

**Before the Hearings Panel
At Waimakariri District Council**

Under Schedule 1 of the Resource Management Act 1991

In the matter of The Proposed Waimakariri District Plan

Between **Various**

Submitters

And **Waimakariri District Council**

Respondent

**s42A Officer's Reply Report on the Commercial and Industrial
Rezoning Submissions on behalf of the Waimakariri District Council**

Date: 03 July 2024

INTRODUCTION

1. My name is Andrew Willis. I am a planning consultant engaged by the Council to respond to the Commercial and Industrial rezoning submissions. I am authorised to provide this evidence on behalf of the Council.
2. I have read the evidence and other statements provided by submitters relevant to the Section 42A Report – Commercial and Industrial Rezoning.
3. The purpose of this reply report is to provide a response to:
 - 3.1 the matters arising from presented evidence and Panel questioning raised at the Commercial and Industrial Rezoning Hearing Stream 12A;
 - 3.2 the further directions / questions from the Hearing Panel contained in Minute 28, dated 13 June 2024.

QUALIFICATIONS, EXPERIENCE AND CODE OF CONDUCT

4. I have the qualifications and experience set out in my s42A report. I confirm that I am continuing to abide by the Code of Conduct for Expert Witnesses set out in the Environment Court's Practice Note 2023.

SCOPE OF REPLY

5. This reply responds to Panel directions in Minute 28 and other matters arising from Hearing Stream 12A. My response to these directions and matters is set out below.
6. As a result of this further analysis, I have recommended changes to the Proposed Plan as set out in **Appendix A** to this report. For clarity, these changes relate to:

- 6.1 The rezoning request of Southern Capital Ltd [131.1];
- 6.2 The wording of TCZ-P1 as set out in the evidence of Mr Haines for RDL Investments Ltd [347.77].
7. This analysis has also required changes to my recommendations in response to the above submissions, which appeared in my s42A Appendix B (recommended responses to submissions and further submissions table). As these are the only recommended changes, I have not included a full amended s42A Appendix B in this Right of Reply but only those entries affected. These are contained in **Appendix B** to this report.
8. My reply report is informed by advice from Mr Foy which is contained in **Appendix C**.
9. For completeness, I have not commented on the matters raised in the following evidence presented / tabled as the evidence supports my s42A recommendations, or I have nothing further to add than already covered in my s42A report:
- 9.1 Ashley Industrial Services Ltd [48.1]: Evidence of Ken Fletcher dated 4 June 2024;
- 9.2 Templeton Group [412.77]: Letter from Ruth Barker dated 10 May 2024; and
- 9.3 M & J Kerr [251.1]: Letter from M & J Kerr, dated 30 May 2024.

HEARING PANEL DIRECTIONS / QUESTIONS

10. In Minute 28 the Hearing Panel asked the following questions:
- 10.1 Please set out the extent you would consider sites and areas of significance to Māori through a rezoning request.

- 10.2 Please respond specifically to Mr Haines' recommended amendments for the wording of TCZ-P1 Town Centre hierarchy.
- 10.3 Please respond specifically to Ms McKeever's evidence for Southern Capital in support of a spot zone in light of Mr McKinlay's evidence that only one third or less of the site is currently being used for industrial activity.
- 10.4 Mr Foy's evidence was that the Flaxton Road West sites (comprising a total of 6.5ha of land) could accommodate in the order of 23,000 - 26,000m² of large format retail GFA if rezoned to LFRZ and redeveloped for large format retail activities. Please clarify whether that figure is for a total redevelopment of all of the land from scratch or is it for additional development on land that has not already built upon for LFR type activity. If it is the former, what would be a realistic estimate of additional GFA that could be developed for LFR?
11. I have responded to the directions / questions in the order provided in Minute 28, repeating the direction / question first, then providing my response.

Direction: Please set out the extent you would consider sites and areas of significance to Māori through a rezoning request.

