

Section 32AA Further Evaluation Report

Rezoning Proposal for Bowrock Properties Ltd



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PLACE
GROUP
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This report was authored by Hannah Palmer of Place Group Limited, in response to the Directions issued by the Hearing Commissioners on the Hearings for Rezoning Requests on 12 May 2020. It should be read in conjunction with evidence prepared for Hearing 25 on behalf of Bowrock Properties Limited, and evidence presented at Hearing 12 – Country Living Zone.

This report has been formally reviewed by:



Angus McKenzie, Director, Place Group Limited



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1. Introduction

Section 32 of the Resource Management Act 1991 (“The Act”) is a key component of the policy development process for all District Plan matters. These evaluations were prepared for Waikato District Council and notified as part of Stage One of the Waikato District Plan Review. Due to the large number of submissions requesting rezoning following notification of the Proposed District Plan (PDP), the Hearings Commissioners have directed that all rezoning requests are to submit a further evaluation under Section 32AA of the Act as part of the evidence package, as the section 32 reports published at the time of notification did not provide an evaluation of submitter’s rezoning requests.

Section 32AA requires that all proposed changes to the PDP since the original evaluation was undertaken be assessed in accordance with section 32(1) to (4) of the Act. In respect to the proposal by Bowrock Properties Ltd (BPL), these changes are:

- a) Change of zoning from Rural to Country Living
- b) Change to proposed Policy 5.6.3 (as notified) of the Country Living Zone to provide an avenue for consideration of more flexible approaches to subdivision that result in potentially smaller lot sizes (less than 5000m²), but a more efficient use of land and retention of productive capacity within the Country Living Zone.¹

The further evaluation requires an analysis of policy options, including an options assessment and consideration of costs and benefits, before settling on the preferred option. This analysis is presented in the report that follows.

2. Purpose and Objective of Proposal

The overriding purpose of the request to rezone the subject site from Rural to Country Living zoning is to provide for a natural extension of the existing Country Living Zone to a site which is presently located between existing rural-residential properties. The objective of rezoning is to allow the economic potential of the subject site to be fully realised, where currently it is hindered due to size of the landholding, as well as the adjacent residential land uses both of which render the subject site unsuitable for traditional rural uses under the current Rural zoning. It is anticipated that following successful rezoning that this site may be developed in the future for rural-residential lifestyle purposes.

¹ Proposed amendment to Policy 5.6.3

a)

Subdivision, building and development within the Country Living Rural Lifestyle Zone ensures that:

*(i) The creation of undersized lots is avoided ~~where character and amenity are compromised~~,
except where it can be demonstrated that productive capacity of land can be retained;*



3. Site History and Description

Bowrock Properties Ltd (BPL) own two contiguous parcels of land (Lot 32 DP 81580 and Lot 3 DP 325499) located on Tauwhare Road, Tauwhare, which together comprise approximately 20ha (0.4791ha and 19.676ha respectively) (Figure 1). Each of these Lots are in separate Certificates of Title, but for the purpose of this evaluation have been considered together as one and referred to as the 'subject site'. The title for Lot 32 was issued in 1999 and the title for Lot 3 was issued in 2005, both lots being part of larger subdivisions carried out under the Operative Waikato District Plan and the District Plan prior to this. The current situation of having a landholding that is not viable for rural purposes (but is zoned Rural), is therefore the legacy of previous planning decisions.



Figure 1: Subject site location shown in red, bounded by Tauwhare Road to the North and Glen Ida Estate to the East (Source: Paua Architects).

The overall topography of the site is gently rolling. The site is abutted on the eastern boundary by Glen Ida Estate, a rural-residential subdivision comprising approximately thirty 5000m² (more or less) lots, most of which have been developed. The Glen Ida Estate development is zoned Country Living under both the Operative and Proposed District Plans and appears to have been undertaken as part of several subdivisions, the most recent being granted in 2007 which created 19 additional 5000m² lots. To the west of the subject site, along Tauwhare Road, there are a mix of smaller sized residential and larger agricultural properties. A number of these residential properties are a similar size to the residential properties within Tauwhare Village itself, which is on the opposite side of the subject site. The Landscape and Amenity Assessment in Appendix A provides a more detailed description of the site and its surrounds.

The subject site is presently leased for maize cropping and grass for bailage. Initial checks of soil and land use capability maps show soils on this site to be mostly classes 2 and 3 (high class) with a general



suitability for multiple land uses with high to moderate value for primary production purposes, with some limitations relating to poor drainage, and moderate sheet and rill erosion under cultivation. However, the land is not of a size to be farmed as an economically viable unit (see Appendix B), and land use capability class would need to be confirmed by on-site assessment.

Prior to the current lease, the land was leased to Civil Whey who used it for dairy manufacture by-product whey distribution and maize cropping. However, a number of complaints were received from neighbouring residences during this lease and a decision was made to change the lease to maize cropping and bailage to limit reverse sensitivity effects.

A Preliminary Site Investigation (PSI) undertaken by HDGeo Ltd (Appendix C) shows elevated cadmium levels across the site relating to previous agricultural uses (superphosphate fertiliser application). This is not unusual or unexpected for rural land within the Waikato region, and options for site remediation are available should land use change.

Near the centre of the site, naturally low-lying land has been utilised to construct a wetland, which has been subsequently planted with native vegetation (with provision for future walking tracks/boardwalks) seeing a flourish in biodiversity to the site.

4. Proposal

The primary submission and further submission made on behalf of BPL seek to change the current proposed zoning from Rural to Country Living for the subject site, and support those who made submissions to reduce the minimum lot size within the Country Living Zone.

In support of the above, evidence presented on behalf of BPL in Hearing 12 – Country Living Zone, focused on amending proposed Policy 5.6.3 of the PDP to provide an avenue for consideration of more flexible approaches to subdivision that result in potentially smaller lot sizes (less than 5000m²), but a more efficient use of land and retention of productive capacity within the Country Living Zone.

