards.

19. In addition to the above matters, which are generally matters of ‘plan mechanics’, there are some key policy issues that Whangarei District faces, including:

- Very limited diversity of housing is being delivered in Whangarei, which is at odds with demographic change whereby households are getting smaller and more diverse in their make-up and greater housing variety is required.
- Relatively little new housing is being constructed in central Whangarei locations. Most development is greenfield development on the fringe of the UA. Intensification and consolidation should be encouraged to manage urban sprawl and its adverse effects.

- There is very limited coherent policy guidance as to how each of the existing Living Environments should evolve. Although generally they have evolved in a relatively distinct manner due to the varied rule settings (in particular density / minimum site size rules), there have been some ad hoc and potentially unintended environmental outcomes. In addition, there is limited policy direction as to how non-residential activities should be regulated in the Living Environments. This has contributed to commercial sprawl which has detracted from the vibrancy and vitality of established commercial centres and adversely affected residential amenity.

3. Proposed RES, MDR and HDR Zones

20. PC88I seeks to introduce three new zones and associated objectives, policies and rules for the residential areas of Whangarei City and Ruakaka/Marsden Point. PC88I does not seek to expand the spatial extent of the Living Environments around Whangarei City as this was recently done through PC86B. However, expansion is considered in the Marsden Point/Ruakaka area.
21. PC88I seeks to maintain three tiers of residential densities. The L3 is proposed to be replaced with the 'Residential Zone'. The L1 is proposed to be replaced with the 'Medium-density Residential Zone'. The L2 is proposed to be replaced with the 'High-density Residential Zone'.
22. The proposed primary Living Zones seek to provide a more targeted and direct policy direction. The proposed primary Living Zones maintain a gradation approach to the density of development enabled based on historic zoning and development patterns, but also a future-focussed approach to promoting urban intensification in appropriate locations. Common across all three zones is a proposed approach of more strongly discouraging non-residential activities.
23. The goal of PC88I is not to fundamentally redirect where future growth and development in Whangarei and Ruakaka/Marsden Point will occur, but rather provide for a minor recalibration. In particular, PC88I aims to facilitate more choice, diversity and resilience in residential living options in the District, rather than fundamentally re-direct the District's growth trajectory and path.
24. Tables 4 – 6 detail the criteria that have been used to identify appropriate areas for the proposed RES, MDR and HDR, respectively:

TABLE 4: PROPOSED RESIDENTIAL ZONE ZONING CRITERIA	
Criteria	Reason/Issue
Are contiguous with Living Zones on the fringe of Whangarei City	Only areas that are contiguous with existing residential zoning around Whangarei City are appropriate to be considered for RES zoning in order to avoid spot zoning and fragmented urban form/sprawl.
Predominately comprise a residential character	Areas with an existing residential character are more appropriate for RES zoning than areas where the predominant character is rural or rural lifestyle.
Legitimise the zoning of existing clusters of large lot residential development	Existing clusters with densities generally greater than 1 residential unit per 2ha are considered more appropriate for RES zoning than expansion into larger greenfield sites/areas.
Are not identified as significantly hazard prone	Areas with significant hazard constraints are not considered suitable for increased residential density, as a lower density zoning presents less risk to human health

	and safety and it is often not feasible to develop hazard prone areas to the proposed RES density.
Do not comprise Outstanding Natural Landscapes or Features or significant indigenous vegetation	Areas with extensive Outstanding Natural Landscapes or Features or indigenous vegetation are not considered suitable for increased residential density as these landscape/ecological values are better protected under a lower density zoning.
Will not materially increase the potential for reverse sensitivity effects	Areas in proximity to activities such as quarries or intensive livestock farming are considered less suitable for increased residential zoning as more residents in the area could generate the potential for increased reverse sensitivity effects.
Do not comprise highly versatile soils	Areas that are predominately comprised of highly versatile soils are more appropriate to be zoned as Rural Production Zone to protect their productive potential.

TABLE 5: PROPOSED MEDIUM-DENSITY RESIDENTIAL ZONE ZONING CRITERIA

Criteria	Reason/Issue
Are contiguous with Living Zones in Whangarei City and Marsden Point/Ruakaka	Only areas that are contiguous with existing residential zoning are appropriate to be considered for MDR zoning in order to avoid spot zoning and to provide efficient and effective infrastructure.
Predominately comprise an urban residential character	Areas with an existing urban residential character are more appropriate for MDR zoning than areas where the predominant character is rural or rural lifestyle.
Are not identified as hazard prone	Areas with hazard constraints are not considered suitable for increased residential density as a lower density zoning presents less risk to human health and safety and it is often not feasible to develop hazard prone areas to the proposed MDR density.
Do not comprise Outstanding Natural Landscapes or Features or significant indigenous vegetation	Areas with portions of Outstanding Natural Landscapes or Features or significant indigenous vegetation are not considered suitable for increased residential density as these landscape/ecological values are better protected under a lower density zoning.
Will not materially increase the potential for reverse sensitivity effects	Areas in proximity to activities such as quarries or intensive livestock farming are considered less suitable for increased residential zoning as more residents in the area could generate the potential for increased reverse sensitivity effects.
Sufficient infrastructure to accommodate medium density development	To be considered for MDR zoning, there must be sufficient infrastructure and capacity to service the plan enabled capacity. This includes transport infrastructure, reticulated three waters infrastructure and accessible public open space.
Do not comprise highly versatile soils	Areas that are predominately comprised of highly versatile soils are more appropriate to be zoned as Rural Production Zone to protect their productive potential.

TABLE 6: PROPOSED HIGH-DENSITY RESIDENTIAL ZONE ZONING CRITERIA

Criteria	Reason/Issue
Are contiguous with Living Zones in Whangarei City and Marsden Point/Ruakaka	Only areas that are contiguous with existing residential zoning are appropriate to be considered for HDR zoning in order to avoid spot zoning and to provide efficient and effective infrastructure.
Are not identified as hazard prone	Areas with hazard constraints are not considered suitable for increased residential density as a lower density zoning presents less risk to human health and safety and it is often not feasible to develop hazard prone areas to the proposed HDR density.
Do not comprise Outstanding Natural Landscapes or Features	Areas with portions of Outstanding Natural Landscapes or Features or significant indigenous vegetation are not considered suitable for increased

or significant indigenous vegetation	residential density as these landscape/ecological values are better protected under a lower density zoning.
Will not materially increase the potential for reverse sensitivity effects	Areas in proximity to activities such as quarries or intensive livestock farming are considered less suitable for increased residential zoning as more residents in the area could generate the potential for increased reverse sensitivity effects.
Sufficient infrastructure to accommodate medium density development	To be considered for HDR zoning there must be sufficient infrastructure and capacity to service the plan enabled capacity. This includes transport infrastructure, reticulated three waters infrastructure and accessible public open space.
Do not comprise highly versatile soils	Areas that are predominately comprised of highly versatile soils are more appropriate to be zoned as Rural Production Zone to protect their productive potential.
Are in proximity to commercial centres and public/active transport routes	To be considered for the HDR areas must be in proximity to commercial centres (either established or zoned for future development) and have access to viable public transport or active transport options (e.g. bus stops, park and rides, cycle ways, shared paths, etc.).

25. The proposed RES, MDR and HDR cover a large area across Whangarei's UA (see **Proposed Plan Changes Text and Maps** for the proposed Planning Maps). PC86B recently provided for expansion of the L1 and L3 on the fringe of Whangarei City and is newly operative. Additional expansion of the L1 and L3 on the fringe of Whangarei City is not proposed under PC88I. Within Whangarei City and on the fringe, only areas that are currently zoned as L1 or L3 were considered for RES and MDR zoning. PC86B however did not consider expansion of the L1 at Marsden Point/Ruakaka. Therefore, residential expansion at Marsden Point/Ruakaka adjacent to existing Living Environments has been considered under PC88I.

4. RES, MDR and HDR Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

26. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88I is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
27. PC88I seeks to revise the planning framework for the residential zones in the UA. As discussed in section 2.2 above there are several resource management issues present within the Living Environments. Therefore, it is considered appropriate to introduce the proposed RES, MDR and HDR to provide a more suitable planning framework for residential development and address the current resource management issues.
28. PC88I proposes the following objectives, the reasons for which are detailed in Tables 7 – 9:

TABLE 7: S32 ASSESSMENT OF PROPOSED RES OBJECTIVES	
Proposed RES Objectives	Reason/Issue
RES-O1 – Character Maintain and enhance the low density and spacious character of the Zone.	This objective aims to protect the existing and anticipated character of the zone and ensure that subdivision and development are consistent with a low density residential environment (1 principal residential unit per 2,000m ²).
RES-O2 – Amenity Subdivision and development maintain on-site amenity and the amenity of adjoining RES sites.	Sites within the RES are large enough to ensure that on-site amenity can be provided for occupants, and it is important to ensure that development is designed in a manner that also maintains the amenity of the site as well as adjoining sites.
RES-O3 – Non-Residential Activities Residential activities remain the dominant activity in RES and any non-residential activities are compatible with residential amenity.	This objective aims to protect the residential capacity, character, and amenity of the RES, while also addressing the issue of commercial sprawl in other commercial zones by discouraging non-residential activities.

TABLE 8: S32 ASSESSMENT OF PROPOSED MDR OBJECTIVES	
Proposed MDR Objectives	Reason/Issue
MDR-O1 – Density Subdivision and development are consistent with the medium density built environment and are compatible with the amenity levels of medium density residential development.	This objective aims to protect the existing and anticipated character of the zone and ensure that subdivision and development are consistent with a medium density residential environment (1 principal residential unit per 500m ²).
MDR-O2 – Housing Variety Provide for a range of allotment sizes and densities and low impact, minor residential units to provide for affordable, diverse and multi-generational living.	Opportunities for intensification and redevelopment within the MDR are relatively limited, and therefore it is important to provide a framework for consideration of varied lot sizes and minor residential units to enable appropriate intensification, housing variety, and address housing affordability issues.
MDR-O3 – Amenity Subdivision and development provide quality residential amenity for residents, adjoining sites and the street.	This objective aims to ensure that sites are appropriately developed to protect residential amenity.
MDR-O4 – Non-Residential Activities Residential activities remain the dominant activity in MDR and any non-residential activities are compatible with residential amenity.	This objective aims to protect the residential capacity, character, and amenity of the MDR, while also addressing the issue of commercial sprawl in other commercial zones by discouraging non-residential activities.

TABLE 9: S32 ASSESSMENT OF PROPOSED HDR OBJECTIVES	
Proposed HDR Objectives	Reason/Issue
HDR-O1 –Density Subdivision and development are consistent with the planned high density built environment and are compatible with the amenity levels of high density residential development.	This objective aims to protect the existing and anticipated character of the zone and ensure that subdivision and development are consistent with a high density residential environment (approximately 1 principal residential unit per 300m ²).
HDR-O2 – Housing Capacity Increase housing capacity, intensity and variety.	This objective aims to address issues around housing variety and affordability and provide more plan-enabled residential capacity in accordance with the NPS:UDC.
HDR-O3 – Amenity	This objective aims to ensure that allotments are appropriately developed to protect residential amenity. However, it is

Subdivision and development provide quality residential amenity for residents, adjoining sites and the street while acknowledging the potential for reduced on-site amenity due to increased building scale and density.	acknowledged that amenity within the HDR will be lower than other Living Zones due to the plan-enabled density.
HDR-O4 – Non-Residential Activities Residential activities remain the dominant activity in HDR and any non-residential activities are compatible with residential amenity.	This objective aims to protect the residential capacity, character, and amenity of the HDR, while also addressing the issue of commercial sprawl in other commercial zones by discouraging non-residential activities.

29. Part 2 of the RMA outlines the purpose and principles of the RMA. Tables 10 – 12 demonstrate that the proposed RES, MDR and HDR objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88I and are addressed in other chapters of the District Plan. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88I is inconsistent with s8.

TABLE 10: LINKAGE OF PROPOSED RES OBJECTIVES WITH PART 2 OF THE RMA				
		Proposed Residential Zone Objectives		
		RES-O1	RES-O2	RES-O3
RMA Part 2 Sections	5(2)(a)	✓	-	✓
	5(2)(b)	✓	-	-
	5(2)(c)	✓	✓	✓
	6(b)	✓	-	-
	6(c)	✓	-	-
	7(b)	✓	-	✓
	7(c)	✓	✓	✓
	7(f)	✓	-	-

TABLE 11: LINKAGE OF PROPOSED MDR OBJECTIVES WITH PART 2 OF THE RMA					
		Proposed Medium-density Residential Zone Objectives			
		MDR-O1	MDR-O2	MDR-O3	MDR-O4
RMA Part 2 Sections	5(2)(a)	✓	✓	-	✓
	5(2)(c)	-	-	✓	✓
	7(b)	✓	✓	-	✓
	7(c)	✓	-	✓	✓

		TABLE 12: LINKAGE OF PROPOSED HDR OBJECTIVES WITH PART 2 OF THE RMA			
		Proposed High-density Residential Zone Objectives			
		HDR-O1	HDR-O2	HDR-O3	HDR-O4
RMA Part 2 Sections	5(2)(a)	✓	✓	-	✓
	5(2)(c)	-	-	✓	✓
	7(b)	✓	✓	-	✓
	7(c)	✓	-	✓	✓

30. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

31. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88I. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Tables 13-15 provide an overview of the proposed RES, MDR and HDR objectives' consistency with the relevant higher order documents.

		TABLE 13: LINKAGE OF PROPOSED RES OBJECTIVES WITH HIGHER ORDER DOCUMENTS		
		Proposed Residential Zone Objectives		
		RES-O1	RES-O2	RES-O3
Higher Order Documents	NPS on Urban Development Capacity	-	-	✓
	Regional Policy Statement for Northland 2016	✓	✓	✓
	Whangarei Long Term Plan 2018	✓	-	-
	Whangarei District Growth Strategy – 30/50	-	-	✓
	Whangarei Urban Growth Strategy	✓	✓	✓
	Whangarei City Centre Plan	-	-	✓
	Whangarei Urban Design Strategy	-	✓	-

		TABLE 14: LINKAGE OF PROPOSED MDR OBJECTIVES WITH HIGHER ORDER DOCUMENTS			
		Proposed Medium-density Residential Zone Objectives			
		MDR-O1	MDR-O2	MDR-O3	MDR-O4
Hig	NPS on Urban Development Capacity	✓	✓	-	✓

	Regional Policy Statement for Northland 2016	-	-	✓	✓
	Whangarei Long Term Plan 2018	✓	-	-	-
	Whangarei District Growth Strategy – 30/50	✓	-	-	✓
	Whangarei Urban Growth Strategy	✓	-	✓	✓
	Whangarei City Centre Plan	-	-	-	✓
	Whangarei Urban Design Strategy	-	-	✓	-

TABLE 15: LINKAGE OF PROPOSED HDR OBJECTIVES WITH HIGHER ORDER DOCUMENTS					
Proposed High-density Residential Zone Objectives					
		HDR-O1	HDR-O2	HDR-O3	HDR-O4
Higher Order Documents	NPS on Urban Development Capacity	✓	✓	-	✓
	Regional Policy Statement for Northland 2016	-	-	✓	✓
	Whangarei Long Term Plan 2018	✓	✓	-	
	Whangarei District Growth Strategy – 30/50	✓	✓	-	✓
	Whangarei Urban Growth Strategy	✓	✓	-	✓
	Whangarei City Centre Plan	-	-	-	✓
	Whangarei Urban Design Strategy	-	-	✓	-

4.3 Appropriateness in Relation to the Strategic Direction Chapter

32. The proposed RES, MDR and HDR objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed RES, MDR and HDR objectives are shown in Table 16 below. This table illustrates that the objectives of the RES, MDR and HDR are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 16: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND RES, MDR AND HDR OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed RES, MDR and HDR Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	RES-O1 MDR-O2 HDR-O2

SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	RES-O2 MDR-O1, O3 HDR-O1, O3
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	RES-O3 MDR-O2 HDR-O2
SD-04 – Sense of Place Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District's unique identity and sense of place.	SD-P18	RES-O1, O2 MDR-O3 HDR-O3
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	RES-O3 MDR-O4 HDR-O4
SD-06 – Indigenous Biodiversity Identify and protect the values and attributes of indigenous biological diversity (Significant Natural Areas) and maintain the extent and diversity of other indigenous biodiversity.	SD-P18	RES-O2
SD-07 – Reticulated Infrastructure Provide efficient and effective onsite and reticulated infrastructure in a sustainable manner and co-ordinate new land use and development with the establishment or extension of infrastructure and services.	SD-P5, P6, P-12	RES-O2
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	RES-O3 MDR-O1, O2, O4 HDR-O1, O2, O4
SD-012 – Urban Design Promote safe, compact, sustainable and good quality urban design that responds positively to the local context.	SD-P9, P10	RES-O2 MDR-O3 HDR-O3
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	RES-O3 MDR-O4 HDR-O4

4.4 Appropriateness of Proposed Policies and Methods

33. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed Policies

34. The proposed RES, MDR and HDR objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
35. The policies proposed for inclusion in the RES (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:

- Detailing the means of achieving a low density and spacious character, including managing density and subdivision, building bulk and location and enabling appropriate residential development.
- Managing non-residential activities to ensure that they are of a nature, design, scale and appearance that is compatible with a residential context.
- Managing impervious areas.
- Providing guidance on key aspects to consider at subdivision stage.

36. The policies proposed for inclusion in the MDR and HDR (see **Proposed Plan Changes Text and Maps**) are considered to achieve the relevant objectives by:

- Detailing the means of achieving an appropriate density and character, including managing density and subdivision, building bulk and location and enabling appropriate residential development.
- Managing and protecting amenity on-site, the amenity of adjacent sites and the amenity and character of the wider area.
- Requiring new development to consider urban design aspects to manage adverse effects on amenity and character.
- Managing impervious areas.
- Managing non-residential activities (and supported residential care and retirement village premises) to ensure that they are of a nature, design, scale and appearance that is compatible with a residential context.
- Encouraging landuse and subdivision to be undertaken concurrently to achieve positive outcomes.
- Providing guidance on key aspects to consider at subdivision stage.
- Contemplating the opportunity for increased residential densities in the MDR where certain criteria are met.

37. The proposed RES, MDR and HDR policies are considered the most appropriate methods of achieving the relevant objectives and provide a coherent link to the methods and rules in the proceeding sections of each chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Tables 17 – 19 below demonstrate that the policies proposed for the RES, MDR and HDR implement the relevant proposed objectives, and that the methods implement the proposed policies:

TABLE 17: LINKING OF PROPOSED RESIDNETIAL ZONE PROVISIONS		
Proposed RES Objective	Proposed RES Policies	Proposed RES Methods
RES-O1 – Character Maintain and enhance the low density and spacious character of the Zone.	RES-P1 – P5	RES-R2 – R11, SUB-R4, mapping
RES-O2 – Amenity Subdivision and development maintain on-site amenity and the amenity of adjoining RES sites.	RES-P1 – P5	RES-R2 – R11, SUB-R4, mapping
RES-O3 – Non-Residential Activities Residential activities remain the dominant activity in RES and any non-residential activities are compatible with residential amenity.	RES-P2	RES-R12 – R34

TABLE 18: LINKING OF PROPOSED MEDIUM-DENSITY RESIDENTIAL ZONE PROVISIONS		
Proposed MDR Objective	Proposed MDR Policies	Proposed MDR Methods
MDR-O1 – Density Subdivision and development are consistent with the medium density built environment and are compatible with the amenity levels of medium density residential development.	MDR-P1 – P8, P10 – P12	MDR-R2 – R14, R20, SUB-R5, mapping
MDR-O2 – Housing Variety Provide for a range of allotment sizes and densities and low impact, minor residential units to provide for affordable, diverse and multi-generational living.	MDR-P8, P10 – P12	MDR-R11 – R14, R20, SUB-R5
MDR-O3 – Amenity Subdivision and development provide quality residential amenity for residents, adjoining sites and the street.	MDR-P3 – P10	MDR-R2 – R14, R20, SUB-R5, mapping
MDR-O4 – Non-Residential Activities Residential activities remain the dominant activity in MDR and any non-residential activities are compatible with residential amenity.	MDR-P9	MDR-R15 – R19, R21 – R34

TABLE 19: LINKING OF PROPOSED HIGH-DENSITY RESIDENTIAL ZONE PROVISIONS		
Proposed HDR Objective	Proposed HDR Policies	Proposed HDR Methods
HDR-O1 –Density Subdivision and development are consistent with the planned high density built environment and are compatible with the amenity levels of high density residential development.	HDR-P1 – P11	HDR-R2 – R15, R21, SUB-R6, mapping
HDR-O2 – Housing Capacity Increase housing capacity, intensity and variety.	HDR-P1, P10	HDR-R14, R15, R21, SUB-R6
HDR-O3 – Amenity Subdivision and development provide quality residential amenity for residents, adjoining sites and the street while acknowledging the potential for reduced on-site amenity due to increased building scale and density.	HDR-P1 – P7, P11	HDR-R2 – R15, R21, SUB-R6, mapping

HDR-O4 – Non-Residential Activities Residential activities remain the dominant activity in HDR and any non-residential activities are compatible with residential amenity.	HDR-P8	HDR-R16 – R20, R22 – R31
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38. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in encouraging and providing for a range of residential densities and housing variety, or protecting the primary Living Zones from inappropriate non-residential activities. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed Residential Environment Boundaries

39. Spatial mapping is an appropriate method of achieving the objectives of the RES, MDR and HDR as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the primary Living Zones in achieving the objectives of the RES, MDR and HDR the following three options were evaluated:

- **Option 1:** Status Quo: Retain the current spatial extent of the Living 1 – 3 Environments.
- **Option 2:** Map the Residential Environments based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
- **Option 3:** Delete the proposed RES and only map 2 residential zones, those being the MDR and HDR, and require 2,000m² net site areas in the MDR where connection to reticulated infrastructure is not available.
- **Option 4:** Delete the proposed HDR and only map 2 residential zones, those being the RES and MDR, but rely on 'floating zone provisions'¹ to enable intensification within the MDR where certain criteria are met.

