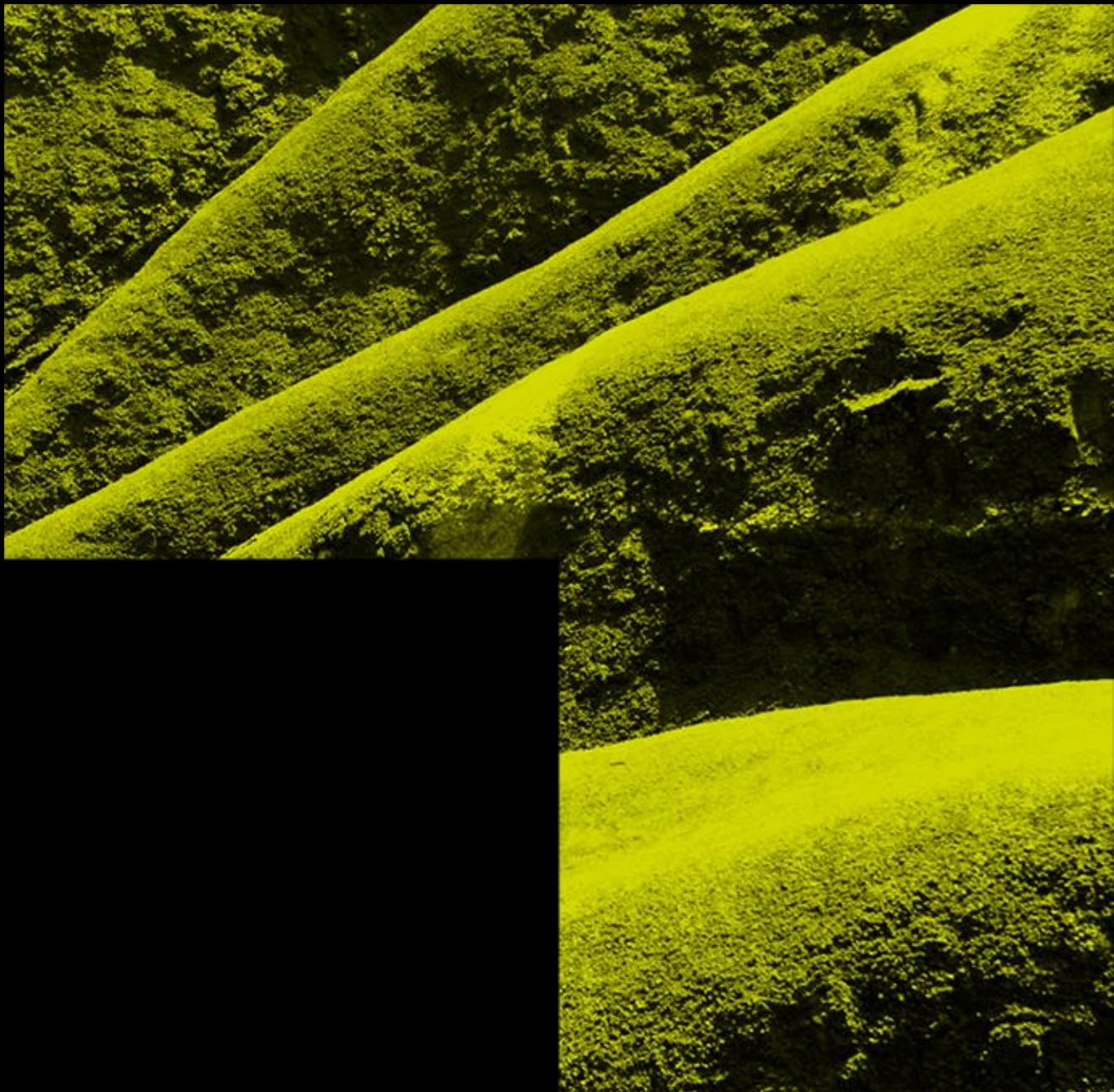


**PC17 TE RAPA  
NORTH INDUSTRIAL**

Section 32 Evaluation

Fonterra Limited

**HC**



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## 1.0 INTRODUCTION

This Section 32 Evaluation Report has been prepared on behalf of Fonterra Co-operative Limited ('Fonterra') to inform and support their Private Plan Change request ('PC17') which seeks to rezone approximately 91ha of land (the 'Plan Change Area') to the north, west and south of the Te Rapa Dairy Manufacturing Site at 1344 Te Rapa Road, Horotiu, Hamilton (the 'Manufacturing Site').

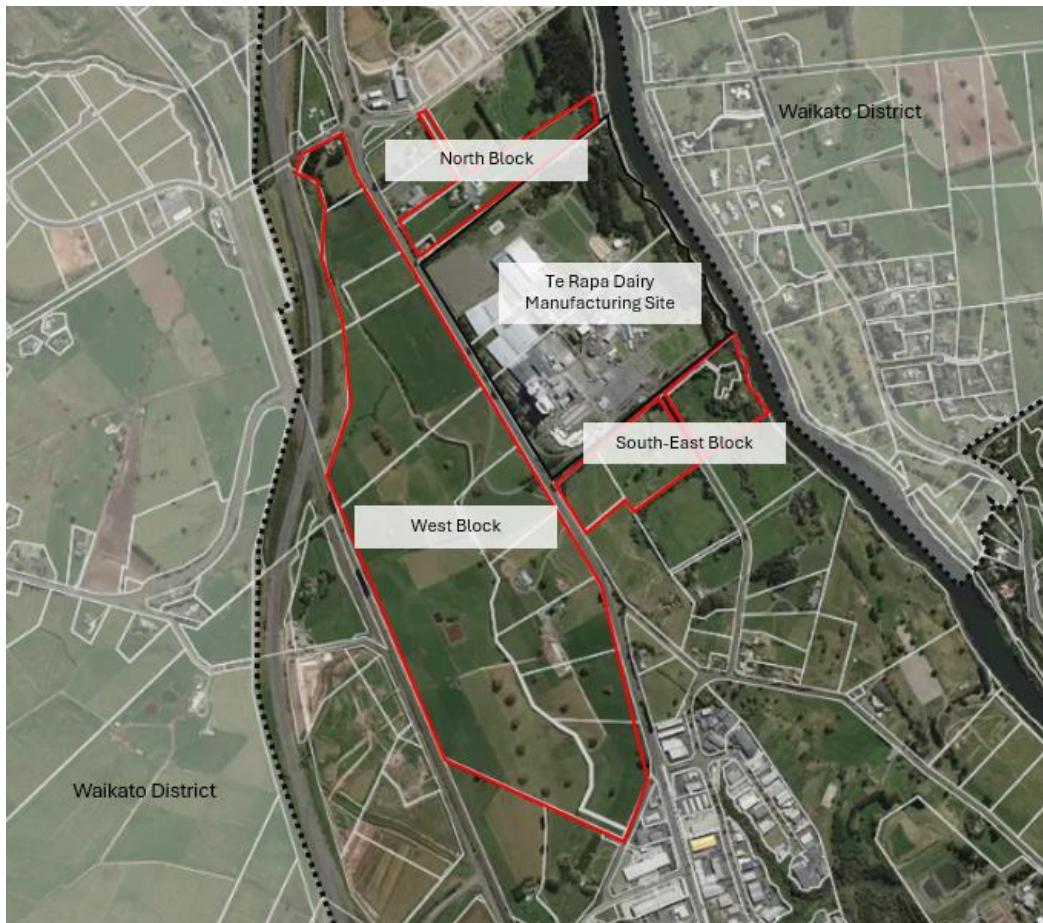
The Plan Change Area is currently zoned Te Rapa North Industrial Zone ('TRNIZ'), which is subject to a Deferred Industrial Zone Overlay under the Hamilton City Operative District Plan ('HCODP'). The PC17 site is currently used for rural and residential activities.

