

Before the Whangarei District Council Hearings Committee

In the Matter of the Resource Management Act 1991 (**Act**)

And

In the Matter of Proposed Plan Changes 88, 109, 115, 136 and 148 (Whangarei District Plan)

**Summary of Evidence of Joseph Brady Henehan on behalf of
the Ruakaka Economic Development Group and Colin and Katherine Pyle**

Dated 26 November 2019

Reyburn and Bryant 1999 Ltd
PO Box 191, Whangarei
Email: joseph@reyburnandbryant.co.nz

First slide – aerial photo

Brett Hood and Peter Batten to speak

Introduction

1. My name is Joseph Henehan and I am a planner at Reyburn and Bryant.
2. My evidence on both the REDG and Pyle submissions have been pre-circulated, so for the purposes of this hearing, I will briefly summarise the relief being sought and the primary reasons for this relief. Following this, we are available for any questions that there may be.

Second slide – REDG submission plan

3. The relief being sought as part of both the REDG and Pyle submissions is to:
 - Rezone an area of land in the Marsden Point Area in accordance with the plan shown on the screen. **Point out that this is the REDG rezoning plan, and the Pyle submission only relates to the land on the western side of One Tree Point Road (and to the south of Pyle West Road).**
 - Due to the existing infrastructure constraints and housing affordability issues, the proposal is to create a Residential "expansion precinct". This precinct will enable development when it is serviced by on-site and/or communal wastewater and stormwater disposal systems. A draft District Plan Chapter entitled the "Marsden Point Growth Precinct" was submitted as part of both the REDG and Pyle further submissions.

Further submissions

4. Nine further submissions were received on the proposal, including six in support and three in opposition.

5. Supporting submitters included:
 - The University of Auckland – who supported the establishment of a new “Education Zone” in the area.
 - GT Bild Limited and the DP and W Legarth Family Trust – who are affected landowners that support the proposal.
 - Craig Johnston and David and Robyn Ford – who are adjacent landowners who seek similar relief to both submissions.
 - REDG and C and K Pyle – who submitted a draft District Plan chapter wording for a potential expansion precinct overlay.
 - Jonathan Michell – who is also an affected landowner who supported the proposal but sought an alternative zone with respect to his land on the southern side of McEwan Road – I will briefly address this further submission shortly.
6. Opposing submitters included:
 - Southpark Corporation Limited (Marsden City)
 - The New Zealand Refining Company Limited
 - John Keith
7. The matters raised by these three opposing submitters have been addressed in my pre-circulated evidence.
8. The further submission lodged by Jonathan Michell in support of the proposal (#349) requested that his allotments be zoned General Residential (rather than Light Industrial as they were depicted on the plan attached to the original REDG submission). (Point out Mr Michell’s

land on plan and explain).

Third slide - Marsden Primary Centre Master Plan

9. Following an initial review of this submission, it became evident that the alternative zoning requested by Mr Michell better reflects the zone shown on the Marsden Primary Centre Master Plan – which the original submission was intending to give effect to. **As can be seen there is an alignment error on the key on this Master Plan which appears to be the reason for the zone being shown incorrectly.**
10. Overall, this further submission was supported by the REDG and the rezoning plan was updated accordingly and included as Exhibit A of my pre-circulated evidence.
11. I note here that the Submissions of Counsel for WDC submitted that there is a potential scope issue associated with the alternative zoning that was requested by Mr Michell. Within her submission, the Counsel stated:

Mr Michell's further submission goes beyond supporting or opposing the REDG submission, instead seeking an entirely new zoning. This request could have appropriately been made as a primary submission. As a further submission however, in terms of the second Clearwater limb I submit that it represents a "submissional side-wind", denying potential submitters the opportunity to respond, and is out of scope.
12. While the Counsel's conclusion is understood, it is submitted that this particular case is unique as it comes down to there being an error in the District Plan, and as a consequence, also in the REDG submission. The alignment error on the key of the Marsden Primary Centre Master Plan resulted in Mr Michell's land being incorrectly shown as Industrial, rather than residential. It is noted that the original REDG submission intended on giving effect to this Master Plan – and for this reason it is

my opinion that there is in fact scope for the requested zoning change. Overall, I am therefore of the opinion that this further submission should be accepted.

Reasons for submission

13. So now I will run through the primary reasons for this submission:
 - a. Firstly, as Mr Hood and Mr Batten have already addressed, industry leaders and Iwi have identified a significant problem with **housing affordability** in the area. The residentially zoned land in the area is held by a small number of developers, and it is pitched at the top end of the market (due in part to its close proximity to the coast and/or waterways, and to the cost of installing reticulated infrastructure and associated development contributions). This affordability issue is partly a result of the cost of construction, but also the cost of developing land for the market. Construction costs cannot be addressed through District Plan means. However, the supply of affordable land can be enabled through land use planning. The proposed MPPG Chapter provides a draft wording for this precinct and will allow for sites to be developed with on-site or communal wastewater and stormwater disposal systems as controlled activities – hence significantly reducing the costs of development (specifically with respect to the costs of connecting to services and development contributions). Communal servicing also allows for lot sizes to be reduced – allowing for the price of sections to be reduced accordingly.
 - b. In this regard, Council have also raised concerns in their s42A report regarding capacity. Paragraph 232 of Part 8 of the s42A report states that:

“the impacts on the potential future development capacity of the area would be significantly constrained by areas that had been

established for on-site servicing”.