12. The sites and areas of significance (SASM) provisions generally seek to:
- 12.1 protect Urupa from disturbance;
- 12.2 protect wahi tapu and wahi taonga from development, disturbance, damage or destruction that would adversely affect the sites and their values and provide for enhancement of cultural and ecological values;

- 12.3 recognise the historic and contemporary relationship of Ngāi Tūāhuriri with the areas and landscapes identified as ngā tūranga tupuna; and
- 12.4 recognise the cultural significance of the waterbodies, repo/wetlands and those parts of the coastal environment identified as Ngā Wai, and manage the effects of land uses, and activities on the surface of water.
13. The SASM rules are targeted at earthworks (including land disturbance) and new community scale natural hazard mitigation works.
14. In my opinion, the identified SASM matters would need to be considered at the rezoning stage if a rezoning proposal sought to enable activities / developments that were unlikely to be achieved because of the SASM requirements in the SASM chapter, i.e. the enabled activities could not be undertaken without having adverse effects on the values of urupa, wahi tapu and wahi taonga sites, or the adverse effects on ngā wai and ngā tūranga tūpuna landscapes could not be managed. If however, the SASM provisions could likely be worked through and satisfactorily resolved at the subdivision or development stage, then I do not consider the SASM provisions to be determinative on a rezoning request recommendation.
15. In assessing the significance of the SASM provisions and the likely impacts from a rezoning proposal, in my opinion, if the site is already an urban zoned site in urban use, and the rezoning simply seeks to apply a more appropriate urban zone for the existing activities, then I consider the site is already modified and the adverse SASM impacts are likely to be consistent across both the existing and proposed zone.
16. Likewise, if there is an existing resource consent for an activity that could occur under the proposed zoning, then in my opinion,

the potential adverse effects of the rezoning on SASMs are likely to have already been considered as part of the resource consent, or are likely to be consistent across the consented development and the proposed zone.

17. If the site is not already an urban zone and does not already have a resource consent for activities consistent with the proposed zoning, then depending on the proposal and its location in relation to the specific SASMs affected, it may be appropriate to undertake a cultural impact assessment to inform the rezoning request.
18. In my opinion, if other issues are already determinative for not progressing a rezoning (e.g. the site is outside of existing urban areas, priority areas or FUDAs in the CRPS and it does not contribute to achieving a well-functioning urban environment), in the interests of efficiency I would not commission a cultural impact assessment (assuming the submitter did not provide one).
19. If I thought there was merit in the proposal despite recommending not rezoning a site, I would consider commissioning a cultural impact assessment, but only if I considered the SASM issues were unlikely to be able to be worked through and satisfactorily resolved at the subdivision or development stage (as per paragraph 14).
20. Of the rezoning requests recommended for approval in my report, for the reasons identified above (and because many of them are not within SASMs) in my opinion none of them needed a cultural impact assessment to inform my rezoning recommendations.

Direction: Please respond specifically to Mr Haines' recommended amendments for the wording of TCZ-P1 Town Centre hierarchy.

21. In the supplementary legal submissions on behalf of Ravenswood Developments Limited (dated 5 June 2024) the submitter [347]

clarifies that RDL is seeking the following amendment to TCZ-P1 Town Centre hierarchy:

Recognise that:

1. Rangiora and Kaiapoi are the District's principal town centres with significant established community services and public expenditure;

2. North Woodend is a new emerging centre that will provide opportunities over time for town centre activities ~~in the Woodend/Pegasus commercial catchment.~~

22. In his evidence, Mr Haines suggests (paragraphs 58) that Rangiora, Kaiapoi and North Woodend will operate as a “triangulated cluster” and that together they will enable the people and communities of Waimakariri to better provide for their social, economic, and cultural well-being. Mr Haines also states that *“in the information age in which we live, coupled with private motor vehicle automobility, means that these centres will operate with overlapping “catchments” with shoppers’ visits influenced by the quality, style and price of goods sought, as well as the environmental amenity and quality of retail experience that the different centres (and even individual retailers) offer.”*
23. In addition to having overlapping catchments, I also understand from Mr Haines’ responses to Panel questions that the Ravenswood TCZ will capture ‘retail leakage’ from the district that is not already provided for in Rangiora and Kaiapoi, noting that the currently in construction Harvey Norman is a destination store that draws shoppers from wider than the Woodend / Pegasus commercial catchment.
24. When the Proposed Plan was drafted and PC30 was going through its separate plan change process, the focus of the Ravenswood discussions was on providing for the Woodend / Pegasus retail catchment. This commercial catchment reference

supported the retail cap restrictions imposed in rule DEV-NWD-R2 Retail activity in the North Woodend TCZ, so as to not create significant commercial distribution impacts on Rangiora and Kaiapoi.