40. Evaluation of these alternative options have been summarised in Table 20:

TABLE 20: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	Costs	Benefits
Option 1: Status Quo	<u>Environmental and Cultural</u> None identified. <u>Economic</u> Opportunities for increased residential densities would not be provided for in locations where it may be appropriate to 'up-zone' areas based on the proposed MDR and HDR criteria. With no clear zoning criteria established there could be increased plan change costs to Council and increased expectations to	<u>Environmental</u> Areas of operative L1 and L3 remain at their respective densities and do not enable further intensification (which has the potential to have adverse environmental impacts). <u>Economic and Cultural</u> None identified. <u>Social</u> Maintains status quo for community and developers.

¹ A floating zone is an approach that delineates criteria or conditions which must be met before certain rules can be applied to an existing allotment. Rather than being identified on the zoning map as traditional zones are, the floating zone is written into the rules.

	<p>provide infrastructure to areas to enable intensification.</p> <p><u>Social</u></p> <p>Lack of clarity for the community as to where development and intensification are expected to occur as there are no clear zoning criteria.</p>	<p>Limits opportunities for intensification which has the potential to have adverse effects on amenity and character values of residential areas.</p>
Option 2: Map based on criteria in section 3	<p><u>Environmental</u></p> <p>Some operative areas of L3 that contain indigenous vegetation would be 'up-zoned' to MDR.</p> <p><u>Economic</u></p> <p>Does not encourage connection to reticulated infrastructure in locations of the RES where connection may be practicable.</p> <p>Does not provide the on-going flexibility for intensification that a 'floating zone' would as a plan change would be required to change zone mapping.</p> <p><u>Social</u></p> <p>Intensification would be enabled in more locations than provided for under the status quo which could adversely affect neighbouring amenity values.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental</u></p> <p>Proposed zoning criteria factor in ecological/landscape values to manage adverse environmental effects.</p> <p><u>Economic</u></p> <p>Opportunities for increased residential densities are provided for in locations where it is appropriate to 'up-zone' areas based on the proposed MDR and HDR criteria.</p> <p>Reduced future plan change costs as zoning criteria clearly establish where the proposed residential zones are appropriately located.</p> <p>Three zones with zoning criteria clarify where reticulated services should be provided and where future development and intensification will occur.</p> <p>Reverse sensitivity effects are considered as part of the zoning criteria to protect the on-going operation and function of established activities.</p> <p>Highly versatile soils are considered as part of the zoning criteria to protect the District's productive potential.</p> <p>HDR zoning is applied in proximity to commercial centres to improve their vibrancy and vitality.</p> <p><u>Social</u></p> <p>The proposed zoning criteria consider the existing character and amenity values of an area to ensure that the zone that is applied to the location will not have significant adverse amenity effects.</p> <p>Three zones with zoning criteria clarify where development will occur for community and developers.</p> <p>Provides for more honest zoning in locations of Marsden Point/Ruakaka that are more appropriately zoned as a residential zone than operative Rural Production Environment.</p> <p>Hazard constraints are considered as part of the zoning criteria to manage adverse effects on human health and safety.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: Only map the MDR and HDR	<p><u>Environmental</u></p> <p>Could result in adverse environmental effects by enabling intensification in L3 areas where reticulated services are available.</p> <p><u>Economic</u></p>	<p><u>Environmental, Economic and Social</u></p> <p>Similar to Option 2. However, aspects such as protection of ecological/landscape values, management of reverse sensitivity and avoidance of intensification in hazard areas would not be as well addressed, as intensification would be enabled in L3 areas where reticulated services are available. Conversely, there would be increased economic</p>

	<p>Increased expectations for Council to extend services to areas that were previously zoned as L3.</p> <p><u>Social</u></p> <p>PC86B recently rezoned large portions of appropriate new L3 around the fringe of Whangarei City. These are newly operative. Rezoning these areas again is considered unjustified and potentially overwhelming for the community and submitters.</p> <p>Intensification would be enabled in more locations than provided for under the status quo which could adversely affect neighbouring amenity values.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p>benefits as more intensification would be enabled than under Option 2.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 4: Only map the RES and MDR	<p><u>Environmental, Economic and Social</u></p> <p>Similar to Option 2. However, there are reduced economic costs as a plan change would not be required to enable higher density development in areas that meet the 'floating zone' criteria. Conversely, there are increased economic and social costs due to the lack of certainty regarding where exactly intensification will occur and where infrastructure should be provided, as the HDR would not be mapped.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental, Economic and Social</u></p> <p>Similar to Option 2, but does not provide clarity and certainty for the community and developers as to where high density development can occur.</p> <p><u>Cultural</u></p> <p>None identified.</p>
	Efficiency	Effectiveness
Option 1	<p>Option 1 is not considered to be efficient as there are currently no clear zoning criteria which establish where the proposed residential zones should be applied.</p> <p>Infrastructure would not be efficiently utilised in areas that are appropriate for 'up-zoning'.</p>	<p>Option 1 does not effectively provide for intensification in areas that are appropriate for higher densities, and results in dishonest zoning in Marsden Point/Ruakaka.</p>
Option 2	<p>Option 2 improves the efficiency of the status quo by providing greater clarity with zoning criteria and enabling more efficient use of infrastructure in locations that are considered appropriate for intensification.</p>	<p>Option 2 effectively provides for intensification while utilising zoning criteria to manage adverse environmental, social and economic effects.</p>
Option 3	<p>Option 3 enables more efficient use of infrastructure where connection to reticulated services are practicable. However, Option 3 is inefficient as it re-litigates PC86B which became operative on 21 June 2018.</p>	<p>Would not effectively manage ecological/landscape values, reverse sensitivity and natural hazards in L3 locations.</p>
Option 4	<p>Option 4 is not efficient as it lacks clarity regarding where high-density development can occur. This creates significant uncertainty for Council as an infrastructure provider, for submitters and for landowners and developers.</p>	<p>Similar to Option 2.</p>
Economic Growth and Employment Opportunities		

These options have potentially high impacts on economic growth and employment opportunities, as the mapping of the residential zones determines where development and intensification can occur. Option 1 is considered to provide the least opportunities for economic growth and employment opportunities while Option 3 is considered to provide the greatest opportunities. Option 4 provides slightly more opportunities than Option 2, as a 'floating-zone' would enable more ongoing flexibility for residential development as it would not require a plan change to rezone an area.

Risk of acting and not acting if there is uncertain or insufficient information

The status quo creates the risk of not providing sufficient residential capacity within Whangarei's UA while also resulting in dishonest zoning in some locations. Option 4 has a moderate to high level of risk as there would not be the same level of certainty as there is under Options 2 and 3. Options 2 and 3 have no known risks due to uncertain or insufficient information.

41. As shown in Table 20, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the RES, MDR and HDR. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed Rules

42. The proposed rules for the primary Living Zones are assessed below. The proposed rules are grouped by topic. The evaluation of the rules includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting. For the proposed RES the status quo is the L3, for the proposed MDR the status quo is the L1 and the Kamo Low Density Living Precinct (**KLP**), and for the proposed HDR the status quo is the L2 and the Kamo Medium Density Living Precinct (**KMP**).

Building Bulk and Location and Built Form Rules

43. The paragraphs below discuss the proposed rules that relate to building bulk and location and built form including fencing, garages, outdoor living courts, impervious areas, vegetation clearance and outdoor storage and stockpiles.

Building Height

44. The proposed maximum building heights are 8m in the RES (RES-R2) and MDR (MDR-R2), and 11m in the HDR (HDR-R2). The Proposed RES and MDR building heights are consistent with the status quo. The proposed HDR height is consistent with the KMP; however, the L2 building height is 8m.
45. The height of buildings is an important factor in maintaining amenity and managing shading and privacy. The proposed permitted activity rules allow for two storey buildings in the RES and MDR and three storey buildings in the HDR.
46. The proposed building heights have been limited to a scale that is considered acceptable for the character anticipated in the relevant Zone. The increased height in the HDR provides more flexibility and a range of housing typologies (e.g. townhouses, attached dwellings, small apartments, etc.) on smaller sites to provide suitable housing and encourage consolidation and intensification. This is considered to be consistent with the objectives of the HDR.

47. Alternatives include increasing or decreasing the height limits. Decreased height limits are not considered appropriate as they would increase economic costs and reduce the plan-enabled capacity. The proposed heights are considered appropriate relative to existing development and the objectives of the RES, MDR and HDR. Increased height limits are not considered appropriate as they may have adverse effects on amenity and character. Taller buildings may require further assessment as to their suitability, and it is considered that they should be assessed through the resource consent process.

Building Setbacks

48. The proposed building setbacks are as follows:

- RES – (RES-R3)
 1. The building is set back at least:
 - a) 4.5m from the road boundary.
 - b) 3m from side and rear boundaries, allowing for one 2m setback.
 - c) 27m from Mean High Water Springs or the top of the bank of any river that has a width exceeding 3m (excluding bridges, culverts and fences).
- MDR – (MDR-R3)
 1. Any habitable room of a building is set back at least:
 - a) 4.5m from the road boundary.
 - b) 3m from side and rear boundaries, allowing for one 1.5m setback.
 2. Any non-habitable building or non-habitable room of a building (e.g. garage, carport, lean-to) is set back at least:
 - a) 4.5m from the road boundary.
 - b) 1.5m from any other boundary, allowing for a nil setback for a maximum building length of 7.5m on any single boundary for a maximum total building length of 10.5m on all boundaries.
 - c) 2.5m from a habitable room on any other site.
 3. Any building is set back at least 27m from Mean High Water Springs or the top of the bank of any river that has a width exceeding 3m (excluding bridges, culverts and fences).
- HDR – (HDR-R3)
 1. Any building is set back at least:
 - a) 2m from the road boundary.

- b) 27m from Mean High Water Springs or the top of the bank of any river that has a width exceeding 3m (excluding bridges, culverts and fences)
- 2. Any habitable room of a building is set back at least 1.5m from side and rear boundaries, except where a common wall between two buildings on adjacent sites is proposed.
- 3. Any non-habitable building or non-habitable room of a building (e.g. garage, carport, lean-to) is set back at least:
 - a) 1.5m from any other boundary, allowing for a nil setback for a maximum building length of 7.5m on any single boundary for a maximum total building length of 10.5m on all boundaries.
 - b) 2.5m from a habitable room on any other site.
- 49. Building setbacks allow for open space between buildings for site access, building maintenance, privacy, noise reduction and the like. The proposed provisions for the primary Living Zones include setbacks from roads, side and rear boundaries and Mean High Water Springs (**MHWS**) and rivers wider than 3m. In the MDR and HDR it is also proposed to include setbacks from habitable rooms on separate sites and to provide for reduced setbacks for non-habitable buildings.
- 50. The proposed 27m setback from MHWS and rivers over 3m in width is consistent with the WDP provisions that aim to ensure that land is available for esplanade reserves/strips and that those areas are protected for conservation, ecological, recreational, access and hazard mitigation purposes. This distance was arrived at through Environment Court mediation on the WDP.
- 51. The status quo building setbacks in the L1, L2 and L3 include a 4.5m setback from roads, a 3m setback from other boundaries with one setback of 1.5m, and setback exemptions for private garages and carports.
- 52. The proposed RES rules are similar to the L3 but slightly increase the side and rear setbacks and do not provide exemptions for garages and carports. It is considered that on sites with a net site area of at least 2000m² it is not onerous to require slightly larger side and rear boundary setbacks. The increased setbacks are considered to be more effective in achieving the proposed RES objectives and protecting the spacious character anticipated within the Zone. The proposed changes to the rules also help differentiate the RES from other Living Zones within Whangarei.
- 53. The proposed MDR rules are very similar to the L1 with slight amendments to the wording so that the MDR retains the status quo of the KLP. The KLP provisions are considered to be appropriate for the proposed MDR in achieving a medium density residential character and protecting on-site and neighbouring amenity, while not being too restrictive.
- 54. The proposed HDR rules can be described as a combination of the L2 and KMP rules. Aspects of the L2 rules that are considered appropriate (setback exemptions for non-habitable buildings, and setbacks from habitable rooms on separate sites) have been retained along with aspect of the KMP that are considered appropriate (reduced setbacks from roads, and opportunities to have a nil setback where a common wall is proposed).

55. The KMP requires increased setbacks from rear boundaries to retain outdoor living space and protect privacy. However, this provision is not considered appropriate within the wider Whangarei context as it is often more appropriate to position outdoor living spaces towards side boundaries due to site layout and orientation. The proposed HDR rules are considered to provide more flexibility while still protecting on-site and neighbouring amenity.
56. The proposed provisions are considered to create a tiered approach for built form in the primary Living Zones to differentiate each zone and achieve the relevant objectives and policies. More restrictive and less restrictive setback provisions were evaluated. In general, the operative provisions have operated efficiently and effectively and wholesale changes to the WDP setback provisions were not considered necessary. Rather, minor amendments were considered more appropriate to provide more clarity and flexibility for development and to provide greater differentiation between the zones.

Building Height in Relation to Boundary

57. In conjunction with the building height and setback provision, it is proposed to impose height in relation to boundary (**HIRB**) rules in the RES (RES-R4) and MDR (MDR-R4) to further protect amenity values. High buildings close to common boundaries can have significant adverse effects on neighbouring sites, including being overbearing and restricting the admission of daylight. The proposed provisions require higher buildings to be located further from the site boundaries. The WDP currently imposes rules relating to daylight angles within Living Environments (WDP Rule 36.4.9) and the KMP (KMP.1.5.1(d)) and KLP (KLP.1.5.2(b)).
58. Within the HDR a slightly different approach to HIRB is proposed. Rule HDR-R4 proposes a 'bulk in relation to boundary' (**BIRB**) control to manage the overall bulk of buildings adjacent to neighbouring properties. Within the HDR it is anticipated that there will be a higher density of built form. Having tested the HIRB rules it became apparent that they were too restrictive in the HDR to enable the level of development that is anticipated. The proposed BIRB rule provides more flexibility, particularly at ground floor, and encourages varying building shapes instead of the typical 'sausage flat' type development that occurs in the L2.
59. Alternatives considered were the status quo Appendix 11 daylight angles approach, or having no height/bulk in relation to boundary rules and instead relying on building height and setbacks. With regard to the status quo, there has been a lack of clarity regarding Appendix 11 and the proposed HIRB rules will provide more clarity in interpretation and implementation and are therefore considered to be more effective and efficient than the status quo. The option of removing all height/bulk in relation to boundary rules was considered ineffective in managing adverse effects as a building that is built to the maximum height and minimum setback could have significant adverse effects on neighbours.

Outdoor living Courts and Sunlight Access

60. It is proposed to require minimum outdoor living courts (**OLC**) with minimum levels of sunlight access in the MDR (MDR-R5) and the HDR (HDR-R5). In the HDR it is also proposed to require minimum levels of sunlight access to an internal living area in each residential unit (HDR-R14.2).

61. The proposed OLC requirements are similar to the Living Environments, which require an OLC capable of containing a circle 5m in diameter for ground floor units and for above ground floor residential units an OLC of 10m² with a minimum dimension of 2m. The Living Environment provisions also require the OLC to be accessible from a habitable room and be free of structures that would impede its use. The proposed MDR and HDR provisions for OLCs include a range of different area requirements (6m² to 20m²) to be consistent with the KMP and KLP. The range of sizes takes into account a gradation reflecting the size and type of the residential unit they apply to.
62. It was considered appropriate to revisit the size requirements for OLCs with the insertion of new zones. A slight reduction in the OLC size depending on the size of the residential unit is considered more appropriate for higher density residential developments. This option affords more flexibility to provide for intensification while still ensuring that OLCs, and the amenity they create, are provided.
63. Sunlight access for OLCs is considered important to manage as the minimum areas alone do not necessarily result in well-designed sites with outdoor amenity. Similarly, in the HDR internal sunlight access for living areas is important for human health and well-being. It is therefore proposed to require minimum levels of sunlight access to an internal habitable room for residential units. Where these requirements cannot be met, it is considered appropriate to require consent to assess the proposal on its merits, including the option of providing communal outdoor living space that is shared with other residential units.
64. Within the RES it was not considered necessary to control OLCs and sunlight access. RES sites have minimum net site areas of 2,000m² and proposed maximum building coverages of 25%. This results in sufficient space being retained within a site to accommodate an appropriate OLC.

Impervious Areas, Landscaping and Building Coverage

65. The following maximum impervious areas and minimum landscaped areas are proposed within the RES, MDR and HDR:

TABLE 21: PROPOSED IMPERVIOUS AREAS AND LANDSCAPING REQUIREMENTS		
Zone	Maximum Impervious Areas	Minimum Landscaping
RES	35%, or 1,000m ² , whichever is the lesser	40%
MDR	60%	30%
HDR	65%	25%

66. The proposed provisions (RES-R6.1, MDR-R6.1 and HDR-R6.1) aim to ensure sufficient land is retained for landscaping to improve amenity and to mitigate the potential effects of stormwater runoff. Currently, there are no impervious area limits within the Living Environments. It is considered appropriate to manage stormwater within the UA as stormwater has historically been an issue. The status quo is therefore not considered appropriate. The range of impervious area limits takes into account a gradation reflecting the anticipated amenity levels within the primary Living Zones. The figures have been formulated with Council's Waste and Drainage Asset Engineers to ensure appropriateness.

67. Within the RES a 1,000m² maximum for impervious areas is proposed, as larger sites could have significant extents of impervious areas if they are afforded a 35% limit. A maximum building coverage of 25% is also proposed in the RES (RES-R5). The provision aims to manage the built form within the zone as the proposed objectives aim to maintain a spacious and low density character. Building coverage rules are not considered necessary for the MDR and HDR as these zones are not intended to be as spacious and the impervious area limits and building bulk and location provisions are considered sufficient to manage adverse effects.
68. Minimum landscaping rules are also proposed (RES-R7, MDR-R7 and HDR-R7) to ensure that areas that are not impervious provide some lawn, trees, shrubs or gardens to break up the built form within sites. Without this control, it is feasible that entire sites could be occupied by a built or hard surface by utilising approaches such as permeable paving.
69. It is also proposed to manage impervious area setbacks from MHWS. The WDP only manages building setbacks from MHWS; however, research has confirmed that impervious areas, such as car parking, adjacent to MHWS can compromise the future use of the esplanade area as a pedestrian walkway and can have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.
70. Proposed Rules RES-R6.2, MDR-R6.2 and HDR-R6.2 require impervious areas to be setback at least 5m from MHWS. The alternative considered was the status quo; however, it is important that the District Plan protects areas immediately adjacent to MHWS from inappropriate development. Table 22 below demonstrates the appropriateness of the proposed impervious area provisions.