Figure 2 below outlines two potential concept plans for subdivision of the subject site should the zoning be changed to Country Living – Concept A showing arrangement of up to twenty-five 5000m² lots under the current proposed subdivision rules for the Country Living Zone (as notified), and Concept B showing the same number, but slightly smaller lots, clustered to enable retention of some productive use of the land should Policy 5.6.3 be amended. These concept plans are simply to demonstrate the subdivision potential of the subject site and to provide a baseline for the appended technical reports which assess feasibility and suitability of the proposed zone change and development potential.

It should be noted that some technical reports appended to this Section 32AA evaluation refer to earlier concept plans, however these plans represent a ‘do-maximum’ approach and still provide an appropriate baseline for this assessment. The concept plans presented in figure 2 account for recommendations presented in the geotechnical and three waters technical reports noting that up to 25 lots would be considered appropriate for the site. The landscape and amenity assessment



presented in the appended technical report by PAUA Architects uses the most up-to-date concept plans. It would be expected that subject to a zone change, any future application for subdivision of the subject site would be accompanied by a master plan or comprehensive subdivision plan which would address in detail the recommendations in the appended technical reports.

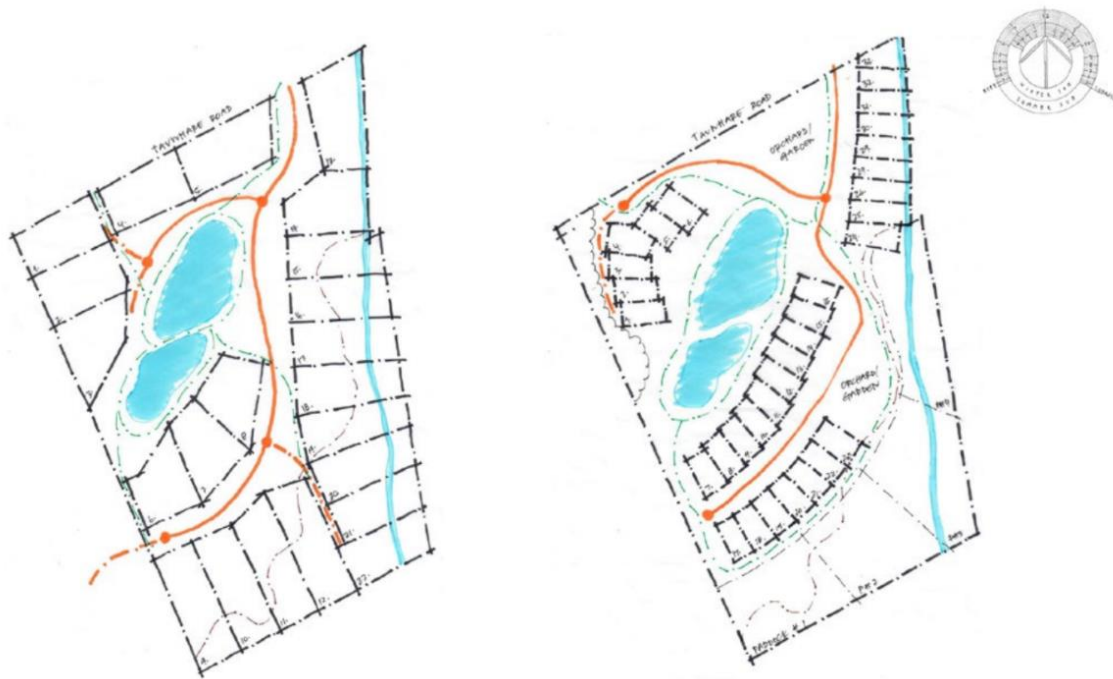


Figure 2: Concept sketches showing two options as examples for how the subject site may be developed. The open area on the alternative subdivision layout (to the right) is below the ridge and could be maintained for productive uses. This open area could also provide a buffer to rural land uses to the south.

5. Supporting Technical Reports

The following technical reports were commissioned on behalf of Bowrock Properties Ltd to investigate the feasibility and suitability of rezoning the subject site from Rural to Country Living and have been relied upon to inform the following Section 32AA evaluation.

- Appendix A - Landscape and Amenity Assessment - PAUA Architects
- Appendix B - Economic Assessment - Insight Economics Ltd
- Appendix C - Preliminary Site Investigation for Contamination - HDGeo
- Appendix D - Three Waters Assessment - Harrison Grierson
- Appendix E - Preliminary Transportation Assessment - Stantec
- Appendix F - Preliminary Geotechnical Assessment - HDGeo



6. Section 32 Evaluation

6.1 Issues with retaining the proposed Rural Zoning for the subject site

The first step of the Section 32 evaluation is to identify the issues that the proposed change in zoning is intending to address (that is, the reason why the existing proposed Rural zoning of the site is not appropriate) which in turn provides the rationale for the proposal.

To allow for rural-residential development and for the full economic potential of the site to be realised, the site needs to be rezoned. The reasons why the proposed Rural zoning, and proposed policy direction in Policy 5.6.3² (in relation to subdivision in the notified proposed Country Living Zone) for the subject site are not appropriate include the following:

- a) The subject site cannot be used for traditional rural/agricultural purposes as a result of legacy planning decisions, which has seen the creation of a small rural landholding located adjacent to rural-residential properties. Previously, agricultural uses on the subject site have resulted in complaints from neighbouring residences (reverse sensitivity) limiting the potential of the subject site for traditional rural uses. The current lease of the land for maize and bailage is not economically viable in the long term (see Appendix B).
- b) Under the proposed Rural Zoning, subdivision is prohibited due to the likely presence of High Class Soils³ (Proposed Rule 22.4.1.1 PR3). However, the potential of these soils is not accessible due to the site being of a size where it is not able to be farmed as an economically viable unit. Both potential rural and residential uses of the land under the current proposed zoning are therefore limited which also limits the economic potential of the land.
- c) Presently, in the notified version of the proposed Country Living Zone there is strong policy direction to avoid the creation of undersized lots (Policy 5.6.3). Retention of the requirement for 5000m² minimum lot sizes with no scope within the policy framework to consider alternative subdivision proposals has the potential to result in inefficient use of land. This has been observed in existing Country Living Zones within the District where it is common to see large houses and expansive lawns with limited productive use of the Lots (examples being Tamahere and Tauwhare). Amending this policy to allow for more flexible subdivision design where it can be demonstrated that some productive capacity can be retained, may help to preserve this resource whilst balancing with development.