25. However, I note that this catchment reference is not included in the Environment Court mediated PC30 provisions and as such, this addition to TCZ-P1 is inconsistent with that agreement. I also accept that the Ravenswood TCZ may provide one-off retail offerings that appeal beyond the core Woodend/Pegasus commercial catchment.
26. DEV-NWD-MD1 requires an assessment of the extent to which the proposed retail activity adversely affects the role and function of Rangiora and Kaiapoi to provide for primarily commercial and community activities and avoids significant retail distribution effects on those centres (clause 1) and enables the community to meet unmet demand for retail activity within the District (clause 4). I consider that these matters of discretion sufficiently enable the consideration of commercial distribution effects and that clause 4 enables consideration of retail offerings beyond the Woodend / Pegasus retail catchment.
27. For the reasons provided above, I am comfortable accepting the submitter's requested deletion to TCZ-P1, with the scope provided by RDL [347.77]. This change is shown in **Appendix 1** of this report. For the remainder of the changes sought by RD,L I continue to support my s42A assessment for the reasons provided in my s42A report.

Direction: Please respond specifically to Ms McKeever's evidence for Southern Capital in support of a spot zone in light of Mr McKinlay's evidence that only one third or less of the site is currently being used for industrial activity.

28. Southern Capital Limited [131.1] provided a statement of evidence by Claire McKeever (dated 20 May 2024), as well as a

tabled statement to the Hearing Panel (from Stuart McKinlay) and responded to questions. I understand that:

28.1 the site (726, 732 and 736 Main North Road) is fenced as one block;

28.2 the existing resource consent is for the entire site;

28.3 the land is leased as one block to one tenant; and

28.4 the tenant currently chooses to utilise about 1/3 of the site for their activity.

29. In answering the Panel's question I have considered the matter from both a demand / capacity perspective and effects perspective. Regarding a demand / capacity perspective, I remain of the view that even though the site is currently only 1/3rd occupied, the expansion potential on the remaining 2/3^{rds} of the site still does not meet the significance requirements to be considered under an NPS-UD Policy 8 pathway. In his memo (**Appendix C**) Mr Foy also considers this matter and concludes that the site does not provide for significant development opportunities.

30. From an effects perspective, while an increase to full utilisation of the site (from the current 1/3rd utilisation) could increase adverse effects (principally along the northern boundary), I do not think this is significant as the existing resource consent has already taken these potential effects into account. Therefore, relative to the environment anticipated by the existing resource consent, this increase in activity would not create any relevant change in adverse effects.

31. In her verbal presentation and response to panel questions, Ms McKeever stated she generally supported not applying spot zones, and instead utilising the resource consent process to establish activities that are 'out of zone'. However, she argued

that the subject site has ongoing industrial activities, is sufficiently unique and the effects of industrial activities are already part of the existing environment (established through resource consent), and as such she considers a spot zone could apply to the site.

32. Ms McKeever also stated that the RLZ does not provide for the existing or proposed activities and would also not provide for a residential activity being established on the site. Ms McKeever stated that the built form standards for the LIZ would be more appropriate for the activities on the site when compared to the RLZ (for example the road setback rule).
33. I have reviewed the RLZ provisions and agree that these are not well suited to the current activities and proposed activities as described by the submitter. I also agree that establishing a residential activity would require consent. I also note that at 9,950m², the site is significantly less than the 4ha minimum site size in the RLZ, and that re-establishing rural activities would be difficult noting its current gravelled state and history which includes a petrol station (which potentially has created contamination issues).
34. I note that the site is adjacent to the NZTA designation for the Woodend Bypass and that it is also near a quarry site and the State Highway. In response to Panel questions I now understand that the adjoining site immediately south is also owned by NZTA (for the bypass). In my opinion this increases the defensibility of the zone boundaries sufficiently and I accept Ms McKeever's statement that the unique location of the site and dominance of roading activities (both existing and proposed) will enable the site to have a suitable zone boundary that follows the geographic road edge (paragraph 49).
35. Noting these factors, and the restrictions applying to the site should it be used for rural lifestyle purposes, I now accept that a LIZ zoning is the most appropriate for the site and recommend that it is rezoned and the submission accepted accordingly.