TABLE 22: S32 ASSESSMENT OF IMPERVIOUS AREAS SETBACKS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified. <u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs for developers to comply with rules.	<u>Environmental and Social</u> Helps to protect esplanade areas for future pedestrian walkways. Improves water quality by managing stormwater runoff. <u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei City and therefore provide more economic activity. <u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in implementing the Blue/Green Network Strategy.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

71. Within the Living Environments, 2m is the maximum height of fences within 2m of a boundary. There are also restrictions on barbed wire, broken glass and any form of electrification. High fences detract from amenity and reduce the feeling of open space. It is considered appropriate to maintain a 2m height limit. More restrictive and less restrictive provisions were evaluated. However, higher fences can lead to shading effects whereas lower fences can reduce privacy levels. The current provisions have operated efficiently and effectively and are considered appropriate to retain.
72. The KMP and KLP include additional provisions requiring fences near road boundaries to be visually permeable above a height of 1m. This improves passive surveillance of the road while also clearly defining the separation of public and private space and protecting residential privacy. These rules are considered appropriate and have been retained in the proposed provisions for the MDR and HDR (MDR-R8 and HDR-R8). Diagrams are also proposed to be included to assist with rule interpretation.

Car Parking and Garages

73. The Living Environments require formed car parking spaces to be further than 2m from road boundaries. This helps to improve amenity and walkability within primary Living Zones by not encouraging cars to park over and impede footpaths. This also helps to improve safety by providing more space and visibility for reverse manoeuvring on and off site. These provisions have operated efficiently and effectively and are considered appropriate to retain in proposed Rules RES-R9, MDR-R9 and HDR-R10.
74. Within the HDR it is proposed to require consent where any ground floor garage door which faces the street occupies more than 40% of the site frontage (HDR-R9). This provision aims to restrict on-site carparking and garages from becoming overly dominant features impacting negatively on the streetscape and resident amenity. This is considered necessary in the HDR as the setback from roads is reduced from 4.5m to 2m. A 4.5m setback is considered sufficient to mitigate the effects of garages becoming dominant features along road frontage. However, a 2m setback could result in adverse effects if the scale of garages was not managed.

Indigenous Vegetation Clearance

75. The L1, L2., KMP and KLP do not have any indigenous vegetation clearance rules. This approach is considered appropriate within the proposed MDR and HDR, as part of the mapping criteria included the consideration of the presence of indigenous vegetation and as a result there is limited vegetation present within these zones. Therefore, no indigenous vegetation clearance rules are proposed for the MDR and HDR.
76. Within the L3 consent is required for vegetation clearance in a contiguous area of 5.0ha or more of predominantly indigenous vegetation, or in any area of 1.0ha or more of predominantly indigenous vegetation over 6.0m in height. Consent is also required for vegetation clearance within indigenous wetlands.
77. Plan Change 86A (**PC86A**) recently introduced the Rural (Urban Expansion) Environment (**RUEE**) on the fringes of Whangarei City. Through the process of PC86A several issues with the operative rules were identified including the use of the terms 'contiguous' and 'predominantly', the lack of timeframes stated, the lack of exemptions for any minor or necessary works, and the fact that managing wetlands

is a regional council function. The vegetation clearance rules for the RUEE were settled through mediation and are newly operative. Proposed Rule RES-R10 seeks to implement the same rules that were introduced for the RUEE, as the thresholds are considered appropriate for the RES.

Outdoor Areas of Storage or Stockpiles

78. The WDP currently manages outdoor areas of storage or stockpiles within the Living Environments to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is not efficient. Proposed Rules RES-R11, MDR-R10 and HDR-R11 aim to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
79. Alternatives considered were to retain the status quo or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the primary Living Zones.

Conclusion

80. The proposed provisions relating to building bulk and location and accessory activities within the RES, MDR and HDR are considered to be the most appropriate method of achieving the relevant objectives. Table 23 further assess the overall appropriateness of the proposed provisions.

TABLE 23: S32 ASSESSMENT OF PROVISIONS RELATING TO BUILDING BULK AND LOCATION AND BUILT FORM	
Costs	Benefits
<p><u>Environmental</u></p> <p>The proposed provisions do not provide as much environmental protection as more restrictive rules would (e.g. rule managing impervious areas, vegetation clearance, etc.).</p> <p><u>Economic</u></p> <p>Requirement for resource consents with associated cost to applicant if provisions are not met.</p> <p>Increased restrictions on development when compared to the less restrictive alternative.</p> <p><u>Social</u></p> <p>The proposed provisions do not provide the same level of protection for amenity and character values as more restrictive rules would (e.g. building heights, HIRB, etc.).</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental</u></p> <p>The proposed rules are considered to appropriately manage adverse effects on neighbouring properties, and to require sufficient on-site amenity.</p> <p>The proposed impervious area limit will help to manage the quality and quantity of stormwater runoff better than the status quo. Additionally, the impervious area limit will manage the amount of open space within a site and control the perceived development density.</p> <p>Maintains a similar level of amenity as the status quo while giving effect to the consolidated growth pattern adopted by 30/50.</p> <p><u>Economic</u></p> <p>The proposed provisions are not considered to be onerous.</p> <p>Certain provisions such as BIRB and increased height limits in the HDR, enable more intensification and flexibility for development.</p> <p><u>Social</u></p> <p>Well-being of landowners is protected through the bulk and location controls as they are similar to the existing provisions.</p> <p>Maintains amenity levels anticipated within residential areas better than a less restrictive alternative would.</p> <p>Streamlined rules for ease of use and more clarity for interpretation and implementation.</p>

	<u>Cultural</u> None identified.
Efficiency	Effectiveness
The provisions efficiently administer building bulk and location and built form without being overly prescriptive and by providing more clarity for the public.	The proposed provisions provide clear methods of managing bulk and location and built form in a manner which will contribute towards achieving the objectives of the primary Living Zones by protecting the anticipated amenity levels.
Economic Growth and Employment Opportunities	
Bulk and location provisions have a direct relationship to the amenity and sense of place of an area. These controls have the ability to increase or decrease development costs associated with built development. Building costs have an effect on overall economic growth; however, the provisions are considered to present reasonable mitigation with a low-cost implication.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Residential Activities

81. As detailed in **Part 1** of this s32 Report, Residential Activities are proposed to be split into ‘Supported Residential Care’, ‘Retirement Village Premises’, ‘Residential Units’, ‘Principal Residential Units’ (**PRU**) and ‘Minor Residential Units’ (**MRU**). This section discusses the proposed provisions relating to these activities. Additional discussion on the proposed rules for minor residential units is provided in **Part 1** of this s32 Report.

82. Supported residential care is proposed to be defined as:

Supported Residential Care

means any facility used to provide accommodation and fulltime care for aged, or disabled people (including mental health, addiction, illness or intellectual disabilities). The facility must be certified under the Health and Disability Services (Safety) Act 2001 and comply with the Health and Disability Sector Standards 2001. Includes:

- a) A rest home defined in section 58(4) of the Health and Disability Services (Safety) Act 2001; and
- b) Accessory nursing and medical care.
- c) A residential activity where care, including meal delivery service, is provided to the residents on-site.

Excludes:

- a) Hospitals.

This definition is included within the Residential Activities definition grouping.

83. Retirement Village Premises is proposed to be defined as:

Retirement Village Premises

means premises (including land and associated building) within a complex of premises for occupation as residences predominately by persons who are retired and any spouses or partners of such persons.

84. It is proposed to provide for supported residential care and retirement village premises as permitted activities in the primary Living Zones provided that the activity generates less than 25 traffic movements per day, per site (RES-R13, MDR-R11, HDR-R12).

85. The nature of supported residential care and retirement village premises are considered to be similar to a PRU. However, the scale of these activities can potentially have adverse effects on residential character and amenity where there are a significant number of residents, carers and/or visitors. The proposed traffic movement limit manages the scale of activities.
86. Supported residential care and retirement village premises are considered to be sensitive uses that could be adversely affected by noxious activities and could generate reverse sensitivity effects. It is considered that primary Living Zones are appropriate locations to provide for these activities, as other activities which may be in conflict with supported residential care and retirement village premises are discouraged (e.g. industrial activities).
87. The density within the RES is proposed to be one PRU per 2,000m² net site area (RES-R14) and one MRU per PRU on the site (RES-R15). The residential unit density is consistent with the L3; however, MRUs are not provided for in the L3.
88. The one PRU per 2,000m² net site area density is required to ensure sites are of a sufficient size to provide on-site servicing. Increasing the density is not considered appropriate as it could create adverse environmental and social effects associated with on-site services. Decreasing the density is not considered appropriate as the status quo maintains consistency for residents and developers, provides additional economic benefits and plan-enabled capacity, and is more consistent with the existing environment when compared to a decreased density.
89. It is considered appropriate to provide for MRUs within the RES to provide additional opportunities and flexibility for residential development and to provide more variety and affordability in housing options. Sites within the RES are considered to be a sufficient size to accommodate a PRU and a MRU, and the proposed bulk and location provisions will manage the scale of built form within sites.
90. The density within the MDR is proposed to be one PRU per 450m² net site area (MDR-R12.1) and one MRU per PRU on the site (MDR-R13). The L1 has a density of 1 residential unit per 500m² net site area and no provisions for MRUs. The KLP has a density of 1 residential unit per 500m² net site area and provides for one MRU per site.
91. L1 sites are frequently based on ¼ acre sections (equivalent to 1012m²). As the current density provisions are based on net site area rather than gross site area, it is difficult to intensify traditional ¼ acre sections. Reducing the net site area by 50m² provides more flexibility for intensification and provides capacity for approximately 1,700 more plan-enabled sites across the UA.
92. Similar to the RES, it is considered appropriate to provide for MRUs within the MDR to provide additional opportunities and flexibility for residential development and to provide more variety and affordability in housing options.
93. As greater density is proposed to be enabled in the MDR it is also proposed to implement two additional rules (MDR-R12.2-3) requiring separation distances between detached residential units. These provisions aim to protect residential amenity and privacy, as the increased density has the potential to have adverse effects on privacy and amenity.

94. Within the HDR there is no stated density for residential units. Instead of stating densities, the HDR relies on the building bulk and location provisions to manage the scale and intensity of residential development. This method increases flexibility and capacity by adopting a design led approach. Additional provisions are proposed to ensure sufficient internal areas for residential units, sufficient internal sunlight, and sufficient separation distance from separate residential units (MDR-R13 and R14).
95. Within the MDR and HDR it is proposed to provide for multi unit development (three or more PRUs on a site). Where a multi unit development is able to comply with all building bulk and location controls managing effects on adjacent sites (e.g. building height, setbacks and HIRB), Rules MDR-R20 and HDR-R21 provide for multi unit development as a restricted discretionary activity. This enables a design led approach to intensification rather than a density led approach. Specific urban design information requirements are stated for multi unit development to ensure it is appropriately located and designed within the site (MDR-REQ1 and HDR-REQ1).
96. Within the MDR and HDR it is proposed to provide notification exemptions for residential activities where all building bulk and location controls managing effects on adjacent sites (e.g. building height, setbacks, and HIRB) are complied with. These notification exemptions aim to encourage and facilitate intensification provided that externalities are managed.
97. The proposed provisions relating to residential activities are considered to be the most appropriate method of achieving the relevant objectives. Table 24 provides a summary of the overall appropriateness of the proposed provisions.

TABLE 24: S32 ASSESSMENT OF PROVISIONS RELATING TO RESIDENTIAL ACTIVITIES	
Costs	Benefits
<p><u>Environmental</u></p> <p>Provisions provide for intensification that will result in increased built density and potentially a change to residential amenity.</p> <p><u>Economic</u></p> <p>Potential increase in infrastructure costs associated with residential intensification.</p> <p><u>Social</u></p> <p>Provisions provide for a population increase, which in-turn will place increased pressure upon social services such as schools and doctors.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Environmental</u></p> <p>The development density provided for in the primary Living Zones seeks to concentrate residential development within the UA to reduce urban sprawl.</p> <p>Gives effect to the consolidated growth pattern adopted by 30/50 better than the status quo and achieves the requirements of the NPS:UDC.</p> <p><u>Economic</u></p> <p>Increases opportunities for intensification and construction of MRUs.</p> <p>Encourages a consolidated growth pattern to reduce costs of extending services and infrastructure outside of UA.</p> <p>Provides for intensification, increasing population and overall growth within the UA.</p> <p>Provisions enable present and future generations to provide for their economic wellbeing by providing for MRUs.</p> <p><u>Social</u></p> <p>Maintains the amenity levels anticipated within residential areas better than a less restrictive alternative would.</p> <p>Social wellbeing is achieved by increasing residential density at a level that will not compromise the established level of residential amenity and by providing for MRUs.</p> <p><u>Cultural</u></p>

	None identified.
Efficiency	Effectiveness
Rules are considered clear and efficient and enable more streamlined process for applications with notification exemptions.	<p>The proposed provisions are effective in achieving a balance between promoting intensification and protecting existing amenity values.</p> <p>The proposed provisions specifically aim to achieve the proposed RES, MDR and HDR objectives.</p>
Economic Growth and Employment Opportunities	
The proposed provisions allow for development at higher levels than the current L1 and L2. It is considered that the provisions provide for increased economic growth and provide employment opportunities.	
Risk of acting and not acting if there is uncertain or insufficient information	
It is considered there is sufficient information to reduce the risk of acting. The risk associated with not acting and maintaining the status quo is that there will be a shortfall of plan-enabled residential capacity within the UA and the NPS:UDC and 30/50 will not be given effect to.	

Definition Grouping Activities

98. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 25 below provides an assessment of the plan change option for the proposed RES, MDR and HDR rules relating to each definition grouping activity and the alternatives considered. Residential activities are not covered in Table 25 as these have been assessed in paragraphs 81 – 97 above. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 25: SECTION 32 ASSESSMENT OF PROPOSED RES, MDR AND HDR RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Prohibited (Farming is non-complying within the RES and MDR)	<ul style="list-style-type: none">• Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying• All rural production activities are non-complying	<ul style="list-style-type: none">• Not able to apply for consent for rural production activities, excluding farming within the RES.• Consenting cost associated with farming in the RES.• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• Rural production activities are typically large scale operations with noxious effects. Avoiding these activities improves amenity within primary Living Zones and retains land for more appropriate uses.• Rural production activities are unlikely in primary Living Zones so there is minimal risk and costs associated with prohibiting them.• Sets clear expectations for community that rural production activities are not anticipated in primary Living Zones.• Rural production activities are required to locate in more appropriate zones.• It is not considered appropriate to prohibit Farming within the RES and MDR as there are existing vacant sites which could be used for farming purposes prior to development to enable efficient use of land.
Plantation forestry				
Intensive livestock farming				
Farm quarrying				
Seasonal activity				
Industrial Activities				
General Industry	Prohibited	<ul style="list-style-type: none">• Status quo – permitted where associated with a residential activity on the site and with controls on hours of operation and screening• Non-Complying	<ul style="list-style-type: none">• Not able to apply for consent for industrial activities.• Existing activities would rely on existing use rights.	<ul style="list-style-type: none">• Industrial activities are required to locate in more appropriate zones which will retain land in primary Living Zones for more appropriate activities that are more consistent with the RES, MDR and HDR objectives.• Improved amenity within the primary Living Zones by avoiding adverse effects from industrial activities.• Avoids reverse sensitivity effects of industrial activities being located in proximity to residential activities.
Manufacturing and storage				
Repair and maintenance services				
Marine industry				
Waste management facility				
Landfill				
Artisan industrial activities				
Commercial Activities				

Retail Activity	Permitted where the activity is ancillary to a residential unit on the site and a suite of effects based controls are complied with (e.g. traffic movements, car parking, signage, visitor accommodation thresholds, etc.).	<ul style="list-style-type: none">• Status quo – permitted where associated with a residential activity on the site and with controls on hours of operation and screening• Discretionary	<ul style="list-style-type: none">• Increased consenting costs associated with the new effects based rules.• Screening requirement of the status quo has been removed which could result in adverse amenity effects on neighbours.• Providing for a permitted activity threshold enables these activities to establish without consent which could have adverse effects on residential amenity and character.	<ul style="list-style-type: none">• Provides for smaller scale commercial activities to enable live/work opportunities. This approach replaces the concept of Home Occupations that was introduced through PC120.• The proposed provisions are considered to appropriately manage the scale and intensity of these activities to manage adverse effects.• Encourages larger scale and non-ancillary commercial activities to be located in more appropriate zones (e.g. the City Centre, Local Commercial or Neighbourhood Commercial Zones) to manage commercial sprawl.
Commercial Services				
Food and Beverage Activities				
Visitor Accommodation				
Entertainment Facilities	Non-Complying	<ul style="list-style-type: none">• Status quo – permitted where associated with a residential activity on the site and with controls on hours of operation and screening• Permitted where the activity is ancillary to a residential unit on the site and a suit of effects based controls are complied with (e.g. traffic movements, car parking, signage, etc.)	<ul style="list-style-type: none">• Increased consenting costs and existing activities would rely on existing use rights.	<ul style="list-style-type: none">• These activities are not considered compatible with the amenity or character levels anticipated within primary Living Zones, even if they are associated with a residential unit. The proposed provisions ensure that if consent is applied for, any adverse effects would need to be avoided, remedied or mitigated and the application would be assessed against the relevant objectives and policies.
Service Stations				
Funeral Home				
Community Activities				
Care Centre	Permitted where the activity is ancillary to a residential unit on the site and a suite of effects based controls are complied with (e.g. traffic movements, car parking, signage, etc.).	<ul style="list-style-type: none">• Status quo – permitted where associated with a residential activity on the site and with controls on hours of operation and screening• Discretionary	<ul style="list-style-type: none">• Increased consenting costs associated with the new effects based rules.• Screening requirement of the status quo has been removed which could result in adverse amenity effects on neighbours.• Providing for a permitted activity threshold enables care centres to establish without consent which could have adverse effects on residential amenity and character.	<ul style="list-style-type: none">• Provides for smaller scale care centres to enable live/work opportunities.• The proposed provisions are considered to appropriately manage the scale and intensity of these activities to manage adverse effects.• Care centres can be sensitive to noxious activities and providing for a certain scale within primary Living Zones protects these activities from adverse effects.
Place of Assembly	Discretionary	<ul style="list-style-type: none">• Status quo – permitted with controls on hours of operation• Permitted where the activity is ancillary to a residential unit on the site and a suit of effects based	<ul style="list-style-type: none">• Increased consenting costs and existing activities would rely on existing use rights.	<ul style="list-style-type: none">• The definition of places of assembly is proposed to be amended to include a more specific range of activities than the status quo. The activities proposed in the amended definition of places of

		controls are complied with (e.g. traffic movements, car parking, signage, etc.)		assembly are not considered appropriate for primary Living Zones as a permitted activity. It is therefore considered important to assess proposals for places of assembly through the consent process.
Recreational Facilities	Non-Complying (Emergency Services are discretionary within the MDR and HDR)	<ul style="list-style-type: none"> • Status quo – permitted where associated with a residential activity on the site and with controls on hours of operation and screening • Discretionary 		<ul style="list-style-type: none"> • These activities are not considered compatible with the amenity or character levels anticipated within primary Living Zones, even if they are associated with a residential unit. The proposed provisions ensure that if consent is applied for, any adverse effects would need to be avoided, remedied or mitigated and the application would be assessed against the relevant objectives and policies.
Emergency Services				
Educational Facilities				
Hospital				

Efficiency and Effectiveness

99. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the primary Living Zones.
 - The proposed rules are considered more effective than the status quo in managing adverse effects and protecting residential character and amenity, as the WDP has limited controls on non-residential activities in the Living Environments.
 - The proposed rules are considered more effective than the status quo at managing commercial sprawl and its associated adverse effects.
 - The proposed rules provide for a permitted threshold of activities, in line with the RES, MDR and HDR objectives, so that opportunities for appropriate non-residential activities are provided.