In my opinion, this statement is incorrect.

Fourth slide - Development Capacity Plan 1

The Development Capacity Plan 1 shows a hypothetical design of a subdivision of a title that has been provided with connections to Council’s reticulated services and designed in accordance with the General Residential Zone provisions. Approximately **59** lots are achievable under this scenario.

Fifth slide - Development Capacity Plan 2

The Development Capacity Plan 2 shows a hypothetical design of a subdivision that has been provided with on-site/communal wastewater and stormwater disposal systems. Approximately **57** lots are achievable under this scenario.

Taking this into account, it is concluded that on-site/communal disposal areas will have a minimal effect on development capacity.

It is noted that a lower minimum lot size of 350m² is preferable under the latter scenario (**shown to screen**), as it allows for allotments to be sold to purchasers at lower rates and restricts the ability for land owners to construct dwellings with larger footprints. This ultimately promotes the provision of affordable housing. By way of example:

- A 450m² site with a maximum building coverage of 40% would accommodate a 180m² dwelling. When multiplying this building footprint with the build cost of \$2,500 per square metre, a total build cost of \$450,000 can be expected (180m² x \$2,500 = \$450,000).

- Alternatively, a 350m² site with the same maximum building coverage of 40% would accommodate a 140m² dwelling. When multiplying this with the build cost of \$2,500 per square metre, a total build cost of \$350,000 can be expected (140m² x \$2,500 = \$350,000).

Overall, this would result in a reduction in building costs of \$100,000.

When designed appropriately, on-site/communal disposal areas can generate significant positive amenity effects by providing communities with shared open spaces, high levels of natural character and various pedestrian linkages. These shared open spaces essentially off-set the lower levels of open space that are typically available on smaller allotments.

Sixth slide – Pyle site

- c. Flooding hazard overlays have been identified on the site subject to this submission – particularly within the coastal portion of land owned by the Pyles to the west of One Tree Point Road and south of Pyle Road West. **The image shown on the screen shows the four existing dwellings on this subject site.**

In order to address this flooding hazard, a report has been prepared by Hawthorn Geddes. The report (attached in Exhibit A of the Pyle submission) concludes that the modelled fluvial flooding areas were significantly less than those identified on WDC flood hazard mapping. Provided that appropriate mitigation mechanisms are put in place throughout the subdivision process, development of the site is unlikely to create any adverse effects. Furthermore, Hawthorn Geddes also concluded that the floor levels of the existing dwellings on the site are unlikely to be

affected by flood waters. Provided that any future development is undertaken in accordance with the mitigation suggested by Hawthorn Geddes, there will not be any increased risk to these dwellings.

Seventh slide – traffic on SH1

- d. The proposal will result in significant **positive effects on the State Highway Corridor**. The various industrial activities located at Marsden Point are significant employers in the context of the Whangarei District. Much of the workforce currently make the 30-minute commute between Whangarei and Marsden Point each day. Taking into account the extensive areas of vacant Industrial land in the area, there is potential for there to be a significant expansion of existing industrial activities, and new activities, further increasing the workforce in the Marsden Point area. The lack of affordable residential land in the area will continue to place constraints on the State Highway where employees of businesses in the area will continue to be required to make the daily commute to and from Whangarei.
- e. Lastly, over the next 10 years, it is expected that there will be a significant increase in **demand for housing** in the Marsden Point area.
- Based on the calculations undertaken within my evidence, we have anticipated the need for a maximum of 238.5180ha of additional Residential zoned land in the Marsden Point area. This has been calculated using the total employees expected per square metre of proposed and existing vacant industrial land in the area.
 - The amended plan attached to Exhibit A of my evidence shows

an additional 150.1688ha of residential land. While this is less than the maximum demand of Residential land calculated within my evidence, it is my opinion that this should significantly increase the availability of affordable housing in the area, and also significantly reduce the amount of traffic on State Highway 1 between Whangarei and Marsden Point – hence achieving the intent of this submission.

Conclusion

14. In conclusion, the proposed rezoning and expansion precinct will significantly improve the availability of affordable housing in the Marsden Point area while also significantly reducing commuter traffic on State Highway 1 between Marsden Point and Whangarei. The submission seeks to zone land appropriately with the primary focus on resolving existing issues that this community faces while also seeking to achieve the purpose and principles of the RMA, 1991.