Direction: Mr Foy's evidence was that the Flaxton Road West sites (comprising a total of 6.5ha of land) could accommodate in the order of 23,000 - 26,000m² of large format retail GFA if rezoned to LFRZ and redeveloped for large format retail activities. Please clarify whether that figure is for a total redevelopment of all of the land from scratch or is it for additional development on land that has not already built upon for LFR type activity. If it is the former, what would be a realistic estimate of additional GFA that could be developed for LFR.

36. Mr Foy has provided a response to this question in his memo attached as **Appendix C**. In his response he clarifies that the 23,000-26,000m² large format GFA is the total redevelopment of all of the land from scratch. He considers this is possible, but anticipates that that would take a long time to occur, and would be unlikely to occur within the life of the PDP.
37. Mr Foy considers it is difficult to provide a definitive answer about how much of the 6.5ha might be redeveloped for LFR activities but that some would arrive within the lifetime of the Proposed Plan. Mr Foy identifies a number of factors that would influence the rate of LFRZ uptake and that these factors both limit the likelihood of rapid and/or comprehensive conversion of the Flaxton Road West sites to large format retail uses.

Additional matters relating to Mr Smith's Flaxton Road sites

38. Mr Smith provided a written statement to the Hearing Panel on 4th June. In my s42A report I considered the matters raised in Mr Smith's original submission [25.1]. In response to specific matters raised by Mr Smith in his written statement to the Panel I have the additional comments set out below.
39. Mr Smith provided a copy of what appears to be a sales brochure for Council owned land in Southbrook and states that in 2013 the Council advertised that development on this Southbrook land was suitable for bulk retail and that it would be unethical for the

Council to later rezone the land such that this reduced / changed the ability to operate retail. I note that the reference to 'bulk retail' in the brochure was not in relation to zoning but a description of the activities that were occurring in Southbrook. The zoning statement specifies that the Business 2 zoning caters for a range of industrial and other activities including service / retail, processing, manufacturing / associated retail, storage, repair retail, depts and utilities. As I read the brochure, the retail is described as being associated with service, manufacturing and repair, and this is consistent with the Operative Plan's Business 2 zone provisions that restrict retail activity in the Business 2 Zone. Independent large format retail activities were / are discretionary activities in the Business 2 zone.

40. In paragraph 12 Mr Smith refers to LFRZ rezoned areas in "Kaiapoi (River) SH1/ Motorway land" and the Pegasus and Ravenswood Developments. I assume the LFRZ in the "Kaiapoi (River) SH1 / Motorway land" is the Waimak Junction site. For clarity, I am not aware of any LFRZ proposed in Pegasus or Ravenswood.
41. Re-zoning GIZ land to LFRZ as part of the District Plan Review was carefully considered. Factors considered included:
 - 41.1 Providing sufficient commercial and industrial land for the short to medium term;
 - 41.2 The existing on site activities and whether the change in zoning provided for these;
 - 41.3 Managing reverse sensitivity for existing industrial activities in an LFRZ zoning;
 - 41.4 Resultant development potential for LFR and industrial activities; and
 - 41.5 Managing retail distribution effects.