The following sections set out:

- a) the extent to which the objective of the proposal is the most appropriate way to achieve the purpose of the Act;

² Proposed Policy 5.6.3 seeks to avoid the creation of undersized lots in the Country Living Zone. The proposed minimum lot size set for this zone is 5000m².

³ This would need to be confirmed by onsite assessment as the maps used to provide the initial indication are not site specific.



- b) an analysis of the options considered to achieve the objective of the proposal, and the efficiency and effectiveness of these options in achieving the proposal objective;
- c) A summary of the reasons for the option chosen.

The evaluation that follows focuses on the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of each of the options. The level of analysis provided corresponds with the scale and significance of the proposal.

Furthermore, in respect of section 32(3) of the Act, as this is an amending proposal, it should be noted that, with the exception of the proposed amendment to Policy 5.6.3, no other changes to the notified provisions of the Country Living Zone are proposed, and these provisions would remain should the amending proposal take effect. This means that should the zone change be granted, any application for subdivision would still be subject to resource consent likely either as a restricted discretionary (5000m² lots) or a non-complying activity (lots less than 5000m²), leaving Council with the discretion to decline or approve an application and to impose conditions to avoid, remedy or mitigate any adverse effects.

The proposed amendment to Policy 5.6.3 which supports smaller lot sizes where productive capacity is retained, integrates with PWDP Rule 23.4.2 NC1 of the Country Living Zone (as notified) allowing Council to assess any application for subdivision not meeting the 5000m² net site area threshold for lots as a non-complying activity. Although an application for smaller lot sizes where productive capacity is not proposed to be retained could also be made under this rule, the proposed amendment to Policy 5.6.3 lends strength to Council planners to promote retention of productive use which currently does not exist in the proposed PWDP policy framework when such applications are received.

This change to the policy would have a bearing on the 'gateway/threshold test' under section 104D of the Act. This test requires that before granting an application for resource consent that Council must be satisfied that either the adverse effects of the activity on the environment will be minor (s104D(1)(a)), or the proposed activity will not be contrary to the objectives and policies of a proposed plan and/or plan (s104D(1)(b)). If either of the limbs of the test can be passed, then the application is eligible for approval, but the proposed activity must still be considered under s104 which sets out all that a Council must take into account before making a final decision. There is no primacy given to either of the two limbs, so if one limb can be passed then the 'test' can be considered to be passed.

6.2 Is the proposal objective the most appropriate way of achieving the purpose of the Act?

Rezoning of the subject site should be considered in the context of achieving the Purpose and Principles of the Act (sections 5-8). The overriding purpose of the Act is '*to promote the sustainable management of natural and physical resources.*' Sustainable management is defined 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 wellbeing and for their health and safety while-

- a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- b) Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.'*

The proposal is considered to achieve the overall purpose of the Act and is supported by the effects assessment in section 6.4 and the cost benefit analysis in section 6.7.

The objective of the proposal is to unlock the full potential of the site which is presently hindered by the current Rural Zoning. Rezoning the subject site enables the potential of the site to be sustained meeting the reasonably foreseeable needs of current and future generations by providing for the economic wellbeing of BPL (rural uses of the land are not currently economically viable), and contributing to the social and economic wellbeing of the wider Tauwhare Village through economic stimulus during development and the subsequent small increase in population (see Appendix B) which is likely to support the continued viability of Tauwhare School.

Amending Policy 5.6.3 to allow consideration of smaller lot sizes where it can be demonstrated that some productive potential of the site will be retained, also serves to sustain the potential of natural and physical resources for future generations, and to safeguard the life-supporting capacity of the soil by allowing more efficient use of land.

By extending the existing Country Living zone to this site there is also potential to avoid the reverse sensitivity effects on neighbouring residences relating to current permitted rural use(s) of the site under the present zoning.

Section 6 of the Act includes Matters of National Importance that are required to be recognised and provided for. The following matter is considered relevant to this proposal for rezoning:

- (e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga*

Section 7 of the Act lists Other Matters to which particular regard must be had. The relevant matters are:

- (a) kaitiakitanga*
- (aa) the ethic of stewardship*
- (b) the efficient use of natural and physical resources*
- (c) the maintenance and enhancement of amenity values*
- (f) maintenance and enhancement of the quality of the environment*
- (g) any finite characteristics of natural and physical resources*

Section 8 requires the principles of Te Tiriti o Waitangi to be taken into account when managing the use, development, and protection of natural and physical resources.



In respect of sections 6 - 8 of the Act, it should be noted that no further submissions on BPL's proposal were received from Iwi or Iwi representatives. Furthermore, should the subject site be rezoned, subdivision under the notified Proposed Country Living Zone rules would require resource consent as either a Restricted Discretionary or Non-Complying activity, at which time it would be expected that consultation with any identified affected parties and consideration of sections 6(e), 7(a), 7(aa) and section 8 would be undertaken.

The economic assessment in Appendix B supports the conclusion that rezoning the subject site is the best and highest use of the land, therefore supporting section 7(b) of the Act, and the landscape and amenity assessment in Appendix A demonstrates how development of the site can be undertaken in accordance with the proposed provisions of the Country Living Zone thereby supporting sections 7(c) and (f). Although High Class Soils (which are present on the site) are a finite resource (section 7(g)), they are not accessible due to the size of the landholding being too small to be economically viable as a productive unit.