PC17 does not seek to change the land use of the Manufacturing Site. Some planning provisions are proposed to be included and/or amended which will apply to the Manufacturing Site (due to its underlying TRNIZ).

The purpose of PC17 is to:

- Live-zone all Fonterra-owned land to Te Rapa North Industrial zone.
- Protect the Te Rapa Dairy Manufacturing Site from incompatible surrounding land use and adverse reverse sensitivity effects.
- Future proof rail access to the North Island Main Trunk Line ('NIMTL').

The relative locations of the parcels subject to PC17 and road network splits the Plan Change Area into three blocks. The extent of the site that is subject to the request is set out within **Figure 1** below and described in more detail in Section 3.2 below.



**FIGURE 1:** The extent of the plan change request is shown in red outline

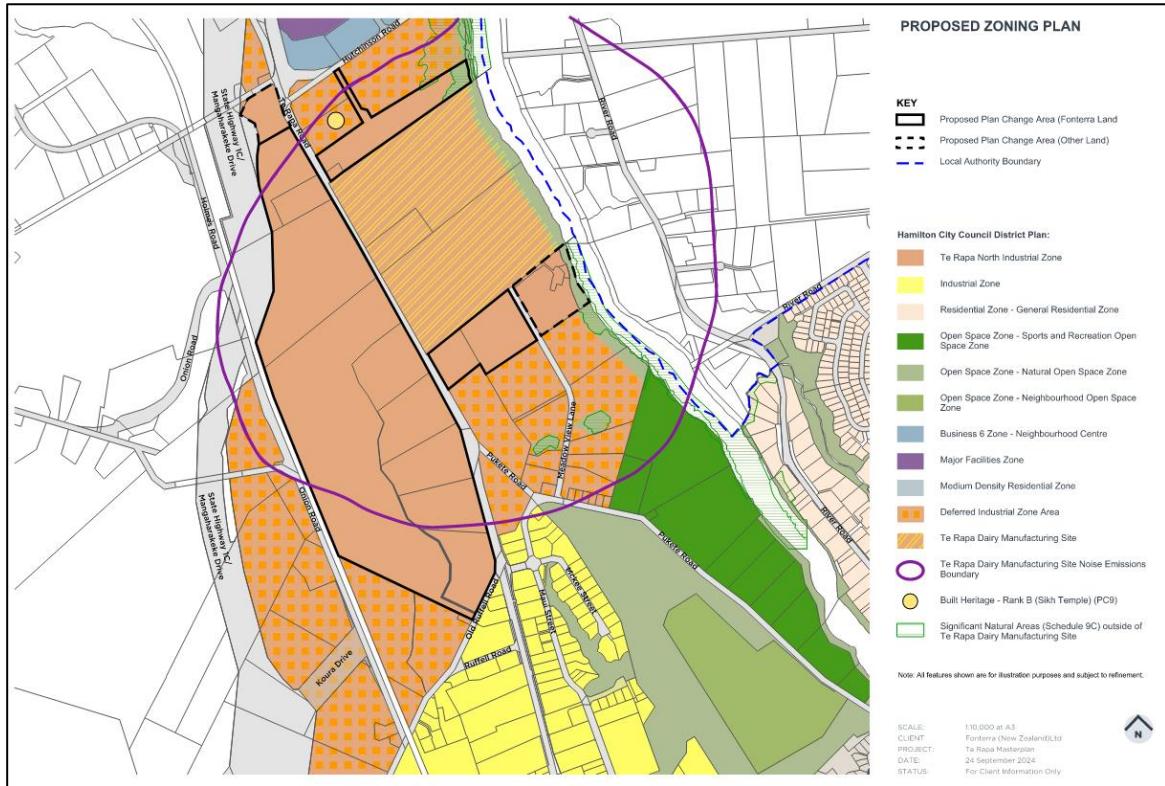
Further details of the request are included within the plan change request application and supporting reports, which should be read in conjunction with this evaluation report.

In summary, the proposal is seeking the following changes to the HDP:

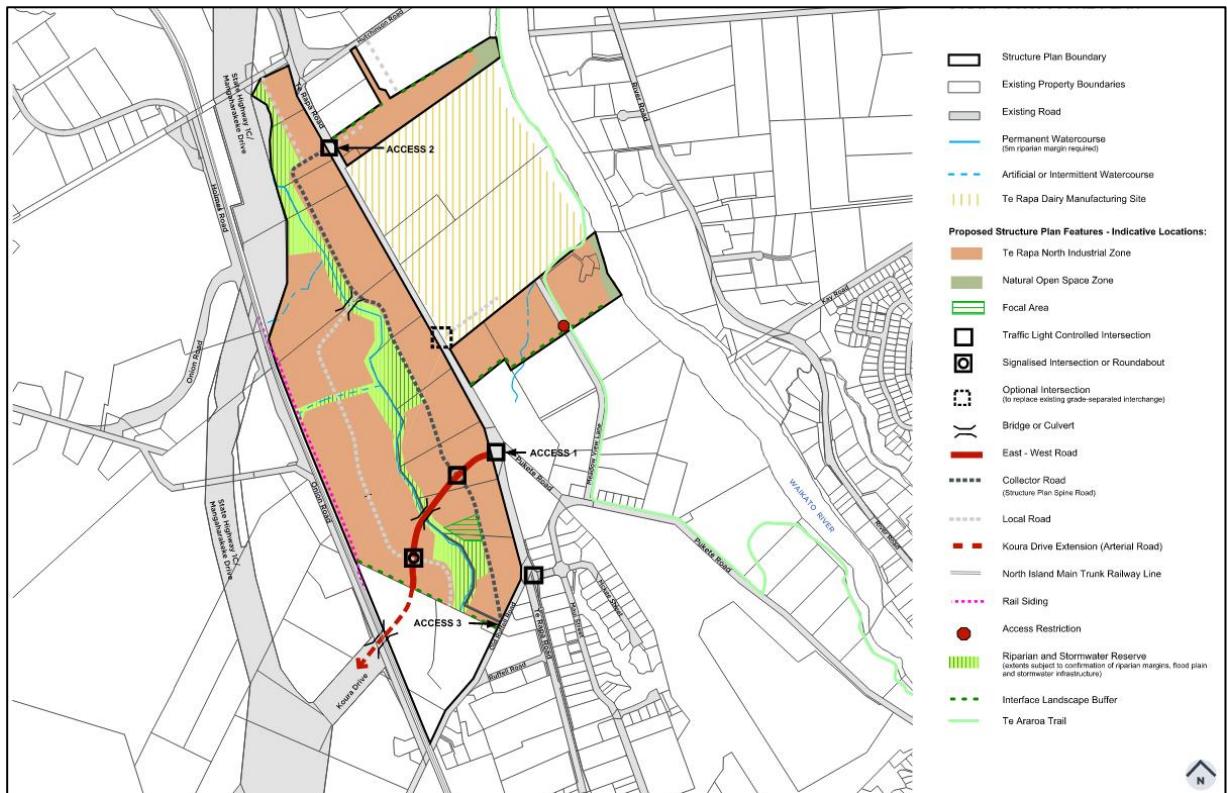
1. Amending the zoning maps as set out in **Figure 2** below, which comprises;
  - a. Removing the 'Deferred Industrial Zone' area from the Plan Change Area (approximately 91ha);
  - b. The extension of approximately 0.5ha of the Natural Open Space Zone where it adjoins the Waikato River within the North Block of the Plan Change Area (coinciding with the Significant Natural Area extent);
  - c. The retention of approximately 91ha of the Te Rapa North Industrial Zone;
  - d. The retention of approximately 1.2ha of the Natural Open Space Zone;
  - e. The removal of the Te Rapa North Industrial Staging overlay; and
  - f. The retention of the Te Rapa Dairy Manufacturing Site Noise Emissions Boundary.
2. Introducing the Te Rapa North Structure Plan in Appendix 2 (refer **Figure 3** below) as Chapter 3.9;
3. Amendments to the provisions that are contained within Chapter 12 - Te Rapa North Industrial Zone;
4. Amendments to provisions that are contained within Chapter 23 – Subdivision;

- Amendments to provisions that are contained within Chapters 25.8 Noise and Vibration, 25.13 Three Waters and 25.14 Transportation; and

- Amendments to the provisions that are contained within Appendix 1; section 1.1 Definitions and Terms, 1.2 Information Requirements and 1.3 Assessment Criteria.



**FIGURE 2:** The proposed extent of the rezoning



**FIGURE 3:** The proposed Te Rapa North Structure Plan

Section 32(1)(a) of the Resource Management Act 1991 (the ‘Act’) requires an evaluation to determine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act. The objectives are defined within section 32(6) to mean:

1. For a proposal that contains or states objectives, those objectives; and
2. For all other proposals, the purpose of the proposal.

In addition, section 32(1)(b) of the Act requires an examination of whether the provisions in the proposal are the most appropriate way to achieve the objectives by:

- (i) identifying other reasonably practicable options for achieving the objectives; and
- (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and
- (iii) summarising the reasons for deciding on the provisions.

Further requirements for the assessment required under section 32(1)(b) are set out in section 32(2), including requirements to identify and assess relevant benefits and costs.<sup>1</sup>

The following sections provide the evaluation that is prescribed by section 32 of the Act:

- Section 2 details the objectives of the plan change request (the proposal) and assesses the appropriateness of the proposal to achieve the purpose of the Act.
- Section 3 then assesses the appropriateness of the provisions to achieve the relevant objectives. It does this by identifying the other reasonably practicable alternative options to achieve the objectives, assessing the provisions’ efficiency and effectiveness as well as their costs and benefits. It also includes an assessment of the risks of not acting, and the reasons for deciding on the provisions. The remaining aspects of section 32 are also addressed within this section.

## 2.0 THE PLAN CHANGE OBJECTIVES

### 2.1 THE PURPOSE OF THE PLAN CHANGE

The purpose of PC17 is to:

1. Live-zone all Fonterra-owned land to Te Rapa North Industrial zone.
2. Protect the Te Rapa Dairy Manufacturing Site from incompatible surrounding land use and reverse sensitivity risk.
3. Future proof rail access on the North Island Main Trunk Line.

### 2.2 THE OBJECTIVES OF THE PLAN CHANGE

To achieve the purpose, PC17 (the proposal) is seeking to propose, amend and retain the following objectives:

- Amend the objectives that are contained in Chapter 12 Te Rapa North Industrial Zone (‘TRNIZ’) of the HDP;

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<sup>1</sup> See also s32(3).

- Retain the objectives that are contained within Chapter 21: Waikato River Corridor and Gully Systems;
- Retain the objectives that are contained within Chapter 23: Subdivision; and
- Retain the objectives that are contained within Chapter 25 City-Wide Chapters.