42. As set out in my s32 (copied in Mr Smith's statement at paragraph 11), the Pak 'n' Save and Mitre 10 Mega / McAlpines site were rezoned LFRZ as the new zone better recognised the existing activities which were clearly large format retail and provided opportunities for LFR intensification on those large and partly vacant sites. In my assessment I noted that other parts of Southbrook fronting Flaxton Road and Lineside Road (Mr Smith's sites) have a mixture of activities comprising permitted industrial activities and other activities established through resource consent (such as LFR) and as such the appropriate zoning of this area was less clear. Noting this and the considerations set out in paragraph 23 of my s32, including that this area was already mostly developed, I considered it appropriate to carry over the Operative Plan's industrial zoning for these sites.
43. I understand that there are industrial activities operating in this area and that these would become fully discretionary activities under LFRZ-R23 if rezoned. As such, an LFR zoning would support some existing consented LFR activities but would restrict other existing industrial activities on the submitter's sites. I also note that the proposed GIZ zoning permits both trade suppliers (GIZ-R3) and yard-based retail activity (GIZ-R4) which are also prevalent in the subject area.
44. For the notified LFRZ area on the east side of Flaxton Road, this area contained vacant greenfield and adjacent underdeveloped land which provided significant new development potential in a location with good transport links and visibility. It also responded to the identified mid-term shortfall in LFR land identified in the supporting market economics report (I note that since the s32 was drafted significant TCZ land has been rezoned at Ravenswood which provides more land suitable for LFR activities).
45. In my s42A report (paragraphs 82 to 85), I relied on the evidence of Mr Foy regarding industrial land supply and demand matters

and noted that Mr Foy does not support the requested rezoning because:

- 45.1 The removal of a 6.5ha submission area of industrial land from the modelled supply would likely result in a shortfall of industrial land supply by the end of the medium term;
 - 45.2 The additional area is substantial and would have the potential to generate retail distribution effects on existing centres (which is contrary to the centres based approach the Proposed Plan applies as set out in CMUZ-P1 and CMUZ-P2); and
 - 45.3 No technical evidence has been provided as to why more LFRZ, in addition to that already enabled, and proposed in the Proposed Plan should be contemplated.
46. Based on the assessment above and my original assessment in my s42A report, I remain of the opinion that Mr Smith's submission should be rejected.

OTHER MATTERS – RESPONSE TO A GILES [346.1]

47. My s42A report (paragraphs 180 to 183) collectively responded to various rezoning requests for 464 and 474 Mandeville Road, including the submission by Andrew Giles [346.1]. Mr Giles submission was not separately identified in the rezoning request summary, nor my assessment, but was identified separately in my recommendations (paragraph 203) and in my S42A report Appendix B. This approach was adopted as the various submissions were seeking the same outcome and raised similar matters.
48. Mr Giles referred to and tabled a perspective drawing from a 2021 resource consent application (RC205261) for the proposed hire yard at 464 Mandeville Road. I note that the hire yard is a trade /

yard-based activity which is not a typical LCZ activity and would require restricted discretionary resource consent to establish in the LCZ under (LCZ-R21 or LCZ-R22). As far as I am aware it has not yet been established. As such, while the resource consent is a relevant matter for consideration, in my opinion it is not in and of itself sufficient justification to rezone the site to LCZ.¹

49. In his tabled statement and submission Mr Giles states that the amenity and character of 464 Mandeville Road (which I understand is currently a vacant site) and 474 Mandeville Road (which I understand contains an existing dwelling) are impacted by the Mandeville LCZ activities. I accept that this is the case, but note that throughout the District, residential activity abuts both commercial and industrial areas and consider that, while relevant, this is not a sufficient argument to rezone the sites. I also note that there appears to already be a hire business operating out of 474 Mandeville Street (in addition to the dwelling), so I am unclear of the extent of the amenity and character impacts of the Mandeville LCZ activities on this site.
50. Mr Giles also refers to orphaning 474 Mandeville Road if the proposed hire centre is developed at 464 Mandeville Road. While this is a relevant matter to consider, I note that it is not certain that this hire activity will proceed and consider that by itself this is not a sufficient argument to rezone the subject sites. I also note that if rezoned, future LCZ activities on 464 Mandeville Road could negatively impact the existing dwelling on 474 Mandeville Road in a different way.
51. I have already considered the capacity arguments for this requested rezoning in my s42A report, with reference to Mr Foy's evidence.

¹ See also the Commercial and Industrial s32 criteria utilised for rezoning purposes (section 5.5.1, page 34).