6.3 Assessment of options to achieve the proposal objective

Having concluded that the existing and proposed Rural zoning is no longer appropriate for the subject site, and that the Proposal is the most appropriate way of achieving the purpose of the Act, several options were considered to address the issues raised in section 6.1 above. These options are outlined in the sections that follow and for completeness 'status quo/ do nothing' was also considered:

Option A:	Status Quo - Retain Rural Zoning for subject site.
Option B:	Subject site rezoned from Rural to Country Living Zone and Policy 5.6.3 (Country Living Zone) retained as notified.
Option C:	Subject site rezoned from Rural to Country Living Zone and Policy 5.6.3 (Country Living Zone) amended to allow more flexible approaches to subdivision to promote more efficient land use.

It should be noted that due to the current review of the District Plan, and the fact that there is ample opportunity for submitters to participate in this process, pursuing a Private Plan Change is not considered a reasonable option, and therefore has not been included in the options assessment. Equally, applying for resource consent to subdivide the subject site is also not viable due to the prohibited activity status under the Operative and Proposed Rural Zone rules.

Under Option A (Retaining the Rural Zoning of the site) proposed Rule 22.3.1 P1 would allow for one dwelling, and one minor dwelling (Rule 22.3.2 P1) to be constructed on the site as a permitted activity, given that subdivision of the subject site is prohibited, and that the landholding is less than 40ha.



6.4 Anticipated effects of implementing the proposal

The key anticipated effects of changing the zoning of the subject site have been grouped and summarised as follows, noting that Options B and C are very similar, and that any key differences in effects between these two options are noted where appropriate. Commentary on the scale and significance of these effects has also been provided. Scale refers to the size or magnitude of the effects and significance refers to the importance of the effects, e.g. whether this is at a national, regional, or local level.

6.4.1 Environmental effects

High Class Soils

Implementation of the zone change would see a minor loss in High Class Soils through subsequent development of the site for residential purposes. Overall, when considered in the context of the district or region, the scale and significance of this loss is considered to be , due to the small size of the landholding and the fact that at present these soils are not accessible due to the subject site not being economically viable to use for rural purposes. These conclusions are supported by the Economic Assessment in Appendix B.

Option C is considered to have slightly less impact on High Class Soils than Option B due to the potential to balance smaller lot sizes with retention of some productive capacity of the subject site.

The loss of High Class Soils for primary industry scale productivity as a result of changing the zoning and potential subsequent development is considered to be a permanent albeit minor effect in this instance.

Landscape and Visual Amenity effects

Changing the zoning of the subject site from Rural to Country Living will result in a change to the landscape and visual amenity of the immediate surroundings if and when the subject site is developed. However, development of the subject site (under Option B - 5000m² lots) can be undertaken in a manner that is in-keeping with the proposed provisions of the Country Living Zone (as notified), and this is a proposal that avoids 'spot rezoning' given the proximity of the existing Country Living Zone. Furthermore, any effect on the wider rural setting of the Tauwhare Village is considered to be negligible, particularly given the low number of dwellings that can be accommodated on the subject site (approximately 25) and that similar development already exists in the vicinity (see Appendix A).

Development of the subject site under Option C (amended policy 5.6.3), whilst potentially having a higher impact on landscape and visual amenity than Option B due to smaller lot sizes, does allow opportunity for more responsive subdivision design, and to provide for buffer areas through the retention of productive land. On the subject site, this policy change could potentially see dwellings being clustered in a way that affords the greatest amenity to the dwellings, whilst providing an area



that could serve the dwellings through productive use. This buffer area could also serve to mitigate any reverse sensitivity effects from the rural land to the south.

Further information on potential impacts on landscape and visual amenity resulting from the proposal is provided in the assessment undertaken by PAUA which can be found in Appendix A. Overall, the scale and significance of these effects from either option B or C is considered low; future subdivision of the site will require resource consent and any future development will be subject to the rules of the Country Living Zone, therefore Waikato District Council will be provided with an opportunity to review future development in the event of it not complying with the rules or lining up with the policy direction of the Country Living Zone.

Infrastructure effects – Three Waters

Harrison Grierson has undertaken a preliminary Three Waters Assessment for the subject site which is contained in Appendix D. The subject site is within the Southern Districts Rural Supply zone which means there is a restricted (low pressure) rural potable water supply network available, and there is a public 100mm diameter PVC main located on the southern side of the Tauwhare Road reserve, although there are presently no connections to the site. Water supply is not considered a constraint for development under either Option B or C as roof tank supply can be provided for each Lot with the backup of restricted flow reticulated water supply, which meets the water supply and storage requirements of the Waikato District Council Bylaw 2014.

As there are no public sewer networks servicing the site or nearby, future development of the site would need to provide for onsite treatment and disposal of wastewater. Harrison Grierson have assessed development potential of the site using a 5000m² lot size and have based their assessment on a design which is in accordance with ASNZ 1547:2012 On Site Wastewater Management and Waikato Regional Council 3.5.7 Implementation Methods - On Site Sewage Discharges. Parameters for this design are based on a typical three-bedroom house with five person occupancy and wastewater flow rates of 180 l/person/day for houses with on-site roof water supply. This is within the permitted activity requirements of Waikato Regional Council's Regional Plan Rule 3.5.7.5, as the volume of effluent does not exceed 1.3m³ per day.

The design solution proposed in the Harrison Grierson report for on-site treatment and disposal of wastewater takes into account soil conditions, groundwater and topography of the site. In summary, onsite wastewater treatment and disposal is a viable option for addressing the wastewater management needs of potential development of the site, however, the area requirements for the disposal systems (allowing for reserve areas and setbacks) mean that careful consideration of building size and placement will be required for lots smaller than 5000m² (development supported by Option C).

In terms of stormwater, at present the constructed wetland on site drains intermittently into the Tauwhare Road drains. The road drain connects to the farm drain that runs through the property from the south-eastern corner flowing north into the Waihou River. The subject site is not located within a regional flood hazard area however it is possible that localised flooding may occur particularly around the constructed wetland and farm drain. If the culvert under Tauwhare Road at the northeast corner



of the subject site becomes inundated or blocked, this may present a greater flood risk. At maximum flood level a large portion of Tauwhare would be expected to be flooded, however even given this conservative constraint, minor earthworks on the subject site would allow building platforms to be provided above the “flood level” for development under both proposed Options B and C.