Economic Growth and Employment Opportunities

100. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain businesses can and cannot operate without consent.
101. The proposed RES, MDR and HDR rules seek to protect land within the primary Living Zones for residential activities to ensure that sufficient residential capacity is enabled through the District Plan. As demonstrated in **Part 1** of this s32 Report an assessment of residential and business capacity has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

102. There is no known risk due to insufficient information.

Conclusion

103. It is considered that the proposed plan change provisions to manage activities in the primary Living Zones are appropriate.

Subdivision

104. The WDP provides for subdivision in the L1, L2 and L3 as a controlled activity where the net site area of a site is at least 500m², 350m² and 2,000m², respectively. In any Living Environment on a site not connected to a reticulated sewerage system, subdivision is a controlled activity if the site has a net site area of at least 2,000m².
105. It is proposed to retain the 2,000m² minimum net site area for the RES, to reduce the minimum net site area to 450m² for the MDR, and to reduce the minimum net site area to 300m² for the HDR. Additionally, it is proposed to require any proposed site to contain minimum dimensions. The subdivision rules are

proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.

106. It is considered necessary to retain the 2,000m² minimum net site area for the RES to ensure appropriate areas are provided for servicing and to achieve the low density spacious character of the zone. The minimum net site areas of the MDR and HDR are proposed to be reduced to encourage intensification and consolidation in accordance with the development approach adopted by 30/50 and the requirements of the NPS:UDC to provide sufficient residential capacity. Compared to the operative 500m² and 350m² minimum site sizes, the proposed 450m² and 300m² minimum site sizes provide an increased plan-enabled capacity of approximately 2,250 additional sites. The inclusion of minimum site dimension requirements aims to ensure that sites are well designed, as a reduced minimum net site area has the potential to have adverse effects in terms of on-site amenity.
107. A number of alternatives have been evaluated in relation to subdivision in the primary Living Zones. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and sites could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the primary Living Zones. However, this is considered to be overly restrictive and not proportional to the effects being managed.
108. The alternative of increasing the minimum lot size was evaluated; however, this would not achieve the preferred consolidated growth pattern under 30/50 or provide sufficient plan-enabled capacity in accordance with the NPS:UDC. A decreased minimum lot size was also evaluated. This may have potential adverse effects on character and amenity values within the primary Living Zones. Table 26 below demonstrates the appropriateness of the proposed provisions.

TABLE 26: S32 ASSESSMENT OF SUBDIVISION PROVISIONS	
Costs	Benefits
<u>Environmental</u> Increases the density of the current L1 and L2 which could adversely affect the amenity and character of residential areas.	<u>Environmental</u> Urban sprawl is better managed by providing for intensification in the primary Living Zones. The proposed densities seek to achieve the consolidated growth pattern under 30/50 and provide sufficient plan-enabled capacity.
<u>Economic</u> The proposed provisions are not as enabling as having no minimum lot size requirements. Increased consenting costs to comply with minimum site dimension requirements.	<u>Economic</u> Opportunities for residential development are retained and enhanced within the L1 and L2 areas.
<u>Social</u> Increased densities in the L1 and L2 could have adverse effects on adjacent properties' amenity.	<u>Social</u> There are not significant changes proposed to the operative provisions for landowners, investors and residents to encourage ease of use of the WDP.
<u>Cultural</u> None identified.	Maintains the amenity levels anticipated within residential areas better than a less restrictive alternative would. <u>Cultural</u> None identified.
Efficiency	Effectiveness

Rules are clear and efficient and ensure that sites are of a sufficient size to be efficiently developed.	The proposed provisions are consistent with the objectives of the RES, MDR and HDR by aiming to provide for residential activities and encourage intensification and consolidation while protecting amenity values.
Economic Growth and Employment Opportunities	
The proposed provisions allow for development at higher levels than the current L1 and L2 to encourage economic growth and provide employment opportunities by increasing the plan-enabled residential capacity.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is sufficient information to reduce the risk of acting or not acting.	

5. Conclusion for the RES, MDR and HDR

109. Pursuant to s32 of the RMA, the proposed RES, MDR and HDR objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
110. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to residential areas within Whangarei's Urban Area.

6. Background for the LDR

111. In 2010 Council notified a plan change 93 (**PC93**) as a component of the rolling review of the WDP. PC93 sought to introduce a new 'Urban Transition Environment' (zone) into the WDP to address issues of urban sprawl (particularly within the urban fringe of Whangarei City), dishonest zoning and capacity for rural residential development. Initially conceived as a 'Rural Residential' Environments under the Urban Structure Plans, UTE is situated on the city fringes between Living (urban) and Countryside (rural) Environments, where there has traditionally been a demand for this type of development. The UTE is in essence a residential zone with a rural outlook. It is intended to provide for people who wish to live in close proximity to urban areas and associated amenities, but prefer a rural outlook, ambiance and amenity on a site large enough to achieve a high degree of privacy without being a maintenance burden. UTE became operative on 25 June 2013.
112. As an urban zone UTE will sit under the proposed Strategic Direction objectives and policies (refer to Plan Change 148) within the WDP policy structure. This combined with the impending Standards, meant that it is necessary to review the UTE ahead of the anticipated 10 year time frame. This review is strictly confined to the extent to which the UTE provisions integrate with the other proposed zones within the UA and with the Standards. The spatial extent of the UTE is not part of PC88I. The review does not proposed or consider any amendment to the UTE boundaries or any rezoning of additional UTE.

7. LDR Section 32 Analysis

113. Council must evaluate in accordance with s32 of the RMA the extent to which each objective is the most appropriate way to achieve the purpose of the RMA. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered.
114. Proposed changes to the UTE are detailed and analysed below. Changes can be grouped into four categories:
- Amendments necessary to implement the draft Standards.
 - Amendments necessary to ensure consistency with the rolling review of the District Plan and most recent plan changes (Rural, Coastal and Landscapes).
 - Amendments necessary to ensure consistency with other proposed Urban Zones.
 - Amendments necessary to improve the effectiveness and efficiency of UTE rules.
115. Any change beyond a consequential amendment or as a result of implementation of the draft Standards is supported by s32 evaluation in the sections below.

7.1 Chapter Title

116. The draft Standards specify a list of zones that must be used in the district plan. Council may choose to use a precinct or development area where a zone is not an appropriate option. The draft Standards specify that the Low Density Residential Zone has a purpose of:

The purpose of the Low Density Residential Zone is to provide primarily for residential activities where there may be constraints on urban density.

117. Having re viewed the draft Standards options of zones and purposes, it is considered that Low Density Residential Zone has a purpose most consistent with the UTE.

7.2 Objectives (UTE.1.3)

118. UTE objectives were assessed as appropriate within PC93, and would not be reviewed now (in advance of the ten year review) but for the need to review for consistency with the proposed urban zones and to reflect the draft Standards. The table below summarises the changes to the UTE objectives to transition them to proposed LDR objectives:

Table 27: S32 ASSESSMENT OF PROPOSED LDR OBJECTIVES		
UTE Objectives	LDR Objectives	Reason for Change
UTE.1.3.1 Opportunities are provided for people to live in close proximity to	LDR – O1 Provide opportunities for people to live in close proximity to urban areas and	Alteration to refer to present tense. Ensures consistency with drafting.

urban areas and associated amenities, in a manner that safeguards rural character and ecological and productive values.	associated amenities, in a manner that safeguards rural character and ecological and productive values.	
	<p>LNRZ-O2</p> <p>Preserve rural character and amenity whilst enabling Low Density Residential Development.</p>	UTE is an urban zone in a rural setting and therefore relates to both the urban area and the rural area. All Rural zones contain an objective with supporting policy about the outcomes sought for the character of the relevant zone. UTE does not have an explicit character objective but does have policy UTE.1.4.1. Therefore, it is considered appropriate to proposed a new character objective for LDR.
UTE.1.3.2 Building sites are grouped together to maximise the extent of openness and rural outlook between clusters, and are sensitively located to achieve the maximum available privacy.	LDR-O3 Maximise the extent of privacy, openness and rural outlook between residential clusters.	UTE.1.3.2 includes policy direction and description of the method. As re-drafted the outcome of the objective is maintained and the objective is simplified and streamlined. Ensures consistency with drafting.
UTE.1.3.3 Allotment sizes are no larger than necessary to provide sufficient area for dwellings, accessory buildings and curtilage.	LDR-O6 Allotment sizes are no larger than necessary to provide sufficient area for dwellings, accessory buildings and curtilage.	Re-numbered.
UTE.1.3.4 The uninhabited spaces between residential clusters are retained indefinitely, whilst providing for flexibility regarding their ownership, ongoing management, and productive uses.	LDR-O4 Manage reverse sensitivity where the uninhabited spaces around clusters are, or can, be used for productive agricultural or horticultural activities.	Alteration to refer to present tense. Ensures consistency with drafting.
UTE.1.3.5 Provision is made for addressing reverse sensitivity issues, where the uninhabited spaces around clusters are, or can be, used for productive agricultural or horticultural activities.		The concept of retaining uninhabited spaces indefinitely has shifted to two policies.
UTE.1.3.6 Small scale non-residential activities are provided for where their effects are compatible with a residential lifestyle environment.	LDR-O5 Small scale non-residential activities are provided for where their effects are compatible with a Low Density Residential Zone.	Consequential amendment to refer to LDR.

119. To confirm the appropriateness of the proposed objectives, the following further assesses whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA and other higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
120. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 2 demonstrates that the proposed LDR objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88I. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88I is inconsistent with s8.

TABLE 28: LINKAGE OF PROPOSED LDR OBJECTIVES WITH PART 2 OF THE RMA							
Proposed LCZ Objectives							
		LDR-O1	LDR-O2	LDR-O3	LDR-O4	LDR-O5	LDR-O6
RMA Part 2 Section s	5(2)(a)	√		√			
	5(2)(b)			√			
	5(2)(c)	√	√	√	√	√	√
	7(b)	√	√	√			
	7(c)	√	√	√	√	√	√
	7(f)	√	√	√	√	√	√

121. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.
122. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88I. Of particular relevance to PC88I are the RPS, the LTP, 30/50 and the UDS. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 29 provides an overview of the proposed LDR objectives' consistency with the more relevant higher order documents.

TABLE 29: LINKAGE OF PROPOSED LDR OBJECTIVES WITH HIGHER ORDER DOCUMENTS							
LDR Objectives							
		LDR-O1	LDR-O2	LDR-O3	LDR-O4	LDR-O5	LDR-O6
Higher Order	RPS	√	√	√	√	√	√
	LTP						
	30/50	√			√		

	UGS	√					
	UDS	√		√			

123. The proposed LDR objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed LDR objectives are shown in Table 30 below. This table illustrates that the objectives of the LDR are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 30: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND LDR OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed LDR Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	LDR-O1
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	LDR-O2, O3
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	LDR-R2
SD-04 – Sense of Place Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District's unique identity and sense of place.	SD-P18	LDR-O2, O6
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	LDR-O4, O5
SD-06 – Indigenous Biodiversity Identify and protect the values and attributes of indigenous biological diversity (Significant Natural Areas) and maintain the extent and diversity of other indigenous biodiversity.	SD-P18	LDR-O1
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	LDR-O1
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	LDR-O4, O5
Rural Area Objectives		
SD-014 – Productive Functions Protect the long-term viability of the productive functions of rural land in a manner that delivers economic benefit and sustains the environment.	SD-P11	LDR-O1, O3, O4
SD-015 – Rural Area Land Uses Provide for a range of appropriate land uses in the Rural Area, including rural production activities, residential, rural residential, rural lifestyle, commercial,	SD-P12	LDR-O1, O3, O4

industrial, strategic rural industries, activities ancillary to farming or forestry and mineral extraction activities in appropriate areas.		
SD-016 – Viability of Productive Functions Avoid adverse effects on the viability of the productive functions of rural land in the Rural Area resulting from ad hoc or scattered residential, rural residential and rural living subdivision and development.	SD-P6, P11	LDR-O1, O3, O4

7.3 Policies (UTE.1.4.1, UTE.2.3, UTE.3.2)

124. The UTE has an unusual policy structure, having a land use section of policy (UTE.2.3), a subdivision section of policy (UTE.3.2) and an overarching policy (UTE.1.4.1). That structure is not consistent with the other proposed Urban zone chapters and the draft Standards chapter structure does not provide for multiple layers of policy within one zone chapter. Therefore, the policy structure must be changed to remove duplication.
125. The table 31 summarises the changes:

Table 31: S32 ASSESSMENT OF PROPOSED LDR POLICIES		
UTE Policy	LDR Policy	Reason for Change
UTE.1.4.1 To preserve rural character and amenity whilst enabling urban development in a transitional environment and maintaining factors that contribute to the rural character including: <ul style="list-style-type: none"> • Dominance of natural landforms with built features and roading subservient to and cohesive with these; • A sense of spaciousness; • Low night time light levels; • Dominance of natural features including landforms, watercourses, and vegetation. 	LDR-P1 To preserve rural character and amenity whilst enabling low density residential development in a transitional environment and maintaining factors that contribute to the rural character including: <ul style="list-style-type: none"> • Dominance of natural landforms with built features and roading subservient to and cohesive with these; • A sense of spaciousness; • Low night time light levels; • Dominance of natural features including landforms, watercourses, and vegetation. 	Alter reference to from 'urban development' to LDR.
UTE.2.3.1 Traffic Movements (LU) UTE.2.3.8 Access and Roothing (LU) UTE.3.2.8 Roothing (SD) UTE.3.2.15 Walking and Cycling (SD)		Delete policy. Proposed Transport chapter contains district wide policy relating to traffic movements, roading, cycleways etc.
UTE.2.3.2 Noise		Delete policy. NAV chapter contains district wide policy relating to noise effects.
UTE.2.3.3 Signage		Delete policy. Proposed Signs chapter contains district wide policy relating to signage.
UTE.2.3.4 Earthworks	LDR-P2	No change.

To manage the effects of soil disturbance, dust, and sediment runoff by limiting the maximum area of exposed earthworks.	To manage the effects of soil disturbance, dust, and sediment runoff by limiting the maximum area of exposed earthworks.	
UTE.2.3.5 Indigenous Vegetation To preserve rural character and amenity and to enhance biodiversity by limiting clearance of indigenous vegetation or the disturbance of land in identified significant habitats.	LDR-P15 To preserve rural character and amenity and to enhance biodiversity by limiting clearance of indigenous vegetation or the disturbance of land in identified significant habitats.	No change.
UTE.2.3.6 Lighting .		Delete policy. Proposed Lighting chapter contains district wide policy relating to lighting.
UTE.2.3.7 Reverse Sensitivity To manage reverse sensitivity effects by preventing any habitable building from being located in close proximity to the boundary of a Quarry Resource Area, the Business 4 Environment or the Rural Production Environment.	LDR-P3 To manage reverse sensitivity effects by preventing sensitive activities from being located in close proximity to the boundary of a Quarry Resource Area, the Heavy Industry Zone or the Rural Production Zone.	Change references to zone name to reflect draft Standards.
UTE.2.3.9 Privacy/Sunlight To avoid dominance of buildings and loss of access to sunlight, and to maintain a high level of privacy, by managing the height of buildings in relation to the distance from site boundaries. (LU) UTE.3.2.6 Building Platforms and Access To maintain outlook, amenity and privacy by requiring the identification and establishment of building platforms, access ways and any necessary landscaping prior to section 224 certification. (SD) UTE.3.2.16 Outlook To locate and orient building sites in a manner that allows each site to have a rural outlook while achieving a high level of privacy through good, considered design of the sites. (SD)	LDR-P4 To maintain amenity, avoid dominance of buildings and loss of access to daylight, and to maintain a high level of privacy by: a. Managing the height of buildings and the height of buildings in relation to the distance from site boundaries. b. Locating and orientating building areas to ensure each building area has a rural outlook.	Merging UTE landuse and subdivision policy to avoid duplication.
UTE.2.3.10 Highly Versatile Soils To preserve the productive capacity of highly versatile soils by limiting the extent of buildings and structures	LDR-P5 To preserve the productive capacity of highly versatile soils by:	Merging UTE landuse and subdivision policy to avoid duplication.

<p>and locating them on the lowest quality soils within the site. (LU)</p> <p>UTE.3.2.11 Highly Versatile Soils To require the subdivision design and the location of building sites to take into account and avoid highly versatile soils, at a site-specific level. (SD)</p>	<p>a. Limiting the extent of building coverage. b. Requiring the indefinite retention of 50% of the site. c. Requiring subdivision design and location of proposed building areas to be located on the least productive land.</p>	
<p>UTE.2.3.11 Wastewater (LU) UTE.2.3.12 Stormwater (SD) UTE.3.2.5 Stormwater and Wastewater (SD) UTE.3.2.14 Fire Protection (SD)</p>		Delete policy. Proposed Three Waters chapter contains district wide policy.
<p>UTE.2.3.13 Biodiversity To preserve rural character and amenity and to enhance biodiversity by protecting areas of indigenous vegetation and habitats, and precluding earthworks or the construction of buildings or structures in identified areas.</p>	<p>LDR-P6 To preserve rural character and amenity and to enhance biodiversity by protecting areas of indigenous vegetation and habitats, and precluding earthworks or the construction of buildings or structures in identified areas.</p>	No change.
<p>UTE.2.3.15 Road Setback To avoid ribbon development and maintain the rural outlook from State Highways and roads shown on the planning maps, by ensuring building platforms are setback from the road boundary.(LU)</p> <p>UTE.3.2.7 Road Setbacks To avoid ribbon development and maintain the rural outlook from State Highways and roads shown on the planning maps, by ensuring building platforms are setback from the road boundary (SD)</p>	<p>LDR-P7 To avoid ribbon development and maintain the rural outlook from State Highways and roads shown on the planning maps, by ensuring buildings and building areas are setback from the road boundary.</p>	Merging UTE landuse and subdivision policy to avoid duplication.
<p>UTE.2.3.16 Residential Intensity To avoid the loss of a sense of open space and rural outlook by limiting the density of residential units in the Urban Transition Environment to reflect a low level residential intensity of development. (LU)</p> <p>UTE.3.2.2 Density</p>	<p>LDR-P8 To avoid the loss of a sense of open space and rural outlook by: a. Limiting the density of residential units. b. Limiting the yield of subdivision to reflect a low level residential intensity of development. c. Requiring uninhabited spaces between residential clusters to be contiguous and protected in perpetuity.</p>	Merging UTE landuse and subdivision policy to avoid duplication.

<p>To limit the maximum yield of subdivision in the Urban Transition Environment to a low level residential density so as to maintain a sense of open space and rural outlook. (SD)</p> <p>UTE.3.2.4 Uninhabited Spaces To require the retention of the uninhabited spaces between residential clusters indefinitely by defining where buildings can be located. (SD)</p> <p>UTE.3.2.10 Land Management To require the uninhabited spaces between residential clusters to be contiguous wherever practicable to preserve management flexibility. (SD)</p>		
<p>UTE.3.2.1 Lot Size To minimise the amount of unproductive land use and unnecessary curtilage by requiring additional allotments to be as small as practicable.</p>	<p>LDR-P11 To minimise the amount of unproductive land use and unnecessary curtilage by requiring additional allotments to be as small as practicable.</p>	No change.
<p>UTE.3.2.3 Clustering To locate new building sites near any existing or proposed building site so as to maximise the extent of uninhabited space between residential clusters.</p>	<p>LDR-P12 To consolidate built form and locate new building areas near any existing or proposed building areas so as to maximise the extent of uninhabited space between residential clusters.</p>	No change.
<p>UTE.3.2.9 Site Specific Design To require all subdivision proposals to recognise and take into account all site-specific elements and features, and present comprehensive design solutions. (SD)</p> <p>UTE.3.2.18 Ecological Corridors To require any existing natural, waterways, ecological features and corridors to be recognised and maintained or enhanced as part of any proposed subdivision or development. (SD)</p> <p>UTE.3.2.19 Significant Natural Areas To require any existing Significant Natural Vegetation to be recognised and maintained or enhanced as part of any proposed subdivision or development. (SD)</p>	<p>LDR-P13 To design subdivision and development to preserve rural character and amenity by:</p> <ol style="list-style-type: none"> Recognising and taking into account all site specific elements and features. Requiring the maintenance and enhancement of any existing Indigenous Vegetation and Habitats and natural waterbodies. Recognising and maintaining any Sites of Significance to Maori. 	Merging UTE landuse and subdivision policy to avoid duplication.