52. Given its semi-rural location, in my opinion the Mandeville commercial area should only be as big as it needs to be to provide for the day to day needs of the local community. Based on the evidence of Mr Foy and the absence of any alternative technical evidence on capacity and demand, I remain of the opinion that the Mandeville LCZ is sufficiently sized. I note that I have already proposed to expand it significantly as part of the Proposed Plan zoning (from the Operative Plan extent) and that this expansion can cater for anticipated demand. On the basis of the above assessment, I remain of the view that Mr Giles' submission (and related submissions on 464 and 474 Mandeville Road) should be rejected.



.....
Andrew Willis
(Waimakariri District Council)

Appendix A - Recommended Amendments to the Industrial Zone Chapters

Where I recommended changes in response to submissions in my s42A report, these are shown as follows:

- Text recommended to be added to the Proposed Plan is underlined.
- Text recommended to be deleted from the Proposed Plan is ~~struck through~~.

Where I recommend changes in response to the Panel's questions, hearing evidence and other matters arising from the hearing these changes to the s42A version are shown in blue text (with underline and ~~strike-out~~ as appropriate).

1. Planning map – rezone 726, 732, 734 Main North Road, Kaiapoi from RLZ to LIZ (site outlined in blue below).²



2. Amend TCZ-P1 as follows:

Policies

² Southern Capital Limited [131.1]

TCZ-P1	Town Centre Zone hierarchy Recognise that: <ol style="list-style-type: none">1. Rangiora and Kaiapoi are the District's principal town centres with significant established community services and public expenditure;1. North Woodend is a new emerging centre that will provide opportunities over time for town centre activities in the Woodend/Pegasus commercial catchment.³
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³ RDL [347.77].

Appendix B - Recommended Responses to Submissions and Further Submissions

Where I recommend changes in response to the Panel's questions, hearing evidence and other matters arising from the hearing these changes to the s42A version are shown in [blue](#) text (with [underline](#) and ~~strike-out~~ as appropriate).

Sub. Ref.	Submitter / Further Submitter	Provision	Decision Requested (Summary)	Section of this Report where Addressed	Officer's Recommendation	Officers' Reasons/Comments	Recommended Amendments to Proposed Plan?
Kaiapoi							
131.1	Southern Capital Limited	Planning Maps – General	Rezone 726, 732, 734 Main North Road, Kaiapoi from RLZ to LIZ to recognise the use of these sites. This is the most effective and efficient costs and benefits option in comparison to Rural Lifestyle Zoning. Adverse effects would be minimal due to existing commercial and industrial use, and the proposal gives effect to	3.8	Reject Accept	A number of reasons are provided as set out in the report. As per the S42A reply report.	No Yes

			relevant National Policy Statements, Canterbury Regional Policy Statement, Proposed District Plan and other statutory and non-statutory documents, and is consistent with Part 2 of the Resource Management Act 1991.				
347.77	Ravenswood Developments Limited (RDL)	TCZ-P1	Delete TCZ-P1.	Section 3	Reject <u>Accept in part</u>	See body of the report for the assessment of this submission point. <u>As per the S42A reply report.</u>	No <u>Yes</u>
282.7	Woolworths New Zealand Limited	TCZ-P1	Retain TCZ-P1 as notified.	Section 3	Accept <u>Accept in part</u>	See body of the report for the assessment of this submission point. <u>As per the S42A reply report.</u>	No <u>Yes</u>

284.511	Clampett Investments Ltd	TCZ-P1	Retain TCZ-P1 as notified.	Section 3	Accept Accept in part	See body of the report for the assessment of this submission point. As per the S42A reply report.	No Yes
325.324	Kāinga Ora – Homes and Communities	TCZ-P1	Retain TCZ-P1 as notified.	Section 3	Accept Accept in part	See body of the report for the assessment of this submission point. As per the S42A reply report.	No Yes
326.699	Rolleston Industrial Developments Limited	TCZ-P1	Retain TCZ-P1 as notified.	Section 3	Accept Accept in part	See body of the report for the assessment of this submission point. As per the S42A reply report.	No Yes

Appendix C – Memo from Mr Foy (Formative)



Memo

To: Andrew Willis, Contract Planner, Development Planning Unit, Waimakariri District Council
From: Derek Foy, Director
Date: 20 June 2024
Re: Economics response to Minute 28, Variations 1 and 2 to Proposed Waimakariri District Plan

The purpose of this memo is to provide an economics perspective to contribute to your response to Minute 28 of the Hearing Panel for Variations 1 and 2 to Proposed Waimakariri District Plan.