Soil soakage tests on site revealed that soakage is not considered a suitable option for stormwater management on site, however other suitable options exist (Appendix D contains further detail on stormwater management design). Harrison Grierson consider that with on-lot stormwater management using roof-tanks and dispersal trenches, and hardstand stormwater management provided by treatment swales, rain gardens and the additional option of utilising the existing constructed wetland/lake, stormwater management is not a constraint for development under either proposal Options B or C.

In summary, solutions for three waters are able to be provided on-site for development under both Options B and C, therefore it is considered that any infrastructure effects can be appropriately managed to ensure effects on the environment are less than minor. The scale and significance of any infrastructure related effects is considered to be low.

Roading and Transportation effects

Stantec have undertaken a preliminary Traffic Impact Assessment (TIA) to assess the feasibility and effects of developing the subject site. Their detailed findings are outlined in Appendix E. Their report concludes that:

- There is potential for integration with the existing active transport network to link with Tauwhare Village and school.
- Ribbon development can be avoided by providing for a single access to the subject site from Tauwhare Road.
- Several options exist for providing safe right and left turn lane treatments at the intersection that cater for anticipated growth in traffic movements and meet the relevant requirements/standards. It is recommended that the preferred treatment be determined in consultation with Council at the time of subdivision consent, however the preliminary TIA has shown that there is adequate land within the road reserve and the subject site to provide an appropriate intersection.
- Sight distance from the proposed entranceway to the subject site is compliant with the Austroads standard for intersections and the Operative/Proposed District Plan (ODP/PDP) standards for high volume entrances with sight distance exceeding 97m in both directions, and the separation distances from another side road intersection and property accesses specified in the ODP/PDP can also be achieved.
- Any effects on the roading network due to increased (and forecasted) traffic volumes (including at peak times) as a result of development of the subject site (and background growth) are considered to be less than minor as daily traffic volume will remain well within the practical carrying capacity of a two-lane, two-way arterial road, even when forecasted to



the year 2033. It is not expected that rezoning the subject site will generate any material operational effects.

- Proposed rezoning of the subject site and subsequent development can be undertaken in a way that meets the relevant objectives and policies of the Regional Policy Statement, Waikato Regional Land Transport Plan, and Operative and Proposed Waikato District Plan.

Stantec assessed the proposed rezoning of the subject site as potentially enabling 22-33 rural residential dwellings to be constructed. These dwellings could generate up to 333 vehicle movements per day on Tauwhare Road, including up to 46 vehicle movements per hour during peak periods of the day. To support the integration of the rezoned land in the Tauwhare transport network, the following supporting measures would be required and have been recommended by Stantec:

- Extension of the existing 50km/h village speed limit to a point approximately 230m further west of its current location on Tauwhare Road and reinstatement of the gated speed threshold on Tauwhare Road at this point;
- Construction of a new access road approximately where the speed limit threshold is currently located, including a right turn bay or painted central median on Tauwhare Road and left turn lane shoulder widening. The preferred design should be determined in consultation with Waikato District Council at the time of subdivision.
- Construction of a new 3m wide shared user path on the south side of Tauwhare Road, from east of the new access, to join the existing path.
- Widening of the existing path to a 3m (desirable) or 2.5m (minimum) width and a change in designation to shared path, to better support local walking and cycling between the site and Tauwhare School.

In summary, the existing transport network, including the Tauwhare Road/Scotsman Valley Road intersection currently operates at a good level of service. It is expected to accommodate the likely 4-7% increase in traffic movements associated with the change in zoning. The scale and significance of any effects as a result of rezoning and subsequent development of the subject site is therefore considered to be low.

Geotechnical effects

HDGeo have undertaken a preliminary geotechnical investigation of the subject site to determine its suitability for development. Their detailed findings are contained in Appendix F. The subject site consists of two different geologies - the Hills Terrain and the Plains Terrain, each with different geotechnical conditions.

The Hills Terrain is all ground that is elevated above the Plains Terrain. It can range from gently sloping to steeply sloping and is expected to have slightly to moderately expansive soils which would require some mitigation for building (e.g. stiffened foundations). Development on moderate to steep slopes would generally require significant modification and engineering (e.g. retaining), whilst outside these areas shallow foundations designed to tolerate slightly to moderately expansive soils are expected to



be suitable. The degree of liquefaction induced ground damage is expected to be 'none to minor' for the Hills Terrain.

The Plains Terrain is all of the flat terrain in the area. The Plains Terrain is bisected with man-made drains and naturally incised gullies. The drains and gullies tend to be steep sided. High groundwater was encountered in this terrain, along with low strength soils and the degree of liquefaction induced ground damage is likely to be 'moderate' in a ULS earthquake⁴. Further consideration of liquefaction would be needed during assessment and design for buildings on the site. Within the Plains Terrain standard foundations are not appropriate, given the potential for liquefaction and low strength soils. The design of the foundations will need to consider the low bearing and potential effects from liquefaction. Raft type foundation systems are likely to be appropriate for development within the Plains Terrain.

In summary, based on the preliminary assessment, HDGeo conclude that the subject site is geotechnically suitable for the proposed subdivision, subject to mitigating the following hazards:

Hills Terrain:

- Steep slopes and potential instability
- Slightly to moderately expansive soils

Plains Terrain:

- Liquefaction
- High groundwater
- Low bearing
- Lateral spreading near the open-drain

During the construction of the subdivision, observation and testing will be required to enable certification of pavements and any subdivision structures along with completion report.

Based on the assessment contained in Appendix F and the above, the geotechnical conditions do not preclude the subject site from being developed and any geotechnical effects resulting from development are considered to be of low scale and significance.

