

BUSINESS ZONE AT SALEYARD ROAD, TE KAUWHATA SECTION 32AA ASSESSMENT

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| Project Name: | Proposed Waikato District Plan – Zoning at Saleyard Road, Te Kauwhata |
| Client: | Hugh Green Limited |
| CP Project No: | 1849 |
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| Reviewer: | Emma Bayly – Planning Team Leader |

1. The Rezoning Proposal

The primary relief sought is that the properties listed in Table 1, below, are changed in the Proposed Waikato District Plan from being in the Business Town Centre zone to instead be in the Business zone

Table 1: List of Properties Subject to Rezoning

| Legal Description | Records of Title |
|--|------------------------------------|
| Section 59 Town of Te Kauwhata | SA63B/35 and SA63B/36 |
| Part Allotment 544, 546 Parish of Whangamarino and Defined on Deposited Plan 25060 | SA31D/969, SA31D/970 and SA31D/971 |
| Lot 5 Deposited Plan South Auckland 18623 | SA57C/113, SA31D/972 and SA31D/973 |
| Lot 1 Deposited Plan South Auckland 17707 | SA31D/318, SA31D/319 and SA31D/320 |

In order to provide for a logical zoning pattern, the properties listed in Table 2, below, are also to be changed in the Proposed Waikato District Plan to be in the Business zone.

Table 2: List of Properties Subject to Rezoning

| Legal Description | Records of Title |
|---|------------------|
| Allotment 548 Parish of Whangamarino | SA49D/648 |
| Lot 1 Deposited Plan South Auckland 58730 | SA50D/460 |
| Lot 2 Deposited Plan South Auckland 58730 | SA50D/503 |
| Lot 2 Deposited Plan South Auckland 17707 | SA16C/1076 |

This would therefore result in the zoning pattern shown in Figure 1, below.



Figure 1: Zoning Extents Proposed by Hugh Green Limited

1.1 Relevant Objectives of the Proposed Waikato District Plan

Appendix 2 of the Section 42A Framework Report (prepared by Dr Mark Davey, dated 19 January 2021) identifies that the strategic directions, objectives and policies that are relevant to submissions that seek changes from Business Town Centre zone to Business zone. The objectives (therefore excluding strategic direction 1.5.2(a) and Policy 4.1.3(a)) listed are as follows:

- Objective 1.12.8(b)(i): *Urban development takes place within areas identified for the purpose in a manner which utilises land and infrastructure most efficiently.*
- Objective 1.12.8(b)(ii): *Promote safe, compact sustainable, good quality urban environments that respond positively to their local context.*
- Objective 1.12.8(b)(iv): *Plan for mixed -use development in suitable locations.*
- Objective 1.12.8(b)(vi): *Protect and enhance green open space, outstanding landscapes, and areas of cultural, ecological, historic, and environmental significance.*

Other objectives of the Proposed Waikato District Plan that are considered to be relevant to the proposed zoning request are the following:

- Objective 4.5.1(a): *Commercial activity is focused within a differentiation of commercial zones and development (comprising the Business Town Centre Zone, the Business Zone, the Business Zone Tamahere and neighbourhood centres).*
- Objective 4.5.12(a): *The commercial and mixed use character of Raglan, Huntly, Ngaruawahia, Te Kauwhata, Pokeno and Tuakau town centres is maintained and enhanced.*
- Objective 4.5.12(b): *The Business Town Centre Zone is promoted as a community focal point.*
- Objective 4.5.12(c): *Development of town centres is designed in a functional and attractive manner serving the needs of the community.*

As no changes to any of these objectives are proposed and no new objectives are sought to be introduced, no assessment under section 32(1)(a) of the RMA is necessary.

1.2 Scale and Significance of the Rezoning Proposal

In determining the scale and significance of the rezoning proposal, the following is noted:

- The spatial extent of the rezoning request is an area of approximately 9.1 ha, across 15 Records of Title (although only nine land parcels) and between five owners.
- The rezoning request is of significance to the local Te Kauwhata township but may also be of significance to the Waikato District, given that Te Kauwhata is one of six townships within the district that are subject to the Business Town Centre Zone.