1 Scope

You have asked for some contribution from me towards questions 4 and 5 in Minute 28, which are as follows:

- 4 Please respond specifically to Ms McKeever's evidence for Southern Capital in support of a spot zone in light of Mr McKinlay's evidence that only one third or less of the site is currently being used for industrial activity.
- 5 Mr Foy's evidence was that the Flaxton Road West sites (comprising a total of 6.5ha of land) could accommodate in the order of 23,000 - 26,000m² of large format retail GFA if rezoned to LFRZ and redeveloped for large format retail activities. Please clarify whether that figure is for a total redevelopment of all of the land from scratch or is it for additional development on land that has not already built upon for LFR type activity. If it is the former, what would be a realistic estimate of additional GFA that could be developed for LFR?

In this memo I provide response to those questions referencing, where appropriate, my evidence to the hearing: "Statement of evidence of Derek Foy on behalf of Waimakariri District Council regarding Stream 12 Rezoning of Land (Economics)", dated 23 April 2024 (my "EIC").

2 Question 4 Southern Capital submission 131

I was not previously asked to provide a response to the Southern Capital Limited submission, so my response following summarises my understanding of the submission, and then responds to the Panel's question.



2.1 Decision sought

The submission requests the rezoning of 726, 732, 734 Main North Road, Kaiapoi (the “SCL site”) from the proposed Rural Lifestyle Zone (“RLZ”) to Light Industrial Zone (“LIZ”). A planner’s report by Eliot Sinclair accompanied the submission, and planning evidence was presented to the hearing by Claire McKeever of Eliot Sinclair (20 May 2024). The location of the SCL site is shown in Figure 2.1, and the site is 9,950m² in area.

Figure 2.1: Location of SCL site (from Eliot Sinclair report, Figure 2)



Figure 2. Site shown as blue polygon with surrounding site uses and NZTA designation

2.2 Evidence of Ms McKeever

Ms McKeever’s evidence makes the following key points that are relevant to my response to Minute 28’s question 4:



- ❖ The site is located adjoining State Highway 1 (Main North Road), the Pines Holiday Park, a tavern, quarrying activities and adjacent to land that is designated for the future Woodend State Highway 1 bypass.
- ❖ The site has a garage building toward the rear and is otherwise vacant.
- ❖ The site is consented for retail (hire) activities.
- ❖ The site is separated from surrounding residential and rural activities by designations to Waka Kotahi for the current SH1 location (NZTA – 1) and the designation for the future Woodend Bypass (NZTA – 3).
- ❖ The proposed rezoning does not add significantly to development capacity due to its [small] size.
- ❖ The existing zone does not match the existing activity, whereas the (requested) zone is most closely related to existing and consented activities and provides for future growth.
- ❖ The proposed RLZ anticipates a minimum site size of 4ha, whereas the SCL site is smaller than 1ha, and a proposed residential unit on the site would be a discretionary activity, due to the small site area and legacy criteria proposed in the PWDP.

2.3 Response to Minute 28 question 4

Having read the submission and Ms McKeever’s evidence, I provide the following opinion on question 4.

In my EIC I noted that:

there is assessed to be demand for industrial zoned land in Waimakariri of 31ha in the NPS-UD medium term (10 years), and supply in that time of 32ha (or just under 31ha if PC30 is taken into account), meaning supply will be very similar to demand in 10 years. That indicates there is likely to be some pressure on industrial land supply emerging toward the end of the medium term.¹

The potential addition of just less than 1ha of industrial land on the SCL site would not, in my opinion, amount to a significant increase in District industrial land supply, in the context that there is 31-32ha of vacant industrial land in the District now. The SCL site would (if rezoned as requested) increase vacant industrial land by a maximum of only 3%, which I would not classify as significant.