UTE.3.2.20 Sites of Significance to Maori To require any existing Sites of Significance to Maori to be recognised and maintained as part of any proposed subdivision or development. (SD)		
UTE.3.2.12 Heritage		Delete policy, WDP Historic Heritage chapter contains district wide policy.
UTE.3.2.13 Utilities (SD) UTE.3.2.22 Staging (SD)		Delete policy. Proposed Subdivision chapter contains district wide policy.
UTE.3.2.17 Environmental Benefit	LDR-P14 Environmental Enhancement	Change “benefit” to “enhancement” in title of policy. Rural plan changes introduced a new definition of “Net Environmental Benefit”. This amendment avoids confusion.
UTE.3.2.21 Contaminated Soils		Delete. Duplication of NES on contaminated soils and district wide chapter.
	LDR-P9 To protect character and amenity by restricting the establishment of non-residential activities and ensuring that any non-residential activities and home occupations are of a design, scale and appearance that is compatible with a low density residential context.	New policy proposed to support objective LDR-O5.
	LDR P10 To protect esplanade areas and to reserve waterfront walkways by avoiding impervious areas adjacent to Mean High Water Springs and river banks.	New policy proposed to support Strategic Direction Chapter.

126. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the LDR chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review.

127. Table 32 below demonstrates that the policies proposed for the LDR implement the proposed LDR objectives, and that the methods implement the proposed LDR policies:

TABLE 32: LINKING OF PROPOSED LDR PROVISIONS		
Proposed LDR Objective	Proposed LDR Policies	Proposed LDR Methods
LDR-O1 Living Opportunities	LDR-P1	LDR-R2 – R11
LDR-O2 Character and Amenity	LDR-P1, LDR-P2, LDR-P5 – 9, LDR-P13 and LDR-P15	LDR-R2 – R47, SUB-R3
LDR-O3 Clusters	LDR-P4, LDR-P7-8, LDR-P12	LDR-R2 – R11, LDR-R45, SUB-R3
LDR O4 Reverse Sensitivity	LDR-P3	LDR-R3, LDR-R11
LDR-O5 Non-Residential Activities	LDR-P9	LDR-R12-R44, R46, R47
LDR-O6 Allotment Size	LDR-P8, LDR-P11 – 13	SUB-R3

7.4 Proposed LDR Provisions

128. The proposed provisions in the LDR are assessed below. The proposed provisions are grouped by topic and effects. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

7.4.1 Eligibility Rules UTE.1.2, UTE.2.2 and UTE.3.1 (existing)

129. The draft Standards specify the structure of chapters and rules. This structure does not provide for 'eligibility rules'. The UTE chapter contains three different eligibility rules, UTE.1.2 zone wide, UTE.2.2 landuse eligibility and UTE.3.1 subdivision eligibility.

130. UTE.1.2 relates to the ability to use the Management Plan Technique (MPT) in the UTE. UTE is the only chapter in the WDP that includes specific reference to and provision for MPT applications. MPT is a development process described in the WDP involving an activity status for the process rather than for an activity. Management Planning or Master Planning has been declared by the Environment Court to be ultra vires. Therefore, it is appropriate to delete the MPT chapter and any references to MPT in the LDR.

131. UTE.2.2 includes three separate eligibility rules. The first relates to the rule structure and interpretation of the UTE chapter. With the chapter structure, specified in the draft Standards, this rule is not considered necessary in the LDR.

132. The second rule relates to activities authorised by a consented Management Plan. As discussed above, it is considered appropriate to delete this rule.

133. The third rule relates to the classification of construction of a dwelling or habitable building within an area subject to a 'no dwelling restriction' as a prohibited activity. This rule is considered necessary to achieve the objectives of the LDR and it is therefore proposed to relocate the rule to comply with the draft Standards district plan structure.

134. UTE.2.3 includes a further three separate eligibility rules. The first relates to compliance with an approved management plan. For reasons previously discussed it is considered that this rule should be deleted.
135. The second rule specifies a discretionary activity status for all subdivision proposals. This rule is considered appropriate to achieve the objectives of LDR and it is therefore proposed to relocate the rule to the Subdivision Chapter to comply with the draft Standards district plan structure.
136. The third rule relates to the classification of the creation of additional allotments within 'no residential unit' restriction areas as a prohibited activity. This rule is considered necessary to achieve the objectives of the LDR and it is therefore proposed to relocate the rule to comply with the draft Standards district plan structure.

7.4.2 Information Requirements (UTE.1.2) (existing)

137. The draft Standards specify the structure of chapters and rules. This structure does not provide for standalone information requirements rules - instead the draft Standards provide for rule requirements. UTE.1.2 is a zone wide generic rule referencing the requirement to comply with s88 of the RMA. It is considered appropriate to delete the rule to comply with the draft Standards district plan structure.

7.4.3 Land Use Discretionary Activity Rules (UTE.2.1) (existing)

138. The UTE has a list of discretionary activity rules focused upon managing effects rather than managing activities. Throughout the rolling review a shift has occurred to a hybrid approach of managing effects and activities. The urban plan changes propose to introduce a series of activity definitions, which result in the necessity to consider provisions in the LDR in order to meet the chapter structure of the draft Standards the UTE discretionary rules will need to be reconfigured.
139. The table 33 summarises the changes proposed to UTE.2.1:

Table 33: CHANGES TO UTE.2.1 LANDUSE RULES		
UTE Discretionary Rule	LDR Rule	Reason for Change
UTE.2.1.a 30 daily traffic movements		Delete – with the increased control of activities, limitation of traffic movements is not considered to be required.
UTE.2.1.b Building cumulative footprint exceeding 500m ² .	LDR-R5 Building Coverage Permitted – coverage of all buildings does not exceed 500m ² on any site.	The terminology of "building footprint" is not used in any other WDP chapter. Building footprint is not defined in the WDP. Conversion to building coverage maintains consistent language.
UTE.2.1.d Impermeable surfaces, cumulative area exceeds 1000m ² .	LDR Impervious Area Permitted - area less than 1000m ² Permitted – area is setback 5m from MHWS or river bank.	Consistent use of terminology.

UTE.2.1.e Signage		Delete – proposed PC82 Signs and Lighting
UTE.2.1.f Earthworks Greater than 2000m ² in any 12month period and cut or fill less than 2m.	LDR R8 Earthworks Permitted – less than 2000m ² in any 12month period and cut or fill less than 2m.	Renumbered.
UTE.2.1.g Indigenous Vegetation & Wetlands Destruction of any wetland or clearance of more than 500m ² of predominantly indigenous vegetation where that forms a contiguous area of 1ha or more.	LDR R7 Indigenous Vegetation Permitted – less than 500m ² clearance per site within each 10 year period from [operative date] plus exemptions.	Management of wetlands is not a district council function under the RPS. Rule is re-drafted to be consistent with the recently operative Rural plan change vegetation clearance rules.
UTE.2.1.i Lighting Exceeding a lux of 10.		Delete – proposed PC82 Signs and Lighting
UTE.2.1.j Disturbance of SNA Disturbance of more than 500m ² of an area mapped as SNA.		Delete – SNA plan change and vegetation clearance rules sufficiently control.
UTE.2.1.k Hazardous Substances Compliance with Appendix 8.		Delete – Strategic Direction, urban area section contains equivalent rule.
UTE.2.1.l Reverse sensitivity Habitable buildings within 500m of MEA or the B4.	LDR-R10 Permitted- sensitive activities are setback further than 500m from QRA, 500m from a HI, 30m from the RPZ	Consistent use of terminology.
UTE.2.1.m Height in relation to boundary 3m plus shortest horizontal distance.	LDR-R4 Permitted – no part exceeds 3m plus shortest horizontal distance.	Renumbered.
UTE.2.1.n Access, Roding, Parking Compliance with EES 2010.		Delete – proposed PC109 Transport.
UTE.2.1.o Road Setbacks Construction of any building within 20m of a boundary of a mapped road.	LDR-R3 Building Setbacks	Renumbered.
UTE.2.1.p Clustering Construction of a building further than 50m from an existing building or approved platform.		
UTE.2.1.q Countryside Setback Construction of any habitable building within 30m of the Countryside Environment	LDR-R10 Permitted- sensitive activities are setback further than 500m from	Consistent use of terminology.

	QRA, 500m from a HI, 30m from the RPZ.	
UTE.2.1.r Density Construction or location of any residential unit where the total residential density will exceed one unit per 5000m ² .		Renumbered.

7.4.4 Proposed LDR Landuse Provisions (New)

Building Height

140. The proposed LDR objectives seek to provide for low density residential development while maintaining rural character and amenity. To achieve these objectives, the bulk and form of the built environment within the LDR must be carefully managed. The UTE did not include a building height limit, relying instead on a Height in Relation to Boundary (**HBR**) rule was sufficient to manage effects within the UTE.
141. Proposed Rule LDR-R2 proposes maximum building height of 8m is consistent with the Rural Urban Expansion and Residential Zone.

Outdoor Areas of Storage

142. The UTE does not manage outdoor storage areas unlike all other residential Environments in the WDP. Living Environments in the WDP currently manage outdoor areas of storage or stockpiles to limit their size and manage discharges or adverse effects that may arise. However, the wording of those operative rules has created issues in the ability to monitor and enforce them. Proposed Rule LDR-R9 seeks to apply the WDP storage and stockpile provisions to the LDR, improving on the wording to make it clearer, consistent with other proposed Living zones.

Impervious Areas

143. Impervious areas are managed in the UTE, however it does not control impervious areas within proximity to water bodies.
144. With regard to the MHWS and river setback, research has confirmed that impervious areas adjacent to MHWS, such as car parking spaces, can compromise the future use of the esplanade area as a pedestrian walkway and have adverse effects from stormwater runoff. The Blue/Green Network Strategy seeks to manage these esplanade areas for a range of reasons including managing stormwater and improving pedestrian connectivity.
145. The alternative considered was the status quo. However, it is considered important that the District Plan protects areas immediately adjacent to MHWS and rivers from inappropriate development and manages stormwater and amenity. Table 34 below demonstrates the appropriateness of the proposed provisions.

TABLE 34: S32 ASSESSMENT OF IMPERVIOUS AREAS RULES	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps create a more pedestrian-centric environment by protecting esplanade areas for pedestrian walkways. Improves water quality by managing stormwater runoff. Improves amenity by requiring landscaping within sites to break up impervious areas.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Economic</u> Implementing the Blue/Green Network Strategy could improve pedestrian activity in Whangarei city and therefore provide more economic activity.
	<u>Cultural</u> Waterways are better protected from inappropriate development.
Efficiency	Effectiveness
Rules are clear and policy guidance provides clear direction	The proposed rules are considered effective in meeting the objectives of the proposed LDR by improving amenity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Definition Grouping - Activities

146. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Table 35 below provides an overview of the plan change option for each definition grouping activity and the other options considered under this s32 assessment. Table 35 also demonstrates the costs and benefits associated with each proposed plan change option.

147. Principles applied to the control of activities:

- Management of activities in the LDR is necessary to provide for residential activities while protecting rural amenity and outlook.
- LDR is the transition from Urban to Rural and is expected to provide for farming and seasonal activities.
- Residential density should be limited to maintain sufficient openness and rural amenity.
- UTE activity status should be reviewed for consistency with other proposed Living Zones in the urban area.

TABLE 35: SECTION 32 ASSESSMENT OF PROPOSED RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Permitted	<ul style="list-style-type: none">• Permit all rural production activities• Prohibit some rural production activities• Status quo – permit activities where environmental effects are managed.	<ul style="list-style-type: none">• Restrictions on plantation forestry, intensive livestock and farm quarrying. Consent required.	<ul style="list-style-type: none">• It is anticipated that some farming and seasonal activities may occur within the LDR as a result of the requirement to protect 50% of the parent allotment from built development.• Maximises use of highly versatile soils.• Creates a sense of rural amenity and character.• Maintains the transition between rural and urban areas.
Plantation forestry	Non-complying			
Intensive livestock farming	Non-complying			
Farm quarrying	Non-complying			
Seasonal activity	Permitted			
Industrial Activities				
General Industry	Non-complying	<ul style="list-style-type: none">• Permit all industrial activities• Prohibit all industrial activities• Status quo – permit activities except for noxious or offensive activities such as panel beating, metal working, motor vehicle manufacturing, sewage disposal, etc. which are discretionary and non-complying.	<ul style="list-style-type: none">• Not able to apply for consent for particularly noxious industry such as waste management or landfills.• Consenting cost for general industry activities.	<ul style="list-style-type: none">• Industrial activities are required to locate in more appropriate zones which would avoid adverse effects from industrial activities and retain LDR land for more appropriate activities that are more consistent with the LDR objectives.• Improved amenity of LDR by avoiding adverse effects form industrial activities.
Manufacturing and storage				
Repair and maintenance services				
Marine industry				
Waste management facility	Prohibited			
Landfill				
Artisan industrial activities	Permitted ancillary to primary residential unit, and limits on signage, parking, operators, hours of operation, traffic movements etc	<ul style="list-style-type: none">• Status quo.• Discretionary.	<ul style="list-style-type: none">• Larger artisan industrial activities would require consent as a non-complying activity.	<ul style="list-style-type: none">• Allows for artisan industry at a scale of effect that is same or similar as a residential activity.• Maintains rural amenity and character of the LDR.• Maintains the transition between rural and urban areas.
Residential Activities				
Supported Residential Care	Discretionary	<ul style="list-style-type: none">• Status quo – permitted• Permitted with effects based controls	<ul style="list-style-type: none">• Additional consenting costs.	<ul style="list-style-type: none">• Supported residential care maybe appropriate on a case by case basis if is of a scale appropriate to maintain the amenity and character of the LDR.

Residential Unit (Principal and Minor	Permitted with a density of 1 unit per 5000m ² .	<ul style="list-style-type: none">• Status quo – permitted with outdoor living court controls.• Permitted with additional effects based controls such as outlook space and habitable room orientation.	<ul style="list-style-type: none">• None known.	<ul style="list-style-type: none">• The District Plan would continue to be enabling for residential activities.• Consistent with LDR objectives, higher order policy direction and higher order documents.
Retirement Village	Discretionary	<ul style="list-style-type: none">• Permitted or restricted discretionary with effects based controls.• Non-complying.	<ul style="list-style-type: none">• Additional consenting costs.	<ul style="list-style-type: none">• Supported residential care maybe appropriate on a case by case basis if is of a scale appropriate to maintain the amenity and character of the LDR.
Commercial Activities				
Motor Vehicle Sales	Non-complying	<ul style="list-style-type: none">• Status quo - permit activities and manage through the control of effects.• Provide for these activities as either permitted or discretionary with a suite of effects based controls.• Prohibit these types of commercial activities.	<ul style="list-style-type: none">• Consent would now be required for these activities with policies that would not be strongly supported.• Existing activities would rely on existing use rights and would require consent beyond existing use rights.	<ul style="list-style-type: none">• Consistent with LDR objectives, higher order policy direction and higher order documents.• Improved amenity of LDR by managing these activities which could have negative character and amenity effects.• LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Garden Centres				
Marine Retail				
Drive Through Facilities				
Hire Premise				
Service Stations				
Funeral Home				
Trade Suppliers				
Grocery Store				
General Retail				
Commercial Services	Permitted ancillary to primary residential unit, and limits on signage, parking, operators, hours of operation, traffic movements etc	<ul style="list-style-type: none">• Status quo.• Discretionary.	<ul style="list-style-type: none">• Larger scale activities would require consent as a non-complying activity.	<ul style="list-style-type: none">• Allows for commercial activities ancillary to residential at a scale of effect that is same or similar as a residential activity.• Maintains rural amenity and character of the LDR.• Maintains the transition between rural and urban areas.
Food and Beverage Activity	Non-complying	<ul style="list-style-type: none">• Status quo - permit activities and manage effects.• Provide for these activities as either permitted or discretionary with a suite of effects based controls.• Prohibit these types of commercial activities.	<ul style="list-style-type: none">• Consent would now be required for these activities with policies that would not be strongly supported.• Existing activities would rely on existing use rights and would require consent beyond existing use rights.	<ul style="list-style-type: none">• Consistent with LDR objectives, higher order policy direction and higher order documents.• Improved amenity of LDR by managing these activities which could have negative character and amenity effects.• LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Entertainment Facilities				
Visitor Accommodation				
Community Activities				

Place of Assembly	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted with management of effect. • Non-complying 	<ul style="list-style-type: none"> • Consent would now be required. • Existing activities would require consent for extensions beyond the GFA threshold. 	<ul style="list-style-type: none"> • Consistent with LDR objectives, higher order policy direction and higher order documents. • Improved amenity of LDR by managing these activities which could have negative character and amenity effects. • LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Recreational Facilities				
Care Centre	Non-complying	<ul style="list-style-type: none"> • Status quo - permit activities and manage effects. • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of commercial activities. 	<ul style="list-style-type: none"> • Consent would now be required for these activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> • Consistent with LDR objectives, higher order policy direction and higher order documents. • Improved amenity of LDR by managing these activities which could have negative character and amenity effects. • LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Educational Facilities	Discretionary	<ul style="list-style-type: none"> • Status quo – permitted with management of effect. • Non-complying 	<ul style="list-style-type: none"> • Consent would now be required. 	<ul style="list-style-type: none"> • Consistent with LDR objectives, higher order policy direction and higher order documents. • Improved amenity of LDR by managing these activities which could have negative character and amenity effects. • LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Health Care Facilities	Non-complying	<ul style="list-style-type: none"> • Status quo - permit activities and manage effects. • Provide for these activities as either permitted or discretionary with a suite of effects based controls. • Prohibit these types of commercial activities. 	<ul style="list-style-type: none"> • Consent would now be required for these activities with policies that would not be strongly supportive. • Existing activities would rely on existing use rights and would require consent beyond existing use rights. 	<ul style="list-style-type: none"> • Consistent with LDR objectives, higher order policy direction and higher order documents. • Improved amenity of LDR by managing these activities which could have negative character and amenity effects. • LDR land is retained for more suitable activities and these retail activities are encouraged to locate in more appropriate zones.
Emergency Service				
Hospital				

Efficiency and Effectiveness

148. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the LDR.
 - The proposed rules are more effective than the status quo in manage adverse effects and achieving positive outcomes and are consistent with rules in other proposed Living Zones in the urban area.
 - The proposed rules provide for a permitted threshold of activities, in line with the LDR objectives, so that consent requirements are not excessive.
149. In combination with the other zones proposed under PC88A – J the definition grouping activities are provided for in areas considered appropriate.

Economic Growth and Employment Opportunities

150. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed LDR rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the LDR.
151. In combination with the other zones proposed under PC88A – J the range of definition grouping activities are provided for across various zones. While some activities are not encouraged or enabled in the LDR they are provided for elsewhere.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

152. There is no known risk due to insufficient information.

Conclusion

153. The plan change options detailed within Table 35 are considered to be the most appropriate methods to achieve the LDR objectives.