- As the differences between the Business Town Centre Zone (which the land is already proposed to be zoned) and the Business Zone are not substantial and the changes to zoning do not relate to land containing existing town centre activities, alignment with higher order documents is anticipated.
- The fundamental differences between the zone proposed by the PWDP ('Business Town Centre Zone') and that sought by Hugh Green Limited ('Business Zone') are limited only to the activity status for various tenancy sizes of commercial activities and additional urban design controls related to retaining the built-form character of existing buildings.
- The rezoning request is not anticipated to affect resources that are considered to be a matter of national importance (in terms of section 6 of the RMA), with the exception of the property at 10 Saleyard Road having an interface with an outstanding nature feature (Whangamarino Wetland), which can be appropriately managed through plan provisions, noting that there is no difference between the two zones' interface rules (and so no difference in effects upon the Wetland).
- The land's existing Business Town Centre zoning demonstrates that commercial land uses are suitable at this location with respect to the transport network and service infrastructure. Demands on these networks are not anticipated to be any different from the outcomes currently provided for by the PWDP, noting that the total extent of land identified for business purposes (across the two zones) is not changed.
- As the extent of land identified for business purposes (across the two zones) is not changed and the Business Zone provides for most urban activities, future development planned for the subject area is not considered to be limited. The only potential limitation would be upon small-scale commercial activities (acknowledging that the Council's final position at the hearing for the Business Zone was to introduce a minimum tenancy size of 500 m² for commercial activities and assuming the Panel adopts this recommendation).

Overall, it is considered that the change in zoning is of small- to medium-scale and of modest significance.

1.3 Other Reasonably Practicable Options to Achieve the Objectives

The following zoning patterns have been considered as potential options to achieve the objectives of the Proposed Waikato District Plan:

- Status quo: The 9.1 ha area of land remains in the Business Town Centre Zone, alongside approximately 3 ha of land along Main Road (total Business Town Centre zone is 12 ha).
- Preferred Option: The 9.1 ha area of land is changed to the Business Zone, with the approximately 3 ha of land along Main Road remaining in the Business Town Centre Zone.
- Alternative Option: 10 Saleyard Road, 10 Baird Avenue and 10A Baird Avenue (approximately 6.2 ha) is changed to the Business Zone, with the remainder of the land (approximately 5.2 ha) being in the Business Town Centre Zone.

The status quo has been considered to be an inappropriate option for achieving the relevant objectives as outlined in the submission by Hugh Green Limited on the Proposed Waikato District Plan.

Both the Preferred Option and the Alternative Option include the change in zoning of land from Business Town Centre Zone to Business Zone, with an area of Business Town Centre Zone (including land along Main Street) being retained. The difference between the two options is only the extent of the land subject to the rezoning (9.1 ha versus 6.2 ha). The benefits and costs of these two options are considered further below.

2. Benefits and Cost Analysis of the Rezoning Proposal

In general, it is considered that the differences in benefits and costs of the Status Quo, the Preferred Option and the Alternative Option relates primarily to the demands for different scales of commercial activities in response to and to support the anticipated residential growth within Te Kauwhata.

As all of the land subject to the change in zoning requested by Hugh Green Limited's submission is already subject to the Business Town Centre Zone in the Proposed Waikato District Plan, it can therefore be assumed that this land is suitable for urban development (including commercial activities), irrespective of any current rural land uses or lack of buildings or structures at an urban scale. The changes to zoning proposed will therefore not significantly change the traffic and infrastructure impacts of future commercial development of this land from that arising from development already enabled by the Proposed Waikato District Plan.