## **2.2.2 THE OBJECTIVES OF THE TE RAPA NORTH INDUSTRIAL ZONE**

The proposal is seeking to retain the following objectives of the Te Rapa North Industrial Zone without change:

*Objective 12.2.1 Industrial land uses are able to establish and operate within the zone in an efficient and effective manner.*

*Objective 12.2.5 Investment in the Te Rapa Dairy Manufacturing Site as a national and regionally important strategic facility is supported.*

The proposal is seeking to make the following amendments to Objective 12.2.2, which includes separating the objective because it currently reads as two different objectives and refers to the Concept Development Consents ('CDC') process which have now been found to be ultra vires. This results in the creation of a new Objective 12.2.3X (although the wording is retained):

*Objective 12.2.2 The amenity levels of greenfield areas (including Stage 1A) are to be enhanced. A high-quality Industrial area is achieved within the Te Rapa North Industrial Zone.*

*Objective 12.2.3X The amenity levels of the existing Te Rapa Dairy Manufacturing Site are to be maintained.*

The proposal is seeking to delete Objectives 12.2.3 and 12.2.4 which relate to the ultra vires 'CDC' process and are redundant due to the other objectives which are proposed and/or amended:

*Objective 12.2.3 Industrial development is consistent with the long term land use pattern for the Te Rapa North Industrial Zone and occurs in an integrated, efficient and co-ordinated manner.*

*Objective 12.2.4 Strategically important infrastructure and investment are supported and not compromised by inappropriate land use activities.*

The proposal then introduces two new objectives that relate to ecology as well as retaining the intent of achieving the integrated development of land and infrastructure while avoiding reference to a CDC process. The new objectives proposed are as follows:

*Objective 12.2.4X - Ecological values are maintained, and where possible, enhanced, as part of industrial use and development.*

*Objective 12.2.6X - Industrial development is integrated with the efficient provision of infrastructure.*

## **2.3 ASSESSMENT OF OBJECTIVES AGAINST PART 2 OF THE ACT**

Section 32(1)(a) of the Resource Management Act 1991 (the 'Act') requires an evaluation to examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act.

The purpose of the Act is to promote the sustainable management of natural and physical resources.

The two retained (without change) objectives remain the most appropriate way to achieve the purpose of the act because:

- Objective 12.2.1 recognises the importance of ensuring industrial activities can both effectively and efficiently operate within an industrial zone. This achieves an appropriate balance that is important for the sustainable management of natural resources and recognising the finite supply of strategically located industrial land within the region.
- Objective 12.2.5 recognises the strategic importance of the Te Rapa Dairy Manufacturing Site to the City and the Waikato Region. It is entirely consistent with the objectives of PC17, which at its core aims to protect the Te Rapa Dairy Manufacturing Site from incompatible surrounding land use and adverse reverse sensitivity effects.

The proposed amendment to Objective 12.2.2 is appropriate because it separates two distinct themes into separate objectives, thereby improving readability for plan users and improving the effectiveness of the objective. The amendment also recognises that the amenity values of undeveloped greenfield land cannot be enhanced by industrial development. The amended objective now appropriately achieves the purpose of the Act because it recognises that greenfield development fundamentally changes an environment from rural to urban, while achieving a high quality industrial environment as an outcome.

The proposed deletion of Objectives 12.2.3 and 12.2.4 and replacing this with Objective 12.2.6X is an appropriate way to achieve the purpose of the Act because the Comprehensive Development Consents (which is another reference for Comprehensive Development Plans) process has been found to be ultra vires on the basis of recent case law.<sup>2</sup> Those decisions held that:

- (a) Plans (including Framework Plans, Comprehensive Development Plans and Master Plans) are not activities for which consent can be obtained; and
- (b) An activity's status is derived from the RMA and its subsidiary planning instruments. Activity status cannot be determined by whether (or not) another resource consent has been granted.

The proposed new Objective 12.2.6X effectively retains the intent of achieving the integrated development of land and infrastructure while avoiding any reference to CDCs. This ensures that the objectives of the Te Rapa North Industrial Zone are consistent with current planning case law.

Proposed Objective 12.2.4X is the most appropriate way to achieve the purpose of the Act because it recognises that greenfield urban development should be undertaken in a way that identifies, protects or manages the ecological values of a site for it to be considered sustainable management.

A detailed assessment of the objectives of the plan change, as set out within section 2 above (and the wider plan change request itself) against the purpose of the Act, has been undertaken within the plan change request application report. This demonstrated that what is proposed is the most appropriate way to achieve the purpose of the Act because:<sup>3</sup>

- It will enable the efficient use and development of a scarce industrial land resource.
- It will enable people and communities to provide for their economic well-being by releasing industrial land for development and employment creation, for which

<sup>2</sup> *Queenstown Airport Corporation Ltd v Queenstown Lakes District Council* [2014] NZEnvC 93; *Re Auckland Council* [2016] NZEnvC 56, (2016) 19 ELRNZ 425.

<sup>3</sup> Section references below are to sections in Part 2 of the Resource Management Act 1991.

there is a demonstrated and proven demand in Hamilton City and the Waikato Region.

- It will enable industrial development of the most ‘development suitable’ industrial greenfield land within the Waikato Region, as demonstrated within Figure 6-2: Industrial Criteria, Weighting and FPP Area Scores of the Business Development Capacity Assessment 2023 (HBA 2023) that saw Te Rapa rank #1 in the industrial growth areas of the region.
- The proposal will enable the development of industrial and ancillary activities to protect the long-term operation of the Te Rapa Dairy Manufacturing site.
- The ecological values of the Waikato River, Te Rapa Stream and the habitat of indigenous fauna including pekapeka (New Zealand long-tailed bats) will be appropriately protected and managed through the use of zoning, setbacks and riparian planting requirements and the requirement to undertake urban development in accordance with an approved Ecological Management Plan.
- The proposal supports the retirement of the land from farming/rural activities and enables progress towards urbanisation that can make more efficient use of the land area. In doing so, the rezoning will improve the quality of downstream water bodies through reduced nutrient loading and soil erosion (that would be associated with horticultural or agricultural activities).
- The proposal supports the transition of the land from rural to urban activities – specifically industrial uses – with opportunities to enhance the existing ecological and freshwater values of the area. This will recognise and provide for the matters in section 6(a), noting that the plan change provisions require setbacks and riparian planting along the Te Rapa Stream along with maintaining appropriate setbacks from the Waikato River. The existing public access along the Waikato River Corridor will be also maintained without disruption.
- In relation to section 6(b) and 6(c) the proposal will maintain the Waikato River Corridor, which is already identified as a Significant Natural Area under the HDP.
- The proposal does not compromise the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga in relation to section 6(e). During preparation of PC17, regular engagement was held with mana whenua and a Cultural Impact Assessment ('CIA') of draft provisions and development solutions was undertaken, with the outputs of these engagement processes being incorporated into PC17. This included the requirement for native vegetation to feature in riparian margin landscaping that is formalised within the Structure Plan. Mana whenua have requested that engagement in the project continues, and this has been committed to by Fonterra in a Letter of Intent.
- There will be no adverse effects on the historic heritage within the plan change area in relation to section 6(f) as all the archaeological, cultural and historic sites in the area have been avoided.
- In relation to section 6(g), the customary rights that are held by Waikato-Tainui over the Waikato River, will not be compromised by PC17. Fonterra is committed to an ongoing relationship with Waikato-Tainui as facilitated through the Tangata Whenua Working Group ('TWWG') or by other means, to ensure that they preserve these rights as the plan change area is developed.
- There are no unmanageable hazards identified impacting the Plan Change Area that could preclude the proposal rezoning accommodating future industrial growth in respect of section 6(h).