Contamination effects

As part of changing land use it is a requirement to consider any potential effects of contamination under the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NESCS). HDGeo have undertaken a Preliminary Site Investigation to assess this risk (Appendix C). Although previous and current uses of the site do not fall within the description of any Hazardous Activities and Industries List (HAIL) activities, use of superphosphate fertiliser can lead to elevated cadmium concentrations in the soil. If contaminants are present above guideline values, the site may be classified as a HAIL site. Preliminary sampling did return some elevated cadmium

⁴ Ultimate Limit State earthquake



levels, however there are numerous options available to ensure that any risk to human health is mitigated. These options include, but are not limited to:

- completing additional sampling to better delineate the cadmium concentrations across the site and evaluate native ground pH to determine if the pH can be adjusted
- situate the residences on the site to avoid areas which have elevated cadmium present
- treating the soil with lime to raise the pH, as cadmium toxicity decreases with higher soil pH and develop a long-term management plan for retesting every 10 years
- removing the top ~250 mm of soil from a 2 m lateral extent around the house to remove impacted soil. The removed soil can be disposed of at a licensed landfill. On-site disposal may be possible, but the soil may not be placed in an area where produce would be grown
- tilling and mixing the soil to reduce cadmium concentrations
- placing a “tag” on the title which calls for produce to be grown only in raised beds with imported topsoil.

At present the land is considered ‘production land’ and rural use of the site for maize and bailage is not captured by the NESC despite elevated cadmium levels. Rezoning the land to allow development of the subject site would ensure that this potential contamination issue is adequately addressed and any risk to human health is mitigated, potentially resulting in a more favourable risk profile than at present. Given many options for mitigation are available, the scale and significance of any effects related to soil contamination as a result of developing the subject site are considered to be low.

6.4.2 Social effects

Rezoning the subject site to Country Living to allow the delivery of developable sections, and the subsequent development of the site will positively contribute to the long term viability of the Tauwhare village through the creation of new rural residential living options thereby having a more permanent positive impact on social wellbeing through providing options for home ownership and/or rental. Furthermore, it would be anticipated that Tauwhare School may receive a few additional enrolments as a result of the small increase to the population, thereby helping to support its continued viability. Subdivision development and construction will also support job creation.

In addition, Option C provides greater opportunity for the realisation of positive social effects through the ability to consider alternative subdivision design. Having smaller lot sizes along with the retention of some productive land could see this land being used for the benefit of all landowners within the subdivision development. This scenario would be expected to engender a greater sense of community and belonging than development under Option B.

The scale and significance of these effects, whilst considered low, are positive effects resulting from the change of zoning that would otherwise not be realised under status quo.

6.4.3 Cultural and Archaeological effects

The subject site is not indicated on the Proposed Waikato District Plan Maps as being in any Maaori Area or Site of Significance, or as containing any heritage listing. It would be expected that at the time of subdivision and land use consent, that a condition of consent relating to an Accidental Discovery



Protocol would be imposed. The scale and significance of any cultural and archaeological effects resulting from rezoning is considered to be low.

6.4.4 Economic effects

An Economic Assessment of the proposed rezoning of the subject site was undertaken by Insight Economics and is attached in Appendix B. This report concludes that relative to the status quo of rural zoning, changing the zoning to Country Living and developing the subject site under either Option B or C:

- Increases the amount of countryside living land available;
- Reduces the amount of rural land available; and
- Potentially enables the land to be put to a higher and better use.

The analysis presented in the economic assessment has shown that the district's housing market is exhibiting signs of land shortage and that this has likely contributed to significant ongoing growth in district house prices. Country Living zoned land adjacent to the subject site is worth eight times more than rural land around the subject site, and rural food production – the most likely rural productive use of the subject site absent the proposal – is rare locally, despite the rural zoning.

Consequently, the report concludes that the loss of rural productive activity due to the proposal is unlikely to have much effect, and that the economic viability of the subject site for maize cropping and bailage (current and most likely use) is marginal at best. It is therefore considered that rezoning the land to Country Living will enable the subject site to be put to its highest and best use.

Finally, this report has estimated the potential one-off economic impacts of future construction activity enabled by the proposal and shown that they could:

- Boost regional GDP by over \$11 million;
- Provide full-time employment for 26 people for 5 years; and
- Generate household incomes of \$5.7 million.

Given the positive economic effects of the proposal and noting the absence of any notable economic detriment via foregone rural productive uses, Insight Economics strongly supports the rezoning proposal on economic grounds. The scale and significance of the abovementioned economic effects is considered to be low to moderate, and the level of detail provided in the economic assessment appended is commensurate to this rating.

6.4.5 Positive effects

Rezoning the subject site from Rural to Country Living will allow development of the site which will not only support the economic wellbeing of BPL, but will also contribute to job creation, boost regional GDP, and assist in addressing the trend of land shortage for housing supply within the district. Increasing the population of Tauwhare by approximately 25 households is also expected to have a positive social effect, and may provide additional enrolment numbers for Tauwhare School,



which is experiencing a declining trend in its roll count⁵. Furthermore, under Option C greater opportunity exists to create a clustered community development which would be expected to engender positive social effects, particularly if land that was required to be retained for productive use was utilised to serve the collective subdivision community.

6.4.6 Conclusion on effects

The effects described above are consistent with those expected when rural land is urbanised. Given the small size of the subject site, its suitability for development (subject to mitigating measures being implemented), and the potential for rezoning to contribute positively to the social and economic wellbeing of residents within Tauwhare and BPL, overall, the proposal is considered to have a positive impact on Part 2 matters specified under the Act.

6.5 Overall Assessment of Scale and Significance of Proposal

Under the Act, the level of information and detail to be provided as part of the Section 32AA Evaluation relates to the scale and significance of the proposal, which in turn is informed by the anticipated effects. A proposal of low scale and significance will therefore require a less detailed assessment.

Our assessment of the overall scale and significance of the proposal options and their effects has been undertaken using a ranking approach (high, medium, low)⁶, and has been presented in Table 1 below. This table has been informed by the technical reports appended to this Section 32AA analysis, and the analysis concludes that the overall scale and significance of rezoning is low.