In addition, as the area subject to the change in zoning is undeveloped and does not form part of the existing town centre activities along Main Road, the urban zoning ultimately provided for by the Proposed Waikato District Plan is an opportunity to ensure that development of this land is fit for purpose and responds to the actual and potential needs of the Te Kauwhata community over the life of the district plan. As the amenity values related to the Business Town Centre Zone (including those related to special or historic character) do not exist on the undeveloped land subject to the change in zoning (such values are currently limited only to existing buildings along Main Road, not subject to a change in zoning), there is no inherent obligation or expectation by the public for those same amenity values to extend over all of the vacant commercial land.

2.1 Environmental

As considered above, the Business Town Centre Zone and the Business Zone are considered to result in the same general environmental effects.

Effects on the natural environment are managed by the same provisions under either scenario, with neither zone providing any specific rules or standards that do not apply to the other zone.

Effects on the existing built environment would be the same under either scenario, as either zone would result in the existing rural buildings and structures being removed and urban development instead occurring.

Effects resulting from the proposed built environment would be generally similar, other than the scale of individual commercial activities that would be provided for. In particular, the building envelopes provided for in each zone is the same (or very similar). In this regard, it is noted that the adoption of two different zones in this area, rather than retaining a 12 ha of Business Town Centre Zone, avoids the potential for homogenous urban design and enables a variety of built outcomes to be provided for, recognising each site's proximity to the existing town centre on Main Road and to the rural environment to the north.

2.2 Social

The Preferred Option and Alternative Option provide for vacant land subject to the Business Zone within Te Kauwhata (9.1 ha and 6.2 ha, respectively), at a central location. The Proposed Waikato District Plan provides for 1.6 ha of land in the Business Zone that is dispersed across the township (the largest cluster being 5,513 m²) and the majority of which already contains commercial activities.

This is considered to have positive social effects, as it would allow for Te Kauwhata to attract larger commercial activities, including a supermarket, that would enable the town to strengthen its individual identity and reduce reliance upon travel to commercial areas in other locales (such as Huntly) in order for residents to provide for their regular needs.

2.3 Economic

Assessment by Adam Thompson of Urban Economics has found that the supply of commercial land (the combination of the Business zone and Business Town Centre zone) in the PWDP exceeds anticipated demands for the Te Kauwhata township. As the requested zoning does not change the extent of commercial land available in Te Kauwhata, the benefits of the economic effects arising from this oversupply (as anticipated by the NPS-UD) are retained.

The assessment by Mr Thompson has also identified that there is the expected demand for a supermarket within Te Kauwhata by 2030 and potentially for an additional large format retail activity prior to 2050. The Business Town Centre zone that applies to all vacant business land in Te Kauwhata under the PWDP does not allow for such activities to be established (resulting in significant costs to economic development of the town). However, the requested Business zone over this vacant land would provide the flexibility for such activities to be established in response to the actual demands for commercial activities in the township, resulting in various benefits.

The differences between the Preferred Option and the Alternative Option would be the location of a future supermarket and other large format retail activities. Mr Thompson has identified that a location near the main street (i.e. Main Road) is ideal as it would allow for shoppers to visit all retail offerings in a single trip. The Preferred Option would allow for a supermarket to be established within 50 to 100 m of Main Road, while the Alternative Option would increase the separation distance to between 150 and 200 m. Under the Alternative Option, there is the risk that a supermarket or other large format retail activity would be established prior to the expansion of commercial activities within the Business Town Centre zone and that two commercial destinations will be separated by vacant land. Therefore, the Preferred Option allows for greater agglomeration benefits to be realised.

Zoning that enables commercial uses of various scales in response to the demands of a growing residential population allows for related increases in economic growth and employment for the township. Zoning that restricts the floor area of additional commercial activities (i.e. the status quo) does not allow for this.

2.4 Cultural

It is considered that there are no differences to the benefits and costs of the cultural effects resulting from any of the options outlined above.