Particular regard has been given to the “other matters” in section 7 of the Act as the rezoning will:

- In terms of section 7(b), enable the efficient use and development of the land, noting:
  - The land is already identified for future industrial development.
  - The proposal brings industrial land supply forward for development in a manner aligned with anticipated industrial demand.
  - The proposed industrial use is an efficient use of land in this location, using land on the urban fringe for a more intensive and high return activity than the existing rural use.
- In terms of section 7(c), PC17 will result in a change in character from rural to urban; however, this is anticipated for the location given its existing deferred industrial zoning. The transition between rural and industrial will be managed through the proposed provisions which specifically provide for the existing high-amenity values associated with the Waikato River and its margins. The proposed provisions respond with the riparian and roading interfaces, as well as the interface between the proposed live-zoned area and those areas that are to remain deferred.
- In terms of sections 7(d), 7(f) and 7(h), PC17 will maintain and enhance the unique ecosystems within the Plan Change Area, noting that the predominant use of paddock grassland is abundant in the surrounding area. The Waikato River Corridor, Te Rapa Stream, its tributaries and its riparian margins are specifically sought to be maintained and enhanced through the proposed provisions. The outcomes sought in relation to freshwater and stormwater management should also result in positive outcomes for trout by maintaining water quality levels for the Waikato.
- With regard to section 7(i), PC17 will see appropriate, and climate resilient stormwater mitigation incorporated into any future development that avoids adverse stormwater quality effects on the Waikato River and seeks to enhance the ecological and hydrological functioning of freshwater features. In addition to this, there is no risk of flooding to the Plan Change Area from the Waikato River.

It is considered that the proposed plan change is consistent with the principles of the Treaty of Waitangi (RMA section 8). The engagement process undertaken by Fonterra was considered by the TWWG to be consistent with the Treaty principles, as Fonterra “... demonstrated a commitment to [the principle of] partnership by engaging early and acting in good faith,...” and this behaviour also demonstrated the principle of protection.<sup>4</sup> The plan change request has adopted the recommendations of the CIA where possible and Fonterra is committed to an enduring relationship with tangata whenua and accounting for those recommendations that extend beyond the plan change process.

Overall, it is considered that the objectives of the plan change are appropriate in terms of achieving the purpose of the Act.

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<sup>4</sup> TWWG. (2024). Section 4.1. Cultural Impact Assessment.

## 3.0

# THE APPROPRIATENESS OF THE PROVISIONS

The proposal is also seeking a suite of other changes (as identified in more detail within section 1 above) including amendments to the zone maps, the introduction of the Te Rapa North Structure Plan and extensive changes to Chapter 12 – Te Rapa North Industrial zone.

### 3.1 AN ASSESSMENT OF ALTERNATIVE OPTIONS

We have identified five reasonably practicable alternative options to achieve the objectives of the plan change.

#### 3.1.1 OPTION 1: STATUS QUO (RETAIN THE CURRENT ZONING AND PROVISIONS)

This option involves retaining the Te Rapa North Industrial Zone, the Deferred Industrial Zone Area and Open Space Zone in their current extents and land development occurring in accordance with the operative provisions.

This option would:

- Limit the development of all parts of the Te Rapa North Industrial Zone, with the exception of the Te Rapa Dairy Manufacturing Site, to development levels enabled by the Future Urban Zone.
- Maintain the reliance on the existing permitted activities that enable low level rural or rural-residential activities.
- Fail to include any recognition of the ecological values within the Plan Change Area, including both freshwater and habitat values.
- Fail to protect the Te Rapa Dairy Manufacturing Site from reverse sensitivity effects, with single dwellings, ancillary residential units and home-stay accommodation being able to be developed as a permitted activity in the land directly adjoining the Te Rapa Dairy Manufacturing Site.
- Retain the current shortfall in industrial land supply in Hamilton and the Waikato Region.
- Fail to include the development of a Structure Plan that enables integrated urban development and infrastructure provision.
- Delay local employment opportunities for current and future residents in the surrounding areas

#### 3.1.2 OPTION 2: CONCEPT DEVELOPMENT CONSENT FOR STAGE 1A

This option would enable urban development in line with current Stage 1a planned release extent and timeframes of the District Plan.

This process would use a Concept Development Plan (CDP) and rezone only land identified as “Stage 1:A” to Te Rapa North Industrial Zone, by removing the ‘Deferred Industrial Zone’, to the plan area. This approach would maintain the current zoning and overlay extents and provisions for the Te Rapa North Industrial Zone area.

This option would:

- Enable 30ha of the 51ha of identified land to be developed in accordance with the current Te Rapa North Industrial Zone provisions.
- Rely on the CDC information requirements to guide the development of the area with an overall development framework, that includes staging, main block pattern, infrastructure networks and solutions, reserves and bulk and scale of buildings.
- Rely on the CDC information requirements to manage building footprints, elevations, and landscaping areas, amongst other development controls. Case law has found the provision of Framework Plans, Comprehensive Development Plans/Consents and Master Plans in a resource consent process is likely to be ultra vires.
- Apply the existing TRNIZ provisions that would make any activity not identified in the activity table (including industrial, general logistics and manufacturing) a Non-Complying activity. This limits permitted activities to only those related to dairy products, ancillary offices or repair of existing buildings. It would not enable the efficient use of the Industrial Zone for industrial activities.
- Limit the management of ecological values within the Stage 1 area.
- Result in the Te Rapa Dairy Manufacturing Site properties adjacent to the northern and southern boundaries remaining subject to the 'Deferred Industrial Zone,' plan area. This would enable single dwellings, ancillary residential units and home-stay accommodation to be developed as a permitted activity in the land directly adjoining the Te Rapa Dairy Manufacturing Site, which would increase the risk of reverse sensitivity effects.
- Create adverse reverse sensitivity conflicts at the boundary with the Orphan parcels to the north (1441 & 1443 Te Rapa Road & 5 Bern Road).
- Result in a zoning pattern that would split zone five different parcels, complicating the resource consenting process with conflicting provisions applying to the same piece of land.
- Release only 30ha of industrial land for development, such that Hamilton and the Horotiu/Te Rapa North/Rotokauri Strategic Node, that still experience a significant shortfall in industrial land supply in the medium-term (approximately 150ha).<sup>5</sup>