7.4.5 Subdivision Discretionary Activity Rules and Notification Rules (UTE.3.1 and UTE3.3) (existing)

154. All subdivision within the UTE is discretionary activity, with notification rules that require public notification of certain applications. In order to be consistent with the other proposed plan changes in the urban area and to meet the chapter structure of the draft Standards the UTE discretionary rules need to be reconfigured.
155. The table 36 summarises the changes proposed to UTE.3.1 and UTE.3.3:

Table 36: CHANGES TO UTE.3.1 and UTE.3.3 SUBDIVISION RULES

UTE Discretionary Rule	Subdivision Controlled Rule	Reason for Change
<p>UTE.3.1</p> <p>All subdivision proposals shall be considered a discretionary activity.</p>	SUB-R3	<p>Converting the notification rules to rule triggers provide sufficient certainty to introduce a controlled activity status.</p> <p>Ensures consistency with subdivision rules in proposed urban zones.</p>
<p>UTE.3.3.a</p> <p>More than 1 allotment larger than 2500m² except that more than 1 allotment will be allow where that allotment in its entirety is subject to a conservation covenant...</p>	<p>SUB-R3.2</p> <p>The maximum allotment size does not exceed 2500m², except that:</p> <ul style="list-style-type: none"> a. 1 allotment may be larger b. Any allotment may be larger where that allotment in its entirety is subject to a conservation covenant, Reserve Act covenant or similar restriction 	<p>Renumbering and rewording to reflect conversion from discretionary to controlled activity.</p>
<p>UTE.3.3.b</p> <p>Yield of a subdivision exceeding one residential lot per 5000m² of net site area.</p>	<p>SUB-R3.4</p> <p>The yield of a subdivision shall not exceed one allotment per 5000m² of net site area.</p>	<p>Renumbering and rewording to reflect controlled activity.</p> <p>Change 'residential lot' to 'allotment'. 'residential lot' is not defined in the WDP'. The change will ensure terminology is consistent with terms used in the recently operative rural plan changes.</p>
<p>UTE.3.3.c</p> <p>Location of new residential building sites further than 50m from an existing or proposed residential building site within the UTE.</p>	<p>SUB-R3.5</p> <p>Every allotment shall identify building areas within 50m of an existing building or proposed building area within the Low Density Residential Zone.</p>	<p>Renumbering and rewording to reflect conversion from discretionary to controlled activity.</p> <p>Change 'residential building sites' to 'building area'. 'Building sites' is not defined in the WDP'. The change will ensure terminology is consistent with terms used in the rural plan changes</p>
<p>UTE3.3.d</p> <p>Indefinite retention of less than 50% of the total site area of the subdivision.</p>	<p>SUB-R3.1</p> <p>50% of the total allotment area (excluding public road, access ways and impervious areas) shall be retained indefinitely:</p> <ul style="list-style-type: none"> a. By legal protection such as covenant, consent notice or encumbrance that precludes building residential units and minor residential units. 	<p>Renumbering and rewording to reflect conversion from discretionary to controlled activity.</p>

	b. As a contiguous area.	
<p>UTE.3.3.e.</p> <p>Creation of allotments less than 2000m² where the physical identification of suitable building platforms in accordance with the EES 2010 cannot be demonstrated.</p>		<p>Delete</p> <p>Proposed Three Waters plan change will address disposal of wastewater, stormwater and provision of water.</p>
<p>UTE.3.3.f</p> <p>Creation of allotments less than 2000m² where the identification and establishment of access ways in accordance with the EES 2010 cannot be demonstrated.</p>		<p>Delete</p> <p>Proposed Transport plan change will address access.</p>
<p>UTE.3.3.g</p> <p>Location and construction of building platforms within 20m of the boundary of SH and roads shown on planning maps.</p>	<p>SUB-R3.6</p> <p>Every allotment contains an identified building area of at least 100m² within which a residential unit can be built so that there is compliance as a permitted activity with the zone rules.</p>	<p>Renumbering and rewording to reflect controlled activity.</p>
<p>UTE.3.3.h</p> <p>Establishment and low impact management of roading network (including SH) in accordance with the EES cannot be demonstrated.</p>		<p>Delete</p> <p>Proposed Transport plan change will address access.</p>

8. Conclusion for the LDR

156. Pursuant to s32 of the RMA, the LDR objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
157. The existing and proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to the conversion of the operative UTE to the proposed LDR.

Plan Change 88J: Precincts

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1. This forms **Part J** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 within **Part 2**.
2. Plan Change 88J (**PC88J**) seeks to establish a Precincts chapter in the district plan. This will include a review of the Port Nikau Environment and the Oil Refinery provisions in the operative District Plan (**WDP**) and the introduction of a Hīhīaua Peninsula Precinct. This will include updating the provisions to reflect the impending National Planning Standards (**Standards**), to apply new definitions and to reflect proposed higher order policy of the Strategic Direction Chapter. PC88J will include:
 - A new Precincts chapter in the WDP.
 - A conversion of the WDP Port Nikau Environment Chapter to the Port Nikau Precinct – with objectives, policies and rules for the precinct and subdivision provisions within the proposed Subdivision Chapter.
 - A conversion of WDP Scheduled Activity 13 to the Oil Refinery Precinct.
 - A new Hīhīaua Precinct.
 - Changes to the WDP Planning maps – denoting the proposed precincts.
 - Consequential changes to the WDP.

2. Background

2.1 Existing Port Nikau Environment (PNE)

3. The Port Nikau Environment is a zone created as a result of a private plan change (PC78) which became operative on 27 October 2010. The area has historically been used as Whangarei Port, now has large areas of land vacant with a mix of land uses, marine industry primarily present. The zone is intended to be a mixed use environment, located in close proximity to the CBD. The PNE provisions aim to enable the mixed use development of the site; to use urban design principles to lead the design process and touse a tiered approach for development assessment (Master Planning and Precinct Planning). Figure 1 shows the Port Nikau Environment as green.

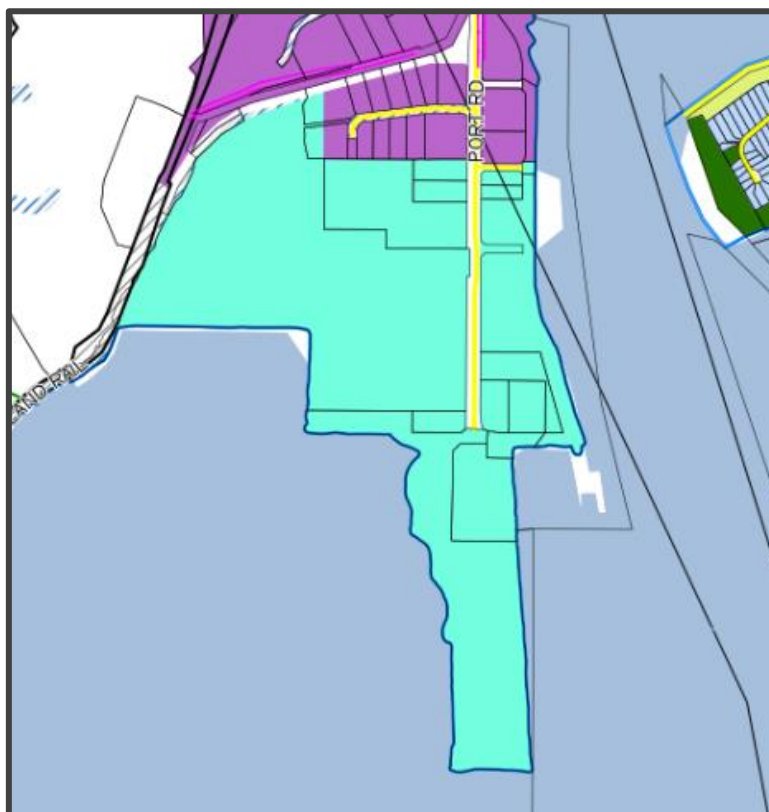


Figure 1: District Plan Map of Port Nikau Environment (Green)

4. The zone provisions prescribe a development process:

TABLE 1: EXTRACT FROM WDP, PNE – DEVELOPMENT PROCESS		
MASTER PLAN		
Covers the whole Environment	Provides detail of core infrastructure layout, reserves and open space pattern and defines key urban design elements to be included in the individual Precinct Plans	Discretionary Activity
PRECINCT PLAN		
Covers a defined part of the Environment	Provides assumptions on end land uses, provides specific urban design elements to be applied within a defined 'precinct' and ensures that sufficient capacity will be provided with the infrastructure services	Restricted Discretionary Activity
SUBDIVISION CONSENT		
Enables formal development of Precinct Plan	Divides site into individual lots and lays out roading and reserves pattern and services and ensure infrastructure is built to the required standards	Controlled Activity
BUILDING CONSENT		
Enables built development within lots created by subdivision process		Subject to Building Act requirements

5. Any development onsite prior to approval of a Master Plan is managed by references to the WDP Business 4 Environment (**B4**) provisions.
6. The B4 is being reviewed as part of the Urban Plan Changes.

7. On 12 April 2017, a landuse consent decision (**Attachment 1**) was issued approving a Master Plan (the master plan) in accordance with the first step of the PNE prescribed development process.
8. As an urban zone the PNE would sit under the proposed Urban Area objectives and policies within the WDP policy structure. This, the B4 review and the impending Standards, meant that it is necessary to review the PNE slightly ahead of the anticipated 10 year time frame.

2.2 Oil Refinery

9. Scheduled Activity No. 13 applies to the Marsden Point Oil Refinery. The site is zoned as B4. Figure 2 below shows Scheduled Activity No. 13 outlined in red:



Figure 2: District Plan Environment Map of Scheduled Activity No. 13

10. Scheduled Activity No. 13 states:

Activities Generally

Any activity is a permitted activity provided that it takes place in the Oil Refinery Overlay Area that is related to the primary function of the oil refinery site. For the purpose of this rule the primary function is defined as a function that contributes to the safe, efficient and economic running of the Oil Refinery, and includes the operation of storage and fuel tanks, process plants, cogeneration plants and associated transmission lines, offices, support and community activities, visitor centres, canteens/cafes and residential dwellings associated with the refinery, and facilities catering to the needs of staff and visitors.

Aerials and Aerial Support Structures

The diameter of an aerial or aerial support structure is unlimited as a permitted activity in the Oil Refinery Overlay Area.

11. Scheduled Activity No. 13 has an underlying Environment of B4. The Business Environments are being reviewed as part of the urban plan changes, therefore Scheduled Activity No. 13 must also be reviewed.

2.3 Hīhīaua Peninsula

12. The Hīhīaua Peninsula is an area of land to the southeast of the City Centre and adjacent to the Hatea River and the Waiarohia Stream. The area is currently zoned as Business 2 Environment (**B2**) as shown outlined in red in Figure 3 below:

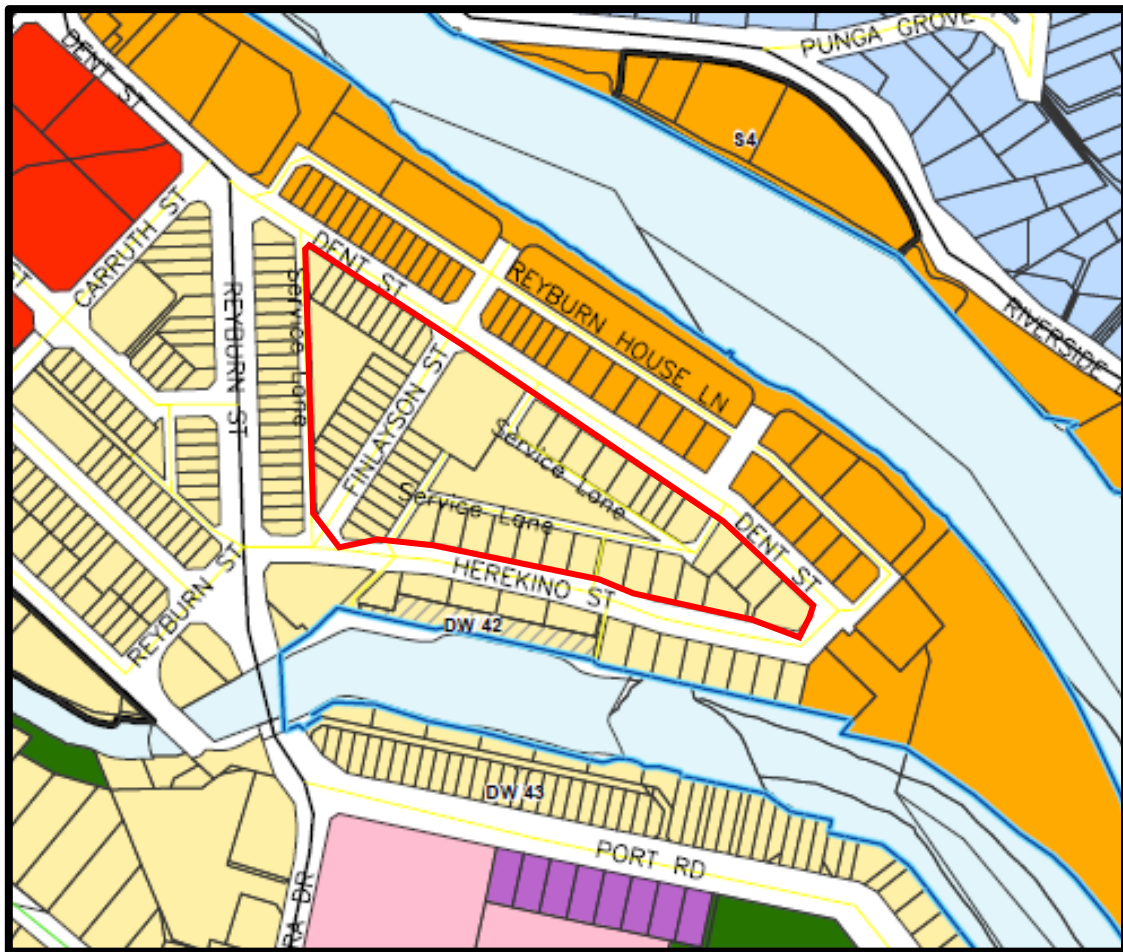


Figure 3: District Plan Environment Map of Hīhīaua Peninsula

13. Currently, the Hīhīaua Peninsula area has a range of activities including, retail, small-scale manufacturing, warehousing, car-servicing activities, wholesale trade, storage facilities and other light industrial activities. Many commercial businesses utilise the car park between Finlayson, Dent and Herekino Streets for their activities or services. This area generally has low amenity and is an environment dominated by vehicles, and industrial/commercial activities.
14. The Hīhīaua Peninsula has been identified by Council as a potential area for inner city living and mixed use development. In order to achieve this, it is envisaged that over time the area will transition into a high amenity, medium/high density residential/ mixed use.

3. Proposed Port Nikau Precinct Section 32 Analysis

15. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective is the most appropriate way to achieve the purpose of the RMA. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by

undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered.

16. Proposed changes to the PNE are detailed and analysed below. Changes can be grouped into four categories:

- Amendments necessary to ensure consistency with the anticipated draft Standards.
- Amendments necessary to ensure consistency with the rolling review of the District Plan and most recent plan changes (newly operative Rural, Coastal and Landscapes).
- Amendments necessary to ensure consistency with the proposed UA.
- Amendments necessary to improve the effectiveness and efficiency of the PNE rules.
- No change is proposed to the spatial extent of the PNE. The only mapping changes proposed to the PNE are renaming to reflect the draft Standards and proposed Urban Zones.

3.1 Objectives (PNE.50.2.1)

17. Conversion of PNE to a precinct will result in the proposed objectives of the underlying zone applying. Only those tailored PNE objectives that are necessary to illustrate key outcomes of the PNE are proposed to remain in the Port Nikau Precinct (**PNP**). PNE objectives were assessed as appropriate within PC76. The table below summarises the changes to the PNE objectives:

Table 2: CHANGES TO PNE OBJECTIVES		
PNE Objectives	PNP Objectives	Reason for Change
1 Enable a greater level of connectivity between the Port Nikau Environment and the CBD and the City and the water/harbour edge, improving the water entrance to the City and providing public access to the coastal marine area.		Delete to avoid duplication with the Strategic Direction chapter.
2 Create a mixed use environment, thereby strengthening the overall form, capacity and range of land uses within Whangarei, providing increased employment opportunities and commercial and residential capacity near the Central Business District (CBD) and regional sports facilities, with development in defined Precincts creating capacity for predicted long-term commercial and residential growth of the Port Nikau Environment.	PNP-O1 Liveable Zone Create a liveable, mixed use environment where people can live, work and play within the Port Nikau Precinct.	PNE objective is simplified to ensure consistency with the rolling review approach to drafting objectives and to avoid duplication with the Strategic Direction chapter.
3 Overall and within individual Precincts, be an example of good urban design, creating a liveable, mixed use environment where people can practically live, work and play within the Port Nikau Environment, providing employment based, commercial, retail and other land uses and a range of residential housing types and styles that will support a		Delete. Each PNE precinct is proposed to be replaced an urban zone. Relevant objectives relating to urban design outcomes are contained within each zone.

growing and increasingly diverse population.		
4 Allow appropriate activities including industry within the Port Nikau Environment, with a buffer and transitional zone provided between industrial and mixed use activities to ensure compatibility of different land uses and activities and avoid reverse sensitivity effects.	PNP-O4 Reverse Sensitivity Manage reverse sensitivity effects between Zones and incompatible land use activities.	PNE objective is simplified to ensure consistency with the WDP rolling review approach to drafting objectives.
5. Ensure adequate services and infrastructure are provided to the Port Nikau Environment and that there is sufficient land area set aside for the physical provision of infrastructure and that there is sufficient capacity, or planned capacity, within the various infrastructure services to cater for the demand assessed to be created by development at Port Nikau while recognising the impacts of development on existing infrastructure networks	PNP-O2 Infrastructure and Services Ensure adequate provision of infrastructure and services to meet development capacity while recognising the impacts of development on existing infrastructure networks.	PNE objectives are simplified to ensure consistency with the WDP rolling review approach to drafting objectives and to avoid duplication with the proposed Three Waters and Transport Chapters.
6. Provide infrastructure and services that will lead to positive environmental outcomes with scope to enhance the surrounding environment and ensure that the development of the site (in stages) does not limit future development through poorly planned services and infrastructure and where possible the potential impacts of development are lessened through the use of low impact design systems for infrastructure.		
7. Incorporate over time new transport and traffic initiatives that result in adequate roading infrastructure (including necessary access to the state highway) being provided to accommodate the expected growth, with a roading hierarchy that is appropriate to the different activities within the area, incorporating pedestrian and cycleways and establishing further connections to the CBD and adjoining suburbs while recognising the impacts of development on the existing roading network.		Delete to avoid duplication with the proposed Transport Chapter.
8. Provide adequate and appropriate Open Space creating a strong network of public open space, including places to enjoy a range of recreational activities including public access to the coastal marine area.	PNP-O5 Open Space Create a strong network of open space for recreation and public access to the coastal marine area.	PNE objective is simplified to ensure consistency with the WDP rolling review approach to drafting objectives and to avoid duplication with the Strategic Direction chapter.
9. Ensure that the development of the site allows for the maintenance of existing (pre-development) ecological values.	PNP-O3 Biodiversity Ensure that the development of the site allows for the maintenance of existing (pre-development) ecological values.	Renumbered.
10. Provide an opportunity to reinforce and develop a local sense of place and identity and maintain the historical identity of the site.		Delete. Each PNE precinct is proposed to be replaced by an urban zone. Relevant objectives

		relating to urban design outcomes are contained within each zone.
11. Ensure that the design of the development takes into consideration and where possible mitigates any existing or potential hazards, in particular flooding, geotechnical issues and ground contamination.		Delete to avoid duplication with WDP district wide Hazards chapters.
12. Recognise that the potential environmental effects of development in the Port Nikau Environment shall be taken into account and methods required to avoid, remedy and/or mitigates effects shall be defined as part of the Master Plan and/or Precinct Plan process. With regard to subdivision of the site, this will be recognised as one means by which to ensure that the necessary conditions of any Master Plan and/or Precinct Plan are implemented, in particular the requirement to provide infrastructure and services to accommodate future development.		Delete. Each PNE precinct is proposed to be replaced by an urban zone. Relevant objectives relating to urban design outcomes are contained within each zone.

18. To confirm the appropriateness of the proposed objectives, the following further assesses whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order objectives proposed in the UA, and other higher order documents. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
19. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 2 demonstrates that the proposed PNP objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88J. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88J is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED PNP OBJECTIVES WITH PART 2 OF THE RMA						
Proposed PNP Objectives						
		PNP-O1	PNP-O2	PNP-O3	PNP-O4	PNP-O5
RMA Part 2 Sections	5(2)(a)	√		√		
	5(2)(b)			√		
	5(2)(c)	√	√	√	√	√
	7(b)	√	√	√		
	7(c)	√	√	√	√	√
	7(f)	√	√	√	√	√

20. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

21. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88J. Of particular relevance to PC88J are the RPS, the LTP, 30/50 and the UDS. Table 4 provides an overview of the proposed PNP objectives' consistency with the more relevant higher order documents.