I note question 4’s reference to the evidence of Mr McKinlay that one third or less of the site is currently being used for industrial activity. That means that of the SCL site’s 0.995ha, around 0.33ha or less is being used for industrial activity, and the balance (around 0.66ha or more) is vacant, and so

¹ Foy EIC, paragraph 4.6



the actual increase in vacant industrial land were the site to be rezoned would be only 0.66ha, or a 2% increase in vacant industrial land in the District. Viewed another way, the site's 0.995ha would equate to less than one third of a year's increase in the District's projected industrial land demand.

I acknowledge that that is a different assessment point than referred to in criteria 5, which is discussed in the section 42A report and Ms McKeever's evidence. At around 0.33ha (3,300m²), the area of the site occupied by existing activities is small, and I agree with the evidence of Ms McKeever (paragraphs 38 and 39) and Mr Willis (section 42A report, paragraph 133) that the existing site activities are not significant in scale (per criteria 5), and that the site does not provide for significant development opportunities.

3 Question 5 Lifestyle Irrigation submission 222

Question 5 seeks clarification on my assessment that the Flaxton Road West sites (comprising a total of 6.5ha of land) could accommodate in the order of 23,000-26,000m² of large format retail GFA if rezoned to LFRZ and redeveloped for large format retail activities. I confirm that the 23,000-26,000m² GFA I assessed related to total redevelopment of all of the land from scratch. That amount of GFA was calculated as the total area of the sites (6.5ha, or 65,000m²) multiplied by an indicative site coverage of 35-40%, so $65,000 \times 0.35 = 23,000\text{m}^2$, etc.

The follow up part of question 5 then is "what would be a realistic estimate of additional GFA that could be developed for LFR". That question implies that it is unlikely that all of the 6.5ha would be redeveloped for large format retail activities, and so the likely large format retail GFA would be less than the 23,000-26,000m². I agree that it is unlikely that all of the 6.5ha would be redeveloped for large format retail activities, at least in the short term, and I make the following responses in answer to the second part of question 5:

- ❖ It is difficult to provide any definitive answer about how much of the 6.5ha might be redeveloped for large format retail activities. It would be speculation to provide any opinion about how quickly new large format retailers might arrive if the rezoning requested were approved, although in my opinion it is likely that some would arrive within the life of the PDP.
- ❖ A possible outcome if the rezoning request was approved would be for new large format retail activities to establish incrementally, and over many years. It is very unlikely, in my opinion, that the 23,000-26,000m² GFA I identified would be developed soon after the LFRZ becomes operative (if approved).
- ❖ Influencing the likely take-up rate of the LFRZ capacity would be factors including:



- ❖ Many of the activities in the area are located in relatively new buildings, which might indicate some inertia that would count against redevelopment for large format retail uses.
- ❖ There is little vacant land in the Flaxton Road West sites, meaning little in the way of 'low hanging fruit' that would be easiest to redevelop for large format retail activities.
- ❖ The 6.5ha is all in a single ownership, making comprehensive redevelopment easier than if individual properties were individually owned. That could indicate potential for cohesive and/or large-scale redevelopment of (at least some of) the 6.5ha for large format retail activity.
- ❖ There are several other large areas of land in Waimakariri on which large format retail activity has recently been enabled, including the Ravenswood town centre (12.8ha) and Waimak Junction. Those areas will be alternative locations in which large format retail can establish, likely slowing the rate at which the 6.5ha might be redeveloped for large format retail uses.
- ❖ While there will be a need for additional retail space, including large format retail, to provide for the growing population over the life of the District Plan, there is a limit to how much additional space would be sustainable in the short-medium term, and there is a limited pool of large format retailers who are not yet represented in Waimakariri. These factors both limit the likelihood of rapid and/or comprehensive conversion of the Flaxton Road West sites to large format retail uses.

In conclusion, it is possible that if the 6.5ha of Flaxton Road West sites might all be developed for LFR eventually, but I anticipate that that would take a long time to occur, and would be unlikely to occur within the life of the PDP.

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