### 3.1.3 OPTION 3: REZONE IN PART AND AMEND TE RAPA NORTH INDUSTRIAL ZONE PROVISIONS

Rezone 91ha of land currently zoned Te Rapa North Industrial Zone, by removing the 'Deferred Industrial Zone,' plan area. Amend the objectives, policies and provisions of the Te Rapa North Industrial Zone to remove reference to the Concept Development Plan process, consider ecological and infrastructure outcomes and enable the zone to operate independently.

This option would:

- Enable 91ha of land to be developed for industrial-related purposes through provisions that are consistent with existing ODP provisions (as set out in Chapter 9 of the HCODP) but are tailored to consider the unique features of this location including the Te Rapa Dairy Manufacturing Site, Te Rapa Stream, the Waikato River and the necessary transport upgrades.

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<sup>5</sup> Table 35 of the Waikato Regional Policy Statement

- Enable the rezoning of land that is immediately adjacent to the already live-zoned Te Rapa Dairy Manufacturing Site and the block that extends south from Bern Road to the property boundary with 50 Old Ruffell Road. This would form a logical industrial precinct associated with the Te Rapa Dairy Manufacturing Site that includes all of Fonterra's land and parcels near to the factory, while avoiding orphaned parcels (with the exception of Lot 2 DP 551065, which is over 10ha in size).
- Apply a Structure Plan across the potential plan change area that is supported by provisions that integrates required transport and three-waters infrastructure upgrades with the enablement of development.
- Remove references to processes that have been found by case law to be ultra-vires and replace these with more efficient and effective provisions that enable the ODP to function in relation to the zone.
- Require a Non-Complying resource consent to establish residential activities, visitor accommodation, retirement villages on land immediately adjacent to the Te Rapa Dairy Manufacturing Site; to avoid adverse reverse sensitivity effects.
- Require a Non-Complying resource consent for supermarkets and any retail or commercial activities, other than those specifically described in the proposed activity table, reducing risk of adverse reverse sensitivity effects to the Te Rapa Dairy Manufacturing Site and undermining the vitality of existing commercial centres.
- Enable industrial (including manufacturing, logistic and yard activities), limited food and beverage outlets and ancillary office and retail spaces that comply with applicable standards, to establish as a Permitted activity within the Plan Change Area. These activity types would be conducive of a high-quality industrial precinct that will not detract from high-amenity commercial and retail centres.
- Apply provisions requiring future development to respond to the existing and potential ecological values of the area, including freshwater and habitat values.
- Apply provisions requiring future development to provide for the visual amenity of properties still subject to rural-equivalent zoning, through landscape buffer strips.
- Release a supply of industrial land for development, that is aligned with the anticipated demand for the Horotiu/Te Rapa North/Rotokauri Strategic Node in the medium-term (91ha supply to approximately 180ha of demand).<sup>6</sup>

### **3.1.4 OPTION 4: LIVE ZONE THE ENTIRETY OF TE RAPA NORTH INDUSTRIAL ZONE**

Rezone the entire Te Rapa North Industrial Zone to remove the 'Deferred Industrial Zone,' area and amend the planning provisions as set out for Option 3 (including the introduction of a Structure Plan).

The option would enable approximately 200ha of land in addition to the already live-zoned Te Rapa Dairy Manufacturing Site to be developed for industrial-related purposes.

This option would have the same outcomes as Option 3 but increase the extent of land release from 91ha to 200ha. On doing so, this option would also enable development along the corridor for the long term planned (but not yet designated or funded) Northern River Crossing.

<sup>6</sup> Table 35 of the Waikato Regional Policy Statement.

### **3.1.5 OPTION 5: ESTABLISH ON AN ALTERNATIVE SITE**

This option would involve establishing an industrial area of a comparable scale and form in a different part of the Hamilton or an adjoining District.

The option would:

- If a suitable site(s) was available, potentially enable a similar scale of business zoned land to be developed that would go toward meeting short - medium term and long-term demand for the City.
- Theoretically enable a similar scale and outcome to be achieved on land which may be less constrained by the need for transport upgrades and/or ecological management.
- Importantly, result in the underutilisation of land that is highly suitable for business and industrial use.
- Importantly, not implement the strategic direction given by Future Proof, the Regional Policy Statement or the District Plan.
- Likely also need to respond to development constraints that would apply to the particular site, which lead to any development creating its own set of adverse effects.

### **3.1.6 THE REASONS FOR DECIDING ON THE PROVISIONS**

For the reasons outlined in this evaluation report and the other documents supporting the plan change request, we have concluded that Option 3 is the most appropriate approach for achieving the relevant objectives. The zoning, structure plan and provisions are all interlinked, and all require updating in order to fully achieve the objectives within a contemporary and fit for purpose zoning package that cannot be achieved by adopting Options 1 and 2.

Option 3 importantly does not bring forward the need to determine a corridor for the Northern River Crossing (Option 4) given this is a long-term project for the City and Hamilton City Council do not currently have funding to develop its design, designate the corridor (route protection) or construct it.

### 3.2 COST - BENEFIT ASSESSMENT

This section provides an assessment of the costs and benefits of the environmental, economic, social and cultural effects (including economic growth and employment) that are anticipated from the implementation of the provisions as required under sections 32(2)(a) and (b) of the Act.