TABLE 4: LINKAGE OF PROPOSED PNP OBJECTIVES WITH HIGHER ORDER DOCUMENTS						
		Proposed PNP Objectives				
		PNP-O1	PNP-O2	PNP-O3	PNP-O4	PNP-O5
Higher Order Documents	RPS	√	√	√	√	√
	LTP					
	30/50	√			√	
	UGS	√				
	UDS	√		√		

22. The proposed PNP objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter (**SD**) proposed under Plan Change 148. The overarching SD objectives and policies and their links to the proposed PNP objectives are shown in Table 5 below. This table illustrates that the objectives of the PNP are effectively linked to the overall objectives and policies of the SD which are considered to be appropriate in terms of s32.

TABLE 5: LINKING BETWEEN RELEVANT STRATEGIC DIRECTION CHAPTER AND PNP OBJECTIVES		
Proposed Strategic Direction Objective	Proposed Strategic Direction Policies	Proposed PNP Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	PNP-O1, PNP-P1
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	PNP-O4, PNP-P4
SD-06 – Indigenous Biodiversity Identify and protect the values and attributes of indigenous biological diversity (Significant Natural Areas) and maintain the extent and diversity of other indigenous biodiversity.	SD-P18	PNP-O3, PNP-P5
SD-07 – Reticulated Infrastructure Provide efficient and effective onsite and reticulated infrastructure in a sustainable manner and co-ordinate new land use	SD-P5, P6, P-12	PNP-O2, PNP-P2, PNP-P3

and development with the establishment or extension of infrastructure and services.		
SD-09 – Land Use and Transport Planning Maintain and enhance accessibility for communities and integrate land use and transport planning.	SD-P6, P7, P9, P13	PNP-O3, PNP-P3
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	PNP-O1, PNP-P1
Open Space Objectives		
SD-020 – Sufficient Open Space Provide sufficient quality open space for the social and cultural well-being of a growing population.	SD-P13	PNP-O5, PNP-P6 and PNP-P7
SD-021 – Range of Open Space Provide a range of open space land in the District to enable recreational, cultural, community, conservation, and educational use.	SD-P13, P14	

3.2 Proposed Port Nikau Precinct

23. Applying a precinct with underlying zoning is considered to be an appropriate method of achieving the PNP objectives and maintaining the original outcome sought in PC76 and the PNE. The draft Standards provide a specific list of zones that may be used in a district plan. There is no zone with a similar activity mix that would easily replace PNE as a single zone. The draft Standards also provide other methods such as:

- Precincts – Spatially identifies and manages an area where two or more additional provisions apply which modify the policy approach of the underlying zone.
- Development areas – Spatially identifies and manages areas where conceptual plans such as structure plans or framework plans apply to determine future land use or development.
- Special purpose zones – Must only be created when the proposed land use activities and anticipated development within are defined as:
 - Are significant to the district or region.
 - Could not be enabled by any other zone.
 - Could not be enabled by the introduction of an overlay, precinct, designation, development area or specific control

24. The PNE has been established with a development path reliant upon master planning and subsequent precinct planning. Creating a development area could therefore be a possible alternative method to the PNE under the draft Standards. However, draft Area Specific Matters Standard (draft mandatory direction 17) requires that the development plan section be deleted once the development is completed. PNE enables an on-going level of development and management of effects rather than single development.
25. The mixed used environment of PNE could be enabled by the introduction of underlying zones and precincts. It is therefore considered that a special purpose zone is not a feasible option in accordance with draft Area Specific Matters Standard.

3.3 Proposed Underlying Zones

26. PNE provides for a mixed use environment based upon a master plan and subsequent precinct plan framework. The B4 provisions apply until such time as a master plan is approved under the PNE. Once a master plan is approved, the B4 rules can no longer be utilised as transitional provisions.
27. The master plan approved in April 2017 establishes areas with indicative land uses, and the PNE rules strongly discourage activities to occur without an approved precinct plan. PNE rule 50.7.B requires discretionary consent for any proposed activity that is not provided for within an approved master plan or precinct plan. Rule PNE.50.5.4 requires discretionary consent for any precinct plan application that does not give effect to an approved master plan.
28. It is therefore considered appropriate to rely upon the master plan to determine the most appropriate proposed zoning to apply to the PNP. Of the suite of proposed urban zones the most similar in outcome to the master plan indicative land use areas have been proposed:

TABLE 6: LINKING BETWEEN PNE MASTER PLAN AND PROPOSED ZONE	
PNE Master Plan Indicative Land Use	Proposed Zone
Local Centre	Local Commercial Zone
Mixed Use	Mixed Use Zone
Residential	High Density Residential Zone
Commercial	Light Industry Zone
Marine	Light Industry Zone
Industrial	Heavy Industry Zone
Parks	Open Space Zone

3.4 Policies (PNE.2.2)

29. The PNE policies have been reviewed to ensure consistency with the approach to the WDP rolling review, to avoid duplication with underlying zones and to give effect to the proposed PNP objectives. The draft Standards chapter structure does not provide for multiple layers of policy within one zone chapter. Therefore, the policy structure must be changed to remove duplication. Table 7 summarises the changes:

Table 7: S32 ASSESSMENT OF PROPOSED PNP POLICIES		
PNE Policy (50.2.2)	PNP Policy	Reason for Change
<p>1. Amenity Values That changing land-use patterns are recognised ...mixed use development is encouraged ...potential negative effects of different land-uses are effectively managed, whilst avoiding reverse sensitivity effects and maintaining amenity values</p>		Delete. Each PNE precinct is proposed to be replaced by an urban zone with its own policy.
<p>2. Mixed Use Environments To ensure that the effects of activities located in mixed use environments do not have adverse effects on other uses...</p>		
<p>3. Mixed Used Development The development of land in a mixed use manner will result in varying lot sizes and ownership structures which may not necessarily fit comfortably with the standard subdivision rules contained within the District Plan...</p>		
<p>4 Integration of Activities The integration of different land use activities enables a more intensified use of land therefore assisting in sustainably managing the land use resource...</p>		
<p>5. Management of Effects Where the potential effects of a proposed development are clearly known, the subdivision rules shall be used as a means to enable the orderly breakup and management of land, rather than a means by which to control effects..</p>		

<p>6. Riparian and Coastal Margins To recognise that some types of industry and land use have an operational necessity to be located within riparian and coastal margins and that in some instances the exclusion of public access is necessary to ensure the efficient and safe operation of these types of industry and land use and also to protect public safety.</p> <p>To recognise that riparian and coastal margins are a limited resource and that the ability to sympathetically develop such in a manner that encourages public use of riparian and coastal margins will enhance amenity values and add to the attractiveness of the District.</p> <p>To recognise that riparian and coastal margins differ greatly within the District, both in their physical makeup and their potential use and that some riparian and coastal margins can become valuable public assets if developed in a manner that encourages high public use and enjoyment of such areas.</p> <p>7 Development of Riparian and Coastal Margins The sympathetic and appropriate development of riparian and coastal margins shall be enabled in order to provide a variety of experiences within riparian and coastal margins...</p> <p>8 Operational Requirements The provision of public access to riparian and coastal margins will not always be in the best interests of industry and commercial....</p>	<p>PNP-P6 Open Space To provide open space, connections and access to the Coastal Marine Area by protecting the harbour edge shared space and creating pedestrian and cycle way links.</p> <p>PNP-P7 Marine Industry To recognise the importance of marine industry and marine retail activities to the PNP, acknowledging the historical port and enabling such activities within the harbour edge shared space in the Light Industry Zone and PNP.</p>	<p>PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the Strategic Direction chapter.</p>
<p>9. Public use of Riparian and Coastal Margins The public use of riparian and coastal margins shall not be viewed as a threat, but as an opportunity, where through the appropriate provision of infrastructure, that people will be able to access the coast, potentially in large numbers, to enjoy riparian and coastal margins, where such development and use of public infrastructure does not threaten ecological, cultural and landscape values.</p>	<p>PNP-P6 Open Space To provide open space, connections and access to the Coastal Marine Area by protecting the harbour edge shared space and creating pedestrian and cycle way links.</p>	<p>PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the Strategic Direction chapter.</p>
<p>10 Subdivision and Development More intensive subdivision and development should be encouraged in areas where existing infrastructure is provided...</p>		<p>Delete to avoid duplication with the proposed Transport Chapter.</p>
<p>11 Subdivision and Development To enable the flexible subdivision of mixed-use developments...</p>		<p>PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies.</p>
<p>12 Land Ownership</p>		

Differing methods and proposals for land ownership can have an effect on the way in which land is developed and subdivided		
13 Reverse Sensitivity Particular land uses in close proximity to heavy industrial uses can generate the potential for reverse sensitivity effects to arise and such effects are recognised and should be avoided. In the Port Nikau Environment specific land uses/activities have been controlled in the Buffer and Transitional Areas in order to avoid reverse sensitivity effects with neighbouring, established heavy industry...	PNP-P4 Reverse Sensitivity To avoid adverse reverse sensitivity effects of sensitive activities in close proximity to the Heavy Industry Zone by controlling activities in the Buffer and Transitional Areas.	PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the Strategic Direction chapter.
14 Transport and Access Access to and within the Port Nikau Environment shall be considered in the processing of any Master Plan and/or Precinct Plan application(s), with those roads and intersections potentially affected by development in the Port Nikau Environment having been defined in Rule 50.4.4(d)(ii)....	PNP-P3 Transport and Access To ensure the provision of an efficient roading network, including alternative modes of transport and public transport by requiring the assessment of the development on the Port Nikau Precinct on the transport network.	PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the proposed Transport Chapter.
15 Provision of Infrastructure The provision of infrastructure must be a key consideration in assessing any Master Plan and/or Precinct Plan. In the assessment of potential infrastructure requirements the demand generated by proposed land uses must be assessed and the capacity required both on and off the site must be provided before the related demand/need occurs....	PNP-P2 Infrastructure and Services To ensure the efficient provision of three waters infrastructure for the Port Nikau Precinct by the assessment of potential infrastructure requirements based upon the demand generated by proposed land uses.	PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the proposed Three Waters Chapter.
16 Provision of Open Space The Open Space network provided within Port Nikau must be linked to assessed demand, enable unrestricted access by the public to Open Spaces; must be designed so that Open Spaces are accessible, readily usable, able to cater for a range of uses and users and linked in a legible manner. Access for the public to the Coastal Marine Area will be provided by the Open Space network required to be provided for and incorporated into the development of the Port Nikau Environment.	PNP-P6 Open Space To provide open space, connections and access to the Coastal Marine Area by protecting the harbour edge shared space and creating pedestrian and cycle way links.	PNE policy is simplified to ensure consistency with the WDP rolling review approach to drafting policies and to avoid duplication with the Strategic Direction chapter. .
17 Ecological Values The area to the southwest of the Port Nikau Environment shall be recognised as an existing bird wader habitat of ecological significance. A buffer between the bird wader habitat and any development of the Port Nikau Environment shall be provided...	PNP-P5 Ecological Values To recognise the existing bird wader habitat of ecological significance by providing a buffer along the south-western boundary of the precinct between the habitat and any proposed development.	
18 Hazards As part of the assessment process of any Master Plan and/or Precinct Plan application(s) the extent of any		Delete to avoid duplication with WDP district wide Hazards chapters.

hazards must be taken into account...		
19. History When designing and developing the Open Space network within the Port Nikau Environment and in the naming of roads the history of the site should be taken into account.		Delete – Council road naming policy applies.

30. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the PNP. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review.
31. Table 8 below demonstrates that the policies proposed for the PNP implement the proposed PNP objectives, and that the methods implement the proposed PNP policies:

TABLE 8: LINKING OF PROPOSED PNP PROVISIONS		
Proposed PNP Objective	Proposed PNP Policies	Proposed PNP Methods
PNP-O1 Liveable Precinct	PNP-P1 PNP-P4 PNP-P7	PNP-R1 PNP-R2
PNP-O2 Infrastructure and Services	PNP-P2 PNP-P3	PNP-R3
PNP-O3 Biodiversity	PNP-P5	PNP-R7
PNP-O4 Reverse Sensitivity	PNP-P4	PNP-R4-6 and 8
PNP-O5 Open Space	PNP-P6	PNP-R2

32. Table 9 below demonstrates the relevance of the zone policies and their relationship to the PNP policies:

TABLE 9: LINKING OF PROPOSED ZONE AND PNP POLICIES	
Proposed Zone Policy	Discussion
HDR-P1 Residential Activities	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
HDR-P2 Development Scale and Design	The PNE does not have a current built form for residential activities. This policy would future proof built development in the PNP but does not confirm with any intended outcomes of the PNP.
HDR-P3 On-site Amenity	These policies give effect to PNP-O1. They are consistent with the master plan indication of residential development and urban design.
HDR-P4 Outdoor Living Courts	
HDR-P5 Adjacent Properties	
HDR-P6 Residential Amenity and Character	
HDR-P7 Impervious Areas	
HDR-P8 Supported Residential Care and Retirement Village Premises	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
HDR-P9 Non-Residential Activities	This policy supports the intent of the master plan to identify indicative land use areas. The policy will further support the rezoning of areas of the PNE.

HDR-P10 Comprehensive Design	This policy supports comprehensive design a concept that is inherent in the PNE, and the proposed PNP provisions would not conflict with this policy.
HDR-P11 Subdivision	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
Proposed Zone Policy	Discussion
MU-P1 Character and Amenity	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
MU-P2 Economic Growth	This policy supports the intent of the master plan to identify indicative land use areas. The policy will further support the rezoning of areas of the PNE.
MU-P3 Residential Activities and Amenity	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
MU-P4 Ground Floor Residential Units	
MU-P5 Outdoor Living Courts	
MU-P6 Cross Boundary Effects	
MU-P7 Esplanade Areas	The master plan provides specifically for shared space along the harbor edge. The PNE has very strong policy supporting the integration of activities and the water. To avoid conflicting policy it is necessary to exempt compliance with policy MU-P7 and MU-R7.
MU-P8 Walkability	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
MU-P9 Incentives	This policy enables increased development where connectivity is enhanced. The proposed PNP provisions would not conflict with this policy.
Proposed Zone Policy	Discussion
LC-P1 Character and Amenity	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
LC-P2 Range of Activities	These policies support the intent of the master plan to identify indicative land use areas. These policies will further support the rezoning of areas of the PNE.
LC-P3 Mixed Use	
LC-P4 Active Frontages	These policies give effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
LC-P5 Ground Floor Residential Units	
LC-P6 Residential Amenity	
LCZ-P7 Pedestrian Centric Environment	
LCZ-P8 Zone Interface	These policies support the intent of the master plan to identify indicative land use areas. These policies will further support the rezoning of areas of the Port Nikau environment.
LCZ-P9 Discouraged Activities	
LCZ-P10 Scale of Development	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
LCZ-P11 Vitality and Viability of the City Centre	This policy protects the City Centre. The proposed PNP provisions would not conflict with this policy.
LCZ-P12 Water Setbacks	The PNE master plan provides specifically for shared space along the harbor edge. The PNE has very strong policy supporting the integration of activities and the water. To avoid conflicting policy it is necessary to exempt compliance with policy LCZ-P12 and LCZ-R3.1.b and LCZ-R7.2.

Proposed Zone Policy	Discussion
LI-P1 Character and Amenity	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
LI-P2 Industrial Activities	
LI-P3 Non-Industrial Activities	
LI-P4 Cross Zone Boundary Effects	
LI-P5 Esplanade Areas	The PNE master plan provides specifically for shared space along the harbor edge. The PNE has very strong policy supporting the integration of activities and the water. To avoid conflicting policy it is necessary to exempt compliance with policy LI-P5 and LI-R3.1.d.
LI-P6 Subdivision	This policy gives effect to PNP-O1. Is consistent with the master plan indication of residential development and urban design.
Proposed Zone Policy	Discussion
HI-P1 Character and Amenity	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
HI-P2 Industrial Activities	
HI-P3 Small-Scale Industrial Activities	
HI-P4 Non-Industrial Activities	
HI-P5 Surrounding Environment	The PNE master plan provides specifically for shared space along the harbor edge. The PNE has very strong policy supporting the integration of activities and the water. To avoid conflicting policy it is necessary to exempt compliance with policy HI-P6.
HI-P6 Esplanade Areas	
HI-P6 Subdivision	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.
Proposed Zone Policy	Discussion
OS-P1 Providing for Community	The master plan provides specifically for an open space network. The PNP strengthens the OS policy.
OS-P2 Building and Structures	
OS-P3 Protection	
OS-P4 Non-Recreation Activities	
OS-P5 Subdivision	This policy gives effect to PNP-O1 and is consistent with the master plan indication of residential development and urban design.

3.5 PNE Rules

33. The PNE has a number of complicated process rules focused upon managing the master plan and precinct plan processes. These rules are not required with the introduction of underlying zones and the PNP. The following rules are to be deleted:

- 50.3 Process for Development
- 50.3.1 Master Plan
- 50.3.2 Precinct Plans

- 50.3.3 Subdivision and Built Development
- 50.3.4 Changes to a Master Plan and/or Precinct Plan

3.6 Proposed PNP Provisions

34. The proposed provisions in the PNP are assessed below. The proposed provisions are grouped by topic and effects. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.
35. The table 10 summarises the PNE rules and proposed PNP land use rules:

Table 10: CHANGES TO PNE LANDUSE RULES	
PNE.50.4 Master Plan Applications	
A master plan has been approved under the provisions of 50.4. It is logical to assume that these rules are no longer necessary if the master plan is adhered to.	
PNE Rule	Discussion
50.4.1.1 a) report provided from an urban designer detailing design elements to be applied to site.	Delete – the master plan indicated high level urban design elements. The urban plan changes include information requirements linking to Urban Design Guidelines for best practice.
50.4.1.2 a) Infrastructure framework provided detailing layout and capacity.	Delete – the master plan indicated infrastructure requirements. The requirement for infrastructure upgrading and trigger points have been included in rule PNP-R3 and REQ-03.
50.4.1.2 b) detail of areas to be set aside to provide for the physical location of future infrastructure	Delete – proposed Transport and Three Waters chapters will apply.
50.4.1.3 a) Hazards assessment	Delete – the master plan provided hazards information. District wide hazards chapter applies.
50.4.1.4 a) Ecological buffer b) Assessment of on-going protection	Delete - the protection of the ecological buffer has been ensured by proposed Rule PNP-R7 where any building or structure is a prohibited activity.
50.4.1.5 Reverse Sensitivity a) assessment and plan of proposed land use	Delete – the master plan provided sufficient information to determine future land use which is reflected and managed in the proposed zones.
50.4.1.6 Traffic Management Report examining implications.	Delete – the master plan provided sufficient information. The proposed zones will manage effects. The requirement for infrastructure upgrading and trigger points have been included in rule PNP-R3 and REQ-03.
50.4.1.7 Railway Line Assessment of how the line is to be retained.	
80.4.1.8 Assessment Criteria	Delete – the master plan has been approved, and the proposed zones will provide for subdivision, use and development. Master plan provisions are no longer required.
50.4.2 Controlled Activities Subdivision prior to precinct plan approval.	