Table 1: Assessment of overall scale and significance

Considerations	Commentary	Scale Ranking	Significance Ranking
Reason for change	Part of 10 year District Plan review and an opportunity to seek a zone change to more appropriate zoning for the subject site.	N/A	N/A
Degree of shift from status quo	Proposal addresses an existing resource management issue, by proposing a change in zoning with a minor change to the policy framework for the proposed Country Living Zone and no subsequent changes to the rules framework of the Country Living Zone.	Low	Low

⁵ <https://www.educationcounts.govt.nz/find-school/school/population/trends?district=®ion=&school=1995>

⁶ Based on the Ministry for the Environment Guide to Section 32 Analysis: Ministry for the Environment. 2017. A guide to section 32 of the Resource Management Act: Incorporating changes as a result of the Resource Legislation Amendment Act 2017. Wellington: Ministry for the Environment.



Who and how many will be affected?	Degree of public interest in the proposal for the subject site is low. Proposal will mainly affect the owner of the subject site. Development of the site can be accommodated within the proposed provisions of the Country Living Zone meaning that any effects on surrounding properties will be less than minor. Proposal will contribute to increasing the housing capacity of the district thereby having a positive effect for future generations. Any effects are at the local level, with the exception of economic effects which are expected to have a positive impact on Regional GDP.	Low	Low
Degree of impact on, or degree of interest from Maori/Iwi?	Proposal affects private property. There are no known archaeological sites on the property. Creation of existing wetland has enhanced the biodiversity of the site restoring its mauri and life supporting capacity. No further submissions received on the rezoning proposal in relation to iwi interests.	Low	Low
When will effects occur?	Effects will not occur until development of the site commences. When this happens, effects will be temporary while development is being undertaken and once residences are constructed there will be a permanent change to status quo, however this change will be in-keeping with the character and amenity of the Country Living Zone.	Low to Medium	Low
Geographic scale of impacts	Impacts are very localised. Small extension to the existing Country Living Zone.	Low	Low
Anticipated effects	See Section 32AA analysis for a detailed description of effects. Overall, the proposal is considered to have a positive impact on Part 2 Matters specified under the Act.	Medium	Low
Degree of policy risk, implementation risk, or uncertainty	Rezoning is not a novel or untested approach and the proposal has garnered very minor interest from the wider community by way of further submissions indicating that any effect will be minor and localised. The	Low	Low



	<p>evidence base for changing the zoning is strong. Benefits and costs of the proposal are demonstrated in the supporting Section 32AA analysis and are supported by technical reports. Furthermore, the change in zoning is not dependent on other initiatives being implemented nor is the implementation timeframe challenging.</p> <p>The degree of risk is therefore considered low.</p>		
Overall ranking:	Low		

6.6 Screening for Effectiveness of Options

In accordance with s32(1)(c), this evaluation is to a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal which are reflected in Table 1 and the assessment of effects in section 6.4 above. Below, each option for achieving the objective of the proposal is screened for effectiveness before making a decision on which options to further screen for efficiency through the examination of benefits and costs.

Table 2: Screening of options for effectiveness

	Category & Criteria			
Option	Relevance <i>How effective options are in achieving the Proposal objective?</i>	Feasibility <i>Within council's powers, responsibilities, and resources?</i> <i>Degree of risk and uncertainty of achieving objectives?</i> <i>Ability to implement, monitor and enforce ?</i>	Acceptability <i>Level of equity and fair distribution of impacts?</i> <i>Level of community acceptance?</i> <i>Likely political acceptance?</i>	Overall Ranking 1 - 5 <i>1 = Option not effective at achieving proposal objective</i> <i>5 = Option highly effective at achieving proposal objective</i>
Option A	Option A cannot achieve the objective of the	This option is not feasible to achieve the proposal	Although retaining the subject site in the Rural Zone is likely to have a high	1



(Status Quo)	proposal due to subdivision being a Prohibited Activity under the proposed Rural Zone Rule 22.4.1.1 PR3.	objective as it cannot be implemented.	level of community and political acceptance (due to maintaining status quo), this option places an unfair burden on BPL, the owner of the subject site as they are left with a site that cannot be suitably used for rural purposes nor developed for residential use. This option does not meet the purpose of the Act.	
Option B	This option is effective in meeting the objective of the proposal. Rezoning to Country Living Zoning would allow subdivision of the site (as there are no restrictions around High Class soils in this zone) and its full economic potential to be realised. However, retaining Policy 5.6.3 as notified has the potential to promote uniformity in subdivision design, potentially resulting in greater loss of productive capacity.	This option is feasible and is within Council's powers to implement. The degree of risk and uncertainty of this option achieving the proposal objective is low as a pathway for subdivision application would be provided. Council would retain its powers to implement, monitor and enforce through consent conditions.	It is anticipated that this option will have a moderate level of political and community acceptance given that the proposal is a natural extension of the existing Country Living Zone and avoids 'spot zoning'. Furthermore, development of the site can be undertaken in a manner which meets the proposed objectives, policies, and performance standards of the Country Living Zone. Based on the appended technical reports the level of impacts of the proposal beyond the subject site is considered to be low.	4
Option C	As per Option B, although amending Policy 5.6.3 has the	As per Option B.	As per Option B.	5



	potential to provide for the retention of productive capacity of land more effectively when subdivision is undertaken by promoting more efficient land use through allowing smaller lot sizes.			
Conclusion		Options B and C represent the most viable and effective options for achieving the proposal objective with Option C achieving a slightly higher score due to providing an assessment pathway for alternative subdivision proposals (with smaller lot sizes) which result in a more efficient use of land, thereby retaining productive capacity.		

6.7 Cost, Benefit and Risk Analysis

The following table provides an evaluation of the costs and benefits of the environmental, economic, social, and cultural effects that are anticipated from the implementation of each option, including the opportunities for economic growth and employment that are anticipated to be provided or reduced. Given there are limited options available to achieve the proposal objective, due to subdivision of the subject site being a prohibited activity under both the Operative and Proposed District Plan, all three options have been assessed.