**TABLE 1: COST BENEFIT ANALYSIS IN ACCORDANCE WITH SECTION 32(2) OF THE ACT**

	<b>BENEFITS</b>	<b>COSTS</b>
Environmental	<p>Benefits associated with the retiring of farmland from agricultural use, including reduced nutrient loading into receiving waterways and groundwater (associated with livestock runoff and fertiliser) and reduced soil erosion.</p> <p>The comprehensive management of stormwater treatment systems, including through green infrastructure along the Te Rapa Stream corridor, is an opportunity to improve the quality of water entering receiving waterways and the coastal/marine environment.</p> <p>The rezoning will enable enhanced and connected waterways, riparian margins, wetlands, and habitats for wildlife, specifically being those associated with Te Rapa Stream, the Waikato River and pekapeka (New Zealand long-tailed bats).</p> <p>Opportunity to expand native vegetation extents within the area through the planting of riparian setbacks and permanent landscape buffers.</p>	<p>The proposal will result in the eventual loss of productive soils, although it is noted the farm that currently makes up the majority of the Plan Change Area has limited productivity due to its size, this is recognised in the site being entirely zoned Te Rapa North Industrial Zone and also being identified as a growth area under the HCODP, WRPS and Future Proof Strategy.</p> <p>There is potential for loss of existing vegetation (and therefore habitat) within the Plan Change Area. However, these habitats are considered low value or unable to be retained as part of future development – while noting that the Ecological Management Plan will specify appropriate ecological mitigation or offsetting for any such loss.</p> <p>The introduction of impervious surfaces will increase the volume of stormwater being generated as well as the level of urban contaminants within the stormwater (associated with roads and yard areas). If mis-managed, this runoff could cause erosion and/or reduce water quality.</p> <p>The land modification required to develop the Plan Change Area for industrial / business use has the potential to give rise to adverse erosion effects if mis-managed. The implementation of best practice sediment and erosion control measures during development will avoid any such effects.</p>

**TABLE 1: COST BENEFIT ANALYSIS IN ACCORDANCE WITH SECTION 32(2) OF THE ACT**

<b>BENEFITS</b>		<b>COSTS</b>
		<p>The potential realignment of, or development of infrastructure, to Te Rapa Stream and its tributaries has the potential to impact freshwater species and their habitats. The proposed Structure Plan seeks to minimise any modification to the stream whereby development such as green infrastructure, bridges and culverts are preferred over any piped approaches. Also, future development will be subject to legislation such as the National Environmental Standard for Freshwater which ensures that fish passage is provided for and any adverse effects are minimised and appropriately offset.</p>
Economic (including employment)	<p><u>Job creation and employment opportunities</u> The future use of the Plan Change Area will create employment opportunities as well as enable new and existing businesses to expand and locate in the area.</p> <p><u>Synergies/Agglomeration with Existing Uses</u> PC17 will enable industrial activities to locate nearby and expand upon the existing Te Rapa Dairy Manufacturing Site. Agglomeration benefits refer to the economic efficiencies that may arise when economic activities cluster together. This clustering of economic activity, in turn, can help to reduce transport costs and lift the average productivity of firms (for example, through the sharing of labour, specialised assets, and ideas).</p> <p><u>Economic Stimulus of Construction</u> Substantial positive flow-on benefits, including through estimates that the development of the additional GFA enabled</p>	<p>The financial cost of providing the necessary infrastructure to support the proposal. This includes the necessary upgrades to provide water, wastewater and stormwater services along with the necessary upgrades that are required for the transport network.</p> <p>Opportunity cost associated with the loss of productive soils and associated rural business operations.</p> <p>The financial cost of the plan change process to enable the proposal.</p> <p>Potential reduction of development potential for TRNIZ properties adjacent to the Waikato River, that will be subject to further building setback and planting requirements as a result of the proposed provisions.</p>

**TABLE 1: COST BENEFIT ANALYSIS IN ACCORDANCE WITH SECTION 32(2) OF THE ACT**

	<b>BENEFITS</b>	<b>COSTS</b>
	<p>by the proposal (estimated to be a yield of 245,000m<sup>2</sup> of additional GFA) could:</p> <ul style="list-style-type: none"> <li>• Generate a one-time boost in regional GDP of \$330 million;</li> <li>• Create employment for 2,550 people-years<sup>7</sup>; and</li> <li>• Boost household incomes by \$185 million</li> </ul>	
Social	<p>Benefits arising from additional job creation and employment opportunities.</p> <p>The financial cost of the plan change request is largely being borne by the plan change proponent rather than Hamilton City Council (or its ratepayers). This is beneficial in a social sense by avoiding an opportunity cost associated with funding a public plan change that could otherwise be spent on providing for people's social wellbeing within the City and the Waikato Region.</p> <p>Social and wellbeing benefits associated with local employment and reduced commuting time, for households and townships (Horotiu) located nearby.</p> <p>The public access through the plan change area along the Waikato River will continue uninhibited by the proposal and will be enhanced through further landscape buffers and building setbacks.</p>	<p>A portion of the financial cost of the infrastructure may be borne by Hamilton City Council (and ratepayers) although a significant proportion is expected to be funded by the plan change proponents. This may divert spending on other Council projects or initiatives that would derive a social benefit.</p>
Cultural	<p>The rezoning will promote the health and wellbeing being of the Waikato iwi, as affirmed through Te Ture Whaimana. The proposed Chapter 3.9 and the amendments to Chapter 12 set the protection and enhancement of the ecological values of the</p>	<p>The amendment of the zoning maps and Chapter 12 to remove the Deferred Industrial Zone overlay, which may result in land development being sought on land containing archaeological sites being sought for development.</p>

<sup>7</sup> One person-year means one person employed for a full year. Hence, 100 people-years could mean 100 people employed for one year, 50 people employed for 2 years, and so on.

**TABLE 1: COST BENEFIT ANALYSIS IN ACCORDANCE WITH SECTION 32(2) OF THE ACT**

BENEFITS	COSTS
<p>Waikato River awa, affirming this outcome and matter of significance for iwi.</p> <p>Proposed Chapter 3.9 expands on the components of the Te Rapa North Industrial Structure Plan Map, including Cultural and Landscape Values. This section acknowledges and affirms the connection mana whenua have to the area. It also identifies matters of significance that future development should respond to, including the opportunity to incorporate cultural narratives, protect and enhance freshwater values, the use of native vegetation and archaeological sites that development must avoid. This has the benefit of clarifying cultural values in the Structure Plan area, in publicly accessible document.</p> <p>The proposed provisions within Chapter 12 require the planting of riparian margins with native vegetation and setbacks from the Waikato River corridor that also contains a high-value archaeological site (s14/17 &amp; s14/18).</p> <p>The future development resulting from PC17 provides an opportunity for tangata whenua to realise aspirations including stream enhancements, telling of cultural narratives and increased native vegetation through input into development.</p>	<p>The proposed zoning and Structure Plan avoids development within paa sites s14/17 &amp; s14/18.</p> <p>Burrow pits have been identified in the southern part of the Plan Change Area and their retention will depend on the finished levels, design and building location that will only be known post plan change (as part of the resource consent process). We note that these pits are protected by the Heritage New Zealand Pouhere Taonga Act 2014 and an Archaeological Authority would need to be obtained prior works in this area being undertaken.</p>

### 3.3 EFFICIENCY AND EFFECTIVENESS

This section of the report assesses the efficiency and effectiveness of the provisions in achieving the relevant objectives.