50.4.3 Discretionary Activities Master plan applications.	
50.4.4 Non-complying Activities Master plan applications	
PNE.50.5 Precinct Plan Applications	
At the date of preparing this section 32 evaluation report no application had been received to approve a proposed precinct.	
50.5.1.1 Master plan Precinct Plan must give effect to.	Delete The proposed zones will provide for subdivision, use and development. Precinct plans are no longer required.
50.5.2 Area and Location Exact area for precinct plan to be specified.	
50.5.3 Development schedule – Expressed as GFA of activities	
50.5.4 a) i. specific urban design principles, bulk, location and amenity controls	Delete – the proposed zones specify bulk and location controls. Information requirement PNP-REQ01 will apply a requirement to undertake an urban design assessment.
50.5.4 a) ii – v design standards for streetscapes, roads etc	Delete Duplication with the proposed Transport chapter.
50.5.4.a) vi open space and reserve network	Delete - the Open Space Zone is proposed to apply to locations identified as open space on the master plan.
50.5.5 a) and b) Integrated traffic assessment	Delete Duplication with the proposed Transport and Three Waters chapters. The requirement for integrated traffic assessments have been included in rule PNP-R3 and REQ-03.
50.5.5 c) – f) Infrastructure network provided for precinct	
50.5.6 a) hazards detail methods to engage with.	Delete District wide hazards chapter and the NES for contaminated soils apply.
50.5.7 a) and b) Ecological buffers	The protection of the ecological buffer has been ensured by proposed Rule PNP-R7 any building or structure is a prohibited activity.
50.5.8 Matters over which discretion is restricted	Delete – The proposed zones specify bulk and location controls.
50.5.2 Prohibited Activities	Renumbered.
50.3.3 – 50.5.7 Activity Rules	Delete – the proposed zones will provide for subdivision, use and development, precinct plans no longer required.
PNE.50.5 Precinct Plan Applications	
50.6.1 Transitional Provisions	Delete – proposed zones will provide for subdivision, use and development. Transitional provisions no longer required.
50.7.A Prohibited Activities	Renumbered.
50.7.B Non Complying Activities	Renumbered.

50.7.1 – 50.8.8 Activities	Deleted.
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Setback from Waterbodies

36. Proposed Rule PNP-R2 provides for exceptions to the underlying zone provisions for the setback from MHWS to provide for the ability to create a shared space along the harbour edge. The master plan provides for an area of land to be utilised for a pedestrian and cycleway link along the harbour edge, while also providing for a mix of buildings and activities to interface with the water. This is particularly important for the on-going operation of marine industry within the proposed Light Industry Zone.
37. As an alternative to the zone setback rules the PNP rule requires all buildings to obtain a restricted discretionary consent, with matters of discretion focused upon the provision of access along the harbour edge, the design and layout of buildings, connectivity and integration with the harbour edge.

Mixed Use - Commercial Activities

38. Proposed Rule PNP-R4 provides for additional controls for commercial activities within the Mixed Use Zone. The Mixed Use Zone provides for a generous level of permitted activity commercial activities when located in proximity to the City Centre Zone, complementing the economic viability of the City Centre.
39. The master plan indicates a mixed use land use activity, without detailing the mix between commercial and residential uses. To afford protection of the City Centre and the proposed Local Commercial Zone within the PNP it is considered appropriate to limit commercial activities to be focused along road frontages.
40. As discussed in **Part 3** of this s32 Report, within the MU it is not considered appropriate to permit smaller scale general retail activities and food and beverage activities as these uses are encouraged to locate in the adjacent City Centre Zone. This helps to manage commercial sprawl and endorse the City Centre as the primary destination for residents and visitors. The underlying MU provisions are therefore not considered appropriate for the PNP as they are considered too restrictive and inconsistent with the higher order policy direction for the area.
41. It is considered that proposed rule PNP-R4 helps to achieve the anticipated outcomes for the PNP. The underlying MU provisions will still apply to the PNP to ensure that adverse effects are managed and that the vibrancy and vitality of the City Centre Zone are protected.

3.7 Conclusion

42. Pursuant to s32 of the RMA, the proposed PNP objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
43. The proposed provisions have been detailed and compared against status quo terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving

the proposed objectives and of addressing the underlying resource management issues relating to Port Nikau.

4. Proposed Hīhīāua Peninsula Precinct Section 32 Analysis

44. The proposed Hīhīāua Peninsula Precinct (**HPP**) includes one objective, one policy and five landuse rules. These aspects are discussed in the following sections.

4.1 Proposed Objective

45. The HPP is proposed to overlay the Mixed-use Zone (**MU**) within the Hīhīāua Peninsula. The outcomes envisaged for the HPP are largely similar to those envisaged for the wider MU. However, the Hīhīāua Peninsula has been identified by Council as a potential area for inner city living and smaller scale mixed use development, including food and beverage activities and potentially boutique retail. The proposed MU does not encourage smaller scale retail activities or food and beverage activities for the reasons discussed in **Part 3** of this s32 Report. In order to provide for these activities, it is considered appropriate to introduce an additional objective to provide a suitable planning framework for the HPP. Therefore, the HPP proposes the following objective:

HPP-O1 – Hīhīāua Peninsula

Hīhīāua Peninsula is a diverse, vibrant and attractive location to live, work and play.

46. The proposed objective seeks to enable activities that support the social and economic well-being of the HPP in accordance with the higher order policy direction for the area.
47. Part 2 of the RMA outlines the purpose and principles of the RMA. The proposed MU objective has been assessed as achieving the purpose of the RMA and promoting sustainable management within **Part 3** of this s32 Report. It is considered that the additional proposed HPP objective relates to s7(b) of the RMA as it helps to achieve efficient use and development of natural and physical resources in a location that has been identified as being suitable and desirable for mixed-use type development.
48. The provisions of higher order documents were considered in the formulation of the HPP objective and policy. The proposed HPP objective aims to give effect to the Whangarei City Centre Plan and the Hīhīāua Precinct Plan and is considered to be consistent with higher order documents.
49. The proposed HPP objective is subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The proposed HPP objective directly relates to Strategic Direction Objectives SD-O1 and O11. This ensures that the proposed HPP objective is effectively linked to the overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148).

4.2 Proposed Hīhīāua Precinct

50. Applying a precinct with underlying zoning is considered to be an appropriate method of achieving the HPP objective and maintaining the outcomes sought through higher order policy documents. The draft Standards provide a specific list of zones that may be used in a district plan. The draft Standards also

provide other methods such as Precincts, Development Areas and Special Purpose Zones, as discussed in above.

51. It is considered that none of the specific zones provided for in the draft Standards appropriately entirely provide for the outcomes anticipated for the Hīhīāua Peninsula. The proposed MU has been applied to areas around the City Centre and provides for a mix of residential activities, commercial and community activities. The proposed MU is largely consistent with the outcomes envisaged for the Hīhīāua Peninsula; however, the proposed MU provisions for residential activities at ground floor, food and beverage activities and small scale retail activities are not considered appropriate for the Hīhīāua Peninsula.
52. The area is not considered suitable as a Special Purpose Zone as the differences between the MU and the anticipated outcomes for the Hīhīāua Peninsula are not significant enough to justify a standalone zoning.
53. It is considered that in accordance with the draft Standards the most appropriate method of achieving the anticipated outcomes for the Hīhīāua Peninsula is to apply the MU as an underlying zoning with the HPP as an overlying precinct. The HPP only proposes a small number of minor changes to the MU provisions because the overall policy context and intent of the MU is consistent with the policy direction for the Hīhīāua Peninsula.
54. The boundaries of the proposed HPP have been determined based on higher order policy direction (e.g. the Hīhīāua Precinct Plan and the WCCP). An alternative was considered was to also apply the proposed HPP to the areas of land along Herekino and Dent Streets that are adjacent to the coastal marine area and/or the Open Space Environment. However, these areas have been assessed as being more appropriately zoned as the Waterfront Zone (see **Part 4** of this s32 Report). A further alternative considered was to include the sites fronting Reyburn Lane in the proposed HPP. However, the outcomes identified in the Hīhīāua Precinct Plan for these sites are considered to be more consistent with the underlying Mixed-use Zone and therefore these sites have not been included within the HPP – see Figure 3 above.

4.3 Proposed Policy

55. The proposed MU policies have been assessed as being appropriate for the Hīhīāua Peninsula as discussed in **Part 3** of the s32 Report. However, in order to provide for slight amendments to the residential, retail and food and beverage activities it is considered that an additional policy is necessary for the proposed HPP. The following policy is proposed for the HPP:

HPP-P1 – Enabled Activities

To support a wider range of mixed-use activities by enabling smaller scale general retail activities and food and beverage activities.

56. The proposed policy directly relates to the proposed provisions to provide a more enabling policy framework for these activities in the HPP than in the MU.
57. An alternative option to the proposed policy was to rely on the proposed MU policies. However, the MU policies do not explicitly provide for food and beverage activities and smaller scale retail activities.

Therefore, it is considered more appropriate to provide a more direct policy linkage to the proposed HPP provisions.

4.4 Proposed HPP Rules

58. The proposed provisions in the HPP are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Residential Activities

59. Proposed Rule HPP-R1 provide for exceptions to the underlying MU provisions so that residential units at ground floor are permitted rather than discretionary.
60. As discussed in **Part 3** of this s32 Report, within the MU it is not considered appropriate to permit residential units at ground floor as a strong active frontage should be required in building design and (while the area encourages residential activities), it is envisaged that there will be a prevalence of non-residential activities. Within the HPP, active frontage is still encouraged in building design but, there is a stronger focus on enabling residential activities.
61. Providing for residential units at ground floor in the HPP is considered to be consistent with higher order policy direction. Within the wider MU there would be a risk that if every site provided residential units at ground floor then there would be very limited space available for non-residential activities. However, within the HPP if every site provided residential units at ground floor this would be a positive outcome as the HPP is intended to be a mixed-use environment with a strong residential focus.
62. Given the above, it is not considered appropriate to retain the underlying MU provisions relating to residential units at ground floor as this is not consistent with the anticipated outcomes for the HPP. The proposed provisions are considered the most appropriate to support residential units within the HPP and the other underlying MU provisions help to manage the design of buildings and retain active frontages.

Commercial Activities

63. Proposed Rules HPP-R2 – R3 provide for the following exceptions to the underlying MU provisions:
- HPP-R2 – Provides for general retail activities up to 600m² Net Floor Area as a permitted activity rather than a discretionary activity.
 - HPP-R3 – Provides for food and beverage activities as a permitted activity rather than a discretionary activity.
64. As discussed in **Part 3** of this s32 Report, within the MU it is not considered appropriate to permit smaller scale general retail activities and food and beverage activities as these uses are encouraged to locate in the adjacent City Centre Zone. This helps manage commercial sprawl and endorse the City Centre as the primary destination for residents and visitors.

65. The Hīhīaua Peninsula has been identified by Council as a potential area for mixed use development, including cafes, restaurants and boutique retail. These types of activities help to support the on-going development of the Hīhīaua Peninsula and Waterfront areas. The underlying MU provisions are therefore not considered appropriate as they are considered too restrictive and inconsistent with the higher order policy direction for the area.
66. It is considered that proposed Rules HPP-R2 – R3 are the most appropriate to achieve the anticipated outcomes for the HPP. The underlying MU provisions will still apply to the HPP to ensure that adverse effects are managed and that the vibrancy and vitality of the City Centre Zone are protected.

5. Proposed Oil Refinery Precinct Section 32 Analysis

67. The proposed Oil Refinery Precinct (**ORP**) includes one objective, one policy and one landuse rule. These aspects are discussed in the following sections.

5.1 Proposed Objective

68. The Urban Plan Changes propose to delete Scheduled Activity No. 13 and rezone the sites comprising the oil refinery as Heavy Industrial Zone (**HI**). The proposed HI provisions are considered to be broadly consistent with but not to sufficiently provide for oil refinery related activities.
69. The oil refinery includes noxious heavy industrial activities as well as offices, visitor centres, residential activities and other facilities catering to the needs of staff and visitors. These activities are not considered appropriate to permit within the wider HI as they can generate reverse sensitivity effects and compromise the capacity of the HI to support heavy industrial activities. However, these activities are considered to be necessary to enable the oil refinery. In order to provide for these activities, it is considered appropriate to introduce an additional objective to provide a suitable planning framework for the ORP. Therefore, the ORP proposes the following objective:

ORP-O1 – Regional Significance

Recognise and provide for the Marsden Point Oil Refinery as regionally significant infrastructure.

70. The proposed objective seeks to give effect to the Northland Regional Policy Statement (**NRPS**) which identifies the oil refinery as regionally significant infrastructure.
71. Part 2 of the RMA outlines the purpose and principles of the RMA. The proposed HI objectives have been assessed as achieving the purpose of the RMA and promoting sustainable management within **Part 9** of this s32 Report. It is considered that the additional proposed ORP objective relates to s7(b) and (g) of the RMA as it supports the on-going function and operation of the oil refinery.
72. The proposed ORP objective is subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The proposed ORP objective directly relates to Strategic Direction Objectives SD-O22 and O23. This ensures that the proposed ORP objective is effectively linked to the overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148).

5.2 Proposed Oil Refinery Precinct

73. Applying a precinct with underlying zoning is considered to be an appropriate method of achieving the ORP objective and protecting the operation of the oil refinery. The draft Standards provide a specific list of zones that may be used in a district plan and provide other methods such as Precincts, Development Areas and Special Purpose Zones, as discussed in above.
74. The proposed HI has been applied to areas considered suitable for larger scale industrial activities. The proposed HI is considered to broadly be consistent with the outcomes envisaged for the oil refinery area; however, the proposed HI provisions are not considered to sufficiently provide for the range of activities required as part of the oil refinery's operation.
75. It is considered that in accordance with the draft Standards the most appropriate method of achieving the anticipated outcomes for the oil refinery is to apply the HI as an underlying zoning with the ORP as an overlying precinct.
76. The operative approach of applying a Scheduled Activity is not considered to be consistent with the draft Standards. This approach has been assessed in **Part 1** of the s32 Report and is not considered to be appropriate.
77. The area is not considered to be suitable as a Special Purpose Zone as the differences between the HI and the anticipated outcomes for the oil refinery are not significant enough to justify a standalone zoning.
78. Another alternative considered was to provide a site-specific rule for the oil refinery within the proposed HI provisions. Under this approach the rule would need to refer to the legal descriptions of the sites where the exception applies. A precinct approach is considered to be more appropriate than a site-specific rule as it is more transparent for users of the plan because it would spatially identify where the exception applies on the WDP planning maps rather than the exception sitting solely within the HI rules.
79. The boundaries of the proposed ORP have been determined based on the extent of the operative Scheduled Activity No.13. The area has been extended to the west to include additional land comprising refinery activities or that is considered necessary for future oil refinery expansion – see Figure 4 below:

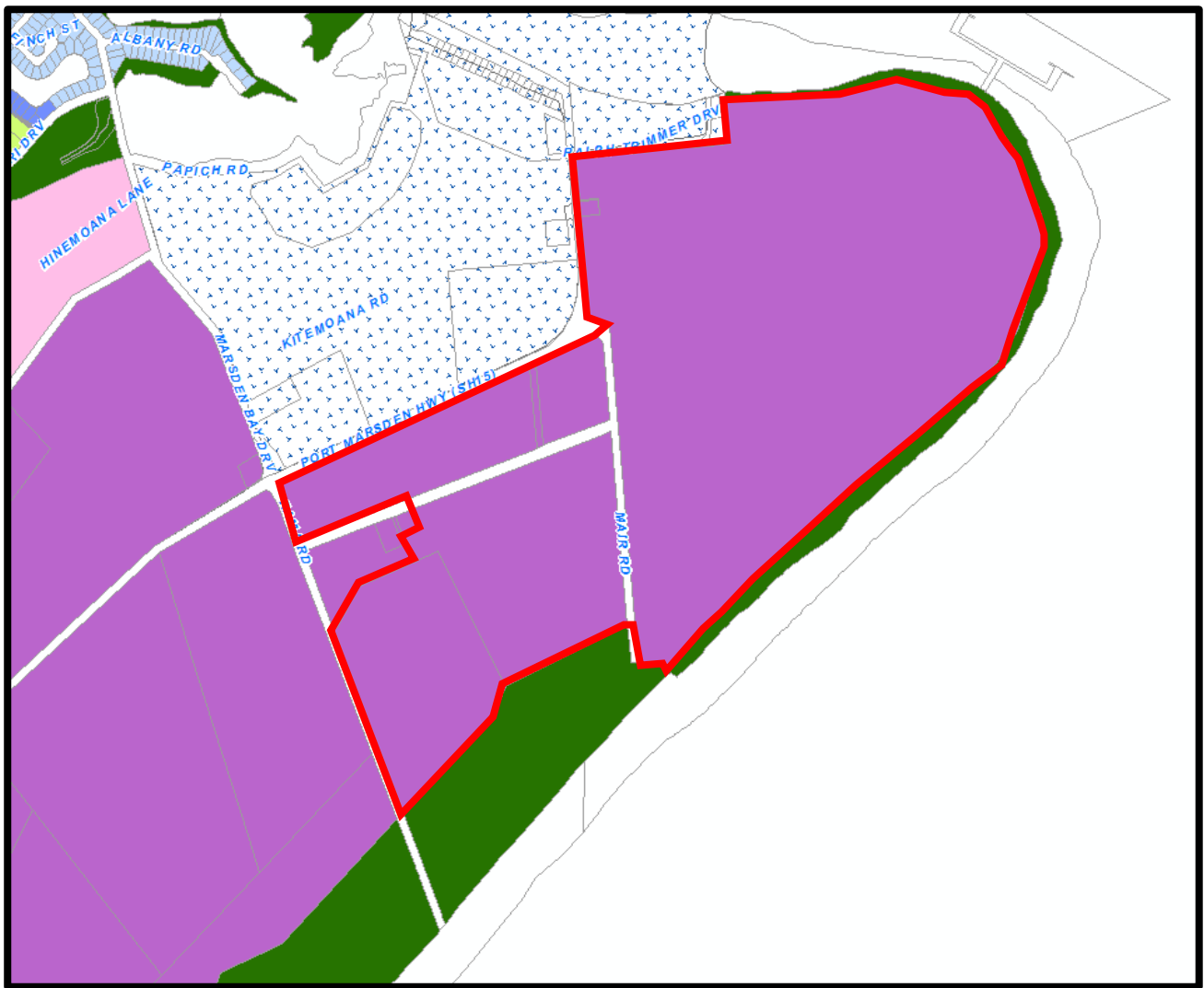


Figure 4: Proposed Oil Refinery Precinct Area outlined in red

5.3 Proposed Policy

80. The proposed HI policies have been assessed as being appropriate for the oil refinery area as discussed in **Part 9** of the s32 Report. However, in order to provide for slight amendments to enable refinery related activities it is considered that an additional policy is necessary for the proposed ORP. The following policy is proposed for the ORP:

ORP-P1 – Oil Refinery Functioning

To enable the operation, maintenance and upgrading of the Marsden Point Oil Refinery by providing for activities which contribute to the primary function of the oil refinery.

81. The proposed policy directly relates to the proposed rule to provide a more enabling policy framework for oil refinery related activities.
82. An alternative option to the proposed policy was to rely on the proposed HI policies. However, the HI policies do not explicitly provide for some of the activities that are necessary to enable the on-going functioning of the refinery. Therefore, it is considered more appropriate to provide a more direct policy linkage to the proposed ORP rule.

5.4 Proposed ORP Rule

83. Proposed Rule ORP-R1 provides for an exception to the underlying HI provisions so that oil refinery activities are permitted. Oil refinery activities are proposed to be defined as:

Oil Refinery Activities

means the use of land and/or buildings within the Oil Refinery Precinct for refinery related activities, including:

- a) *Operation of storage and fuel tanks;*
- b) *Process plants;*
- c) *Cogeneration plants and associated transmission lines;*
- d) *Offices;*
- e) *Support and community activities;*
- f) *Visitor centres;*
- g) *Canteens/cafes and residential dwellings associated with the refinery; and*
- h) *Facilities catering to the needs of staff and visitors.*

84. As discussed in **Part 9** of this s32 Report, within the HI it is not considered appropriate to permit several of the activities that are included in the proposed definition above. However, in order to recognise and support the oil refinery as regionally significant infrastructure it is considered necessary to enable these activities.
85. The proposed definition is based on the operative Scheduled Activity No.13. While the method of applying a Scheduled Activity is not considered appropriate, the wording of Scheduled Activity No.13 is considered to be efficient and effective and will achieve the proposed ORP objective. The proposed rule and definition is considered to provide a clear exception from the HI provisions and gives effect to the NRPS in providing for the refinery as regionally significant infrastructure. Therefore, it is considered that the proposed rule is appropriate in terms of s32.

6. Conclusion

86. Pursuant to s32 of the RMA, the proposed Precinct objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
87. The use of a Precinct approach and the proposed Precinct provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The Precinct approach and the proposed Precinct provisions are considered to represent the most appropriate means of achieving the proposed Precinct objectives and of addressing the underlying resource management issues relating to Port Nikau, the Oil Refinery and Hihiaua Peninsula.