3. Evaluation of the Proposal

3.1 Reasons for the Selection of the Preferred Option

The Preferred Option has been selected as:

- The application of Business zone over vacant land adjacent to the Business Town Centre zone allows for increased flexibility in the type and scale of commercial development that can be provided for in response to the anticipated growth in Te Kauwhata, including meeting demands for supermarkets and large format retail;
- The existing small-scale commercial activities along Main Road remain subject to the Business Town Centre zone provisions, which focus on retaining the amenity and character attributed to those buildings; and
- The Preferred Option, compared to the Alternative Option, allows for greater consolidation of commercial activities, should a supermarket or other large format retail activity be established before significant expansion of small-scale retail activities.

3.2 Extent to Which the Objectives of the Proposal Area the Most Appropriate Way to Achieve the Purpose of the RMA

The key aspect by which the Preferred Option achieves the purpose of the RMA is that it ensures that sufficient land for various scales of commercial activities is provided for in Te Kauwhata in order for people and communities to provide for their social and economic well-being. The status quo does not do this, as it unduly restricts the establishment of any commercial activity with a tenancy area of over 500 m² across an area of 12 ha. The status quo is anticipated to result in this area of land remaining undeveloped and commercial activities with tenancies of 500 m² or more deciding to not establish in Te Kauwhata due to the strict resource consent requirements that apply to such development in the Business Town Centre zone.

Given that the land subject to the change in zoning is vacant and has been identified as suitable for commercial development (due to its PWDP zoning), any adverse effects arising from the change in zoning are considered to be minor and no additional avoidance, remediation or mitigation measures are considered necessary. By retaining the Business Town Centre zone along Main Road, the built-form and associated amenity values of the existing town centre will be retained.

3.3 Assessment of the Risk of Acting or Not Acting if there is Uncertain Information About the Subject Matter of the Provisions

The actual supply of commercial activities with gross floor areas of less than 500 m² that would be developed in Te Kauwhata during the life of the proposed district plan is uncertain. Under the PWDP, such activities have 12 ha of land within which they could be established, while the Preferred Option only provides 3 ha of land for this specific purpose. However, the additional 9 ha of adjacent land would remain available for a variety of commercial activities and it is expected that, should capacity within the 3 ha Business Town Centre zone be depleted, such activities would be able to establish within 9 ha Business zone without running into consenting issues (noting that the PWDP as notified permits all scales of commercial activities). Therefore, the risks of accepting the requested change in zoning should there be high demand for small-scale commercial activities is considered to be low.

4. Conclusion

The Preferred Option of applying the Business zone across 9.1 ha of land at and near Saleyard Road, Te Kauwhata (which under the PDWP is in the Business Town Centre zone) is considered to be the most efficient and effective method to achieve the objectives of the PWDP for the following reasons:

- It will allow for a wide range of commercial activities, including large format retail, on vacant land adjacent to the established town centre utilities land and infrastructure efficiently;
- The Preferred Option removes restrictions on the types of commercial activities that can occur on vacant land adjacent to the established town centre so that a compact, sustainable and good quality urban environment can be developed;
- The Business zone continues to allow for mixed-use development on vacant land adjacent to an established town centre;
- The same protection is afforded to open space, outstanding landscaped and areas of cultural, ecological, historic, and environmental significance under the Business zone as the status quo of the Business Town Centre zone;
- The availability of a large area of vacant Business zone land in Te Kauwhata will allow for a variety of commercial activities to be established to complement those anticipated in other commercial zones;
- The existing town centre along Main Street remains within the Business Town Centre zone, which includes provides related to the maintenance and enhancement of its character;
- The allowance for a supermarket and other large format retail on vacant land directly adjacent to the established town centre will ensure that this town centre remains a community focal point and is not required to compete with large format retail being established elsewhere (such as on vacant land in the Industrial zone, where this would be a discretionary activity, rather than non-complying); and

- Providing land for a supermarket and other large-format retail directly adjacent to an established town centre will ensure that the precinct will service the needs of the community in a functional manner, with the existing town centre along Main Road remaining attractive.

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