The provisions will enable the efficient use of a valuable and scarce land resource that is strategically located and well suited to industrial and business use, notably:

- Te Rapa North, which PC17 is within, is identified as a Strategic Industrial Node and Urban Enablement Area within Future Proof 2024. The Plan Change Area surrounds the Te Rapa Dairy Manufacturing Site which is identified as 'Regionally Significant Industry,' by the Waikato RPS and Future Proof 2024. As such, the location has an existing "anchor" industrial use that relevant legislation and strategies seek to enable and protect.
- The Plan Change Area is strategically located on the rural-urban fringe with strong connections to State Highway 1, the NIMTL and Hamilton's established urban areas. As such, it is well positioned to receive, process and then distribute raw goods from the rural surrounds and to provide manufacturing, storage and processing services to businesses based in Hamilton.
- The Plan Change Area is a continuous area of predominantly flat, paddocked rural land. As such, it is well-suited to industrial use, which requires large, flat parcels with good access to high-capacity transport networks (discussed above).
- The Plan Change Area in its current state has limited ecological values and is not subject to natural hazards or infrastructure servicing constraints that would prevent its development for this use. PC17 locates industrial uses on land whose original ecosystems have already been highly modified while seeking to retain and enhance those parts of the plan change area that hold habitat and freshwater values.

The provisions will enable an efficient and procedurally robust planning process through the removal of the CDC process, which would otherwise require a two staged resource consent process to be followed.

Efficiency gains are also able to be achieved through the application of a Structure Plan to promote the integrated development of the Plan Change Area, which was based on a master planning process which considered the broader Te Rapa North Zone. A structure plan approach provides the framework to coordinate the future development across boundaries, between stakeholders, and also between the areas that are to be live-zoned and those that are to remain subject to the Deferred Industrial Area overlay. This strategic approach has been applied to ensure that a well-functioning urban environment can be achieved that is flexible enough to respond to changing market conditions and future proofed for possible expansion over time.

The provisions are effective because:

- The proposed activity table seeks to enable the land to be developed for uses that are complementary to the Te Rapa Dairy Manufacturing Site, being uses that are less sensitive to noise, lighting and smells, while also being uses that are unsuitable for commercial centres, such as the Hamilton CBD.
- They resolve and amend the provisions within the ODP that currently refer to and rely on an ultra vires process to enable development, being the CDC process.
- They appropriately coordinate the development of the Plan Change Area, which is largely held in single ownership, while considering the eventual development

of the neighbouring properties where the ‘Deferred Industrial Zone,’ plan area will continue to apply.

- The proposed provisions consider and provide for the future Northern River Crossing, ensuring that the future block patterns and development do not inhibit the delivery of this key future transport connection.
- Te Rapa Stream, its tributaries and natural wetlands will be maintained and enhanced, including the planting of riparian margins. The provisions also seek to maintain and enhance the significant natural areas and other vegetation along the zone’s interface with the Waikato River. These provisions complement the Significant Natural Area overlay that applies to the zone’s eastern boundary and esplanade reserve requirements, without being unduly burdensome on landowners.
- The potential of pekapeka within the Plan Change Area is recognised and provided for. The proposed provisions ensure that no roost trees, possible roost trees or secondary habitat would be negatively affected or lost through development without compensation. The provisions allow for off-site compensation, acknowledging that providing bat habitat within the Plan Change Area may be a poor outcome both in terms of developability and for the offsets benefit to pekapeka.

### 3.4 THE RISK OF NOT ACTING

Section 32(2)(c) requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information about the plan change.

PC17 is required to protect the Te Rapa Dairy Manufacturing site from reverse sensitivity risks and to address the significant shortfalls in industrial land supply in Hamilton and the Futureproof area.

Not acting would maintain a zoning pattern that enables sensitive uses (residential activities) to occur as a permitted activity near the Manufacturing Site and prevents land that has excellent positioning in relation to Hamilton’s urban and industrial areas and regional transport networks and is identified for industrial development, from being realised for this purpose. Not acting would continue to structure Chapter 12 of the HCOPD and the TRINZ around a legislative process (CDCs) that is now recognised as ultra vires. As such, the Manufacturing Site would remain subject to reverse sensitivity risk, industrial land supply pressure would continue to increase and the TRINZ would continue as a deferred zoned that’s management of development has not been informed by a robust and multi-disciplinary master planning process.

We are of the view that the information that supports the plan change request is sufficient and not uncertain. The request has been developed following an integrated master planning process that has involved stakeholder and mana whenua engagement.

The request has been supported by technical assessments including transport, ecology, urban design, infrastructure, landscape and visual, archaeology, geotechnical, contamination, acoustic, cultural impact and economic assessments as well as feasibility assessments for the potential future rail siding. These form a robust evidence base for the request and as such, we are of the view that sufficient information has been collated.

## 4.0 CONCLUSION

Plan Change 17 proposes the re-zoning of 91ha of land currently subject to the 'Deferred Industrial Zone' overlay to enable the underlying Te Rapa North Industrial Zone. PC17 seeks to amend the zone objectives, policies and provisions, related provisions and to apply a Structure Plan, to enable the efficient and coordinated development of the Plan Change Area.

This assessment has demonstrated that:

1. The objectives of the proposal are the most appropriate way to achieve the purpose of the Act.
2. The provisions of the plan change are the most appropriate way to achieve the relevant objectives and are preferred to alternative options.
3. The overall benefits of the proposal outweigh the costs on the community, the economy and the environment.
4. The provisions are an efficient and effective way of achieving the objectives.

## 5.0 LIMITATIONS

This report has been prepared for the particular project described and for the purpose of satisfying the statutory information requirements for an application being made under the Resource Management Act 1991. No responsibility is accepted by Harrison Grierson Consultants Limited (or its directors, agents or employees) for the use of the report or any part of it in any other context or for any other purpose.