Table 3: Evaluation of costs and benefits

Option	Costs	Benefits
Option A Status Quo, retain Rural zoning and do not develop the site	<u>Environmental</u> <ul style="list-style-type: none"> There are no identifiable environmental costs <u>Economic</u> <ul style="list-style-type: none"> Loss of potential revenue, GDP, household income and job creation Rural use of land not economically viable over long term, costs to maintain land with very little return <u>Social</u> <ul style="list-style-type: none"> Continued potential for reverse sensitivity 	<u>Environmental</u> <ul style="list-style-type: none"> No change to the current landscape character <u>Economic</u> <ul style="list-style-type: none"> No costs associated with participating in District Plan Review process, resource consent process, or development <u>Social</u> <ul style="list-style-type: none"> No identifiable social benefits <u>Cultural</u>



	<p>complaints limiting rural use of site</p> <p><u>Cultural</u></p> <ul style="list-style-type: none"> No identifiable cultural costs 	<ul style="list-style-type: none"> No identifiable cultural benefits
<p>Option B Pursue rezoning (through current District Plan review) to Country Living and develop the site with minimum lot size of 5000m²</p>	<p><u>Environmental</u></p> <ul style="list-style-type: none"> Minor loss of High Class Soils, which are presently inaccessible <p><u>Economic</u></p> <ul style="list-style-type: none"> Cost to BPL of participating in District Plan Review process and contracting technical experts <p><u>Social</u></p> <ul style="list-style-type: none"> There are no identifiable social costs <p><u>Cultural</u></p> <ul style="list-style-type: none"> There are no identifiable cultural costs 	<p><u>Environmental</u></p> <ul style="list-style-type: none"> Including the proposal in the current District Plan review provides the opportunity to holistically consider the site alongside the other considerations of the review. This would ensure any wider effects on the environment can be appropriately assessed and managed. <p><u>Economic</u></p> <ul style="list-style-type: none"> If undertaken as a collaborative process, including the proposal in the current District Plan Review would likely share a large proportion of the costs with Waikato District Council providing an economic benefit to BPL. Economic benefit to BPL of developing the subject site for residential use and a subsequent increase in land value of approximately \$15.3M⁷ Proposal will help to foster economic efficiency in the District's land market⁸ Construction activity could boost Regional GDP by over \$11M; provide

⁷ Appendix B - Insight Economics, Economic Analysis

⁸ Appendix B - Insight Economics, Economic Analysis



		<p>full time employment for 26 people for 5 years; and generate household incomes of \$5.7M⁹</p> <p><u>Social</u></p> <ul style="list-style-type: none"> • The development would provide additional housing supply for Tauwhare, and would have potential positive flow-on effects for Tauwhare school • There is potential to reduce reverse sensitivity through matching adjacent land use <p><u>Cultural</u></p> <ul style="list-style-type: none"> • There are no identifiable cultural benefits
<p>Option C Pursue rezoning (through current District Plan review) to Country Living and amend policy 5.6.3 to allow lots smaller than 5000m² if some productive capacity retained</p>	<p><u>Environmental</u></p> <ul style="list-style-type: none"> • Minor loss of High Class Soils, although less than Option B <p><u>Economic</u></p> <ul style="list-style-type: none"> • Same as Option B <p><u>Social</u></p> <ul style="list-style-type: none"> • Same as Option B <p><u>Cultural</u></p> <ul style="list-style-type: none"> • Same as Option B 	<p><u>Environmental</u></p> <ul style="list-style-type: none"> • Same as Option B, although potential for more efficient use of land and retention of some productive capacity <p><u>Economic</u></p> <ul style="list-style-type: none"> • Same as Option B <p><u>Social</u></p> <ul style="list-style-type: none"> • Same as Option B, although potential for increased social benefit due to ability to consider alternative subdivision design and creation of a closer knit community <p><u>Cultural</u></p> <ul style="list-style-type: none"> • Same as Option B

6.7.1 Assessment of Risk

Section 32(2)(c) of the Act requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions (options). Given the low scale and significance rating of the proposal, the appended technical reports, and that the subject site would

⁹ Appendix B - Insight Economics, Economic Analysis



be a natural extension of the existing Country Living Zone, it is considered that there is sufficient information to provide a reasonable and informed understanding of the implications of each option.

6.8 Conclusion

On the basis of the assessment of effects and cost/benefit/risk analysis, **Option C has been chosen**, being to rezone the subject site to Country Living and amend proposed Policy 5.6.3 to allow consideration of alternative subdivision design where it can be demonstrated that some productive capacity of the subject site can be retained.

7. Reasons for Preferred Option

Rezoning of the subject site is considered the most appropriate planning method to address the issues associated with the limitations imposed by the existing Rural Zoning. Option C is very similar to Option B, and both options are suitable. However, Option C delivers slightly more benefits than Option B through the potential for more efficient land use due to the policy amendment, which would allow consideration of alternative subdivision design where productive capacity can be retained. Option C also provides greater support for reducing the fragmentation of rural land.

Rezoning of the subject site properly enables and supports rural-residential land use to occur in the immediate future, that is not currently adequately catered for within the existing and proposed Rural zoning due to the presence of High Class Soils. Although the subject site contains High Class Soils, in this particular instance, the productive value of these soils is inaccessible due to the size of the landholding. Rezoning of the subject site therefore represents the highest and best use of the land.

Changing the zoning of the subject site to Country Living is a natural extension of the existing Country Living Zone and avoids 'spot rezoning'. The appended technical reports demonstrate that the site can be adequately serviced, and the effects assessment concludes that the scale and significance of any effects resulting from rezoning are low, and that the proposal is in accordance with Part 2 of the Act.



Appendix A – Landscape and Amenity Assessment

PAUA Architects

See attached



Appendix B – Economic Assessment

Insight Economics Ltd

See attached



Appendix C – Preliminary Site Investigation for Contamination

HDGEO

See attached



Appendix D – Three Waters Assessment

Harrison Grierson

See attached



Appendix E – Preliminary Transportation Assessment

Stantec

See attached



Appendix F – Preliminary Geotechnical Assessment

HDGEO

See attached