Last slide - any questions

Tabled 26/11

Before the Whangarei District Council Hearings Committee

In the Matter of the Resource Management Act 1991 (RMA)

And

In the Matter of Proposed Plan Changes 88, 109, 115, 136 and 148
(Whangarei District Plan).

Evidence of Brett Lewis Hood on behalf of REDG and C & K Pyle

Dated 26th November 2019

Reyburn and Bryant 1999 Ltd
PO Box 191, Whangarei
Email: brett@reyburnandbryant.co.nz

Introduction

Attendees:

- Joseph Henehan
- Peter Batten (Chairperson REDG)
- Matthew Pyle (C & K Pyle)

1. Mr Henehan is going to present planning evidence in support of the C & K Pyle and REDG submissions. Mr Batten will also speak on behalf of REDG. However, before they do, I will provide the committee with some background to the two submissions, having been involved with some of the early discussions in respect to both submissions.

C & K Pyle

2. The Pyle family owns a 2.8ha cross lease title on the harbour edge at the end of Pyle Road West. The land has been owned by the Pyle family since 1930 and is held in nine 1/9th shares by the children of the late Noel and Phyllis Pyle. Most of these children are now in their 70s and 80s.
3. The site contains the original homestead, and three small baches. Based on anecdotal evidence (backed up by aerial photograph analysis), the first of these three baches was moved onto the land in the late 1950's, with the remaining two baches being established in around 1964/65.
4. The descendants of Noel and Phyllis Pyle continues to grow, and at last count there were 173 family members with a direct connection to this land.
5. In 2017 I met with the extended Pyle Family at the homestead in Pyle Road West. They had made a submission to the WDC Rural Plan changes requesting that the land be zoned Rural Village Residential (RVR). The motivation behind the submission was to provide them with the ability to subdivide the land so that each of the 9 families could own their own part of the family land. At that time, I expressed concern to them that their submission may be out of scope.
6. In considering the submission, the commissioners considered that it was indeed out of scope because, unlike most of the other coastal and rural villages in the District, the adjoining One Tree Point residential area was not included in the suite of rural

plan changes. In addressing the matter, the decision of the hearing commissioners included the following paragraph:

157. As there is no RVRE proposed for Marsden Point/Ruakaka any rezoning of this site to RVRE would essentially result in a spot-zoning. It is our view that the site would be more appropriately considered under the forthcoming Urban Area Plan Change.

7. A submission was duly filed by Colin and Kathy Pyle. This submission included a request to rezone the family land General Residential with an urban expansion precinct overlay, and additional land (some of which is owned exclusively by Colin and Kathy Pyle). All the land requested for rezoning in the C & K Pyle submission falls within the wider area identified in the REDG submission.

REDG

8. I prepared a draft submission to the Urban Plan Changes on behalf of the Ruakaka Economic Development Group (REDG). In that submission I identified the disjunctive situation that would result from providing a large portion of the District's light and heavy industry in the Marsden Point Ruakaka area (and therefore a large portion of the District's blue-collar workers) when the majority of the district's housing (including affordable housing) is located in Whangarei City.
9. The submission stated that while the National Policy Statement for Urban Capacity may have been satisfied on a districtwide level, the reality is that this will exacerbate the number of half hour each way daily commutes from Whangarei city to Ruakaka/Marsden Point.
10. In late June 2019, just prior to the closing of submissions for the Urban Plan Changes, I attended a REDG meeting at Northport. This meeting was attended by representatives from a range of industry leaders and major employers from the area including Northport, Refining NZ, North Pine, and Hermpac. One of the presenters was the manager of the Bream Bay Medical Centre (Kay Brittenden). She outlined the problems they were having attracting doctors to the area due to concerns around housing affordability. All the other employers agreed that housing affordability was a major issue for their businesses. By way of example Hermpac alone is proposing to relocate 100 blue-collar workers from their Silverdale base to Marsden Point. At this stage, their only options are Marsden Cove and The Landing, both of which require at least \$1 million in outlay. That is beyond the means of most

blue-collar workers and, it appears, some doctors.

11. We discussed the issue of housing affordability. We all agreed that a major contributor to housing affordability was the cost of construction, but that was a nationwide issue that could not be easily addressed through a plan change process. However, it was also considered that two other major contributors to housing affordability were the cost of producing the land for development (i.e. the titles) and the size (GFA) of houses. General supply and demand economics also play a part.
12. We were aware that there are sewerage capacity constraints in the Marsden Point-Ruakaka area which are preventing the Council from rezoning more residential land. However, even if this were not the case and more residential land was proposed, development contributions in this area are \$42,000 plus GST per lot (\$20,000 of which relates to reticulated sewerage). On top of that, the reticulated network would need to be extended to all the lots in the subdivision. The net result is a section with a cost exceeding \$250,000 plus GST.
13. The evidence of Mr Henehan (which he will summarise very soon) covers the issues in further detail. It demonstrates how the land can be developed without reticulated services, and with soft engineering solutions. It also demonstrates that the overall lot yield would be similar to what could be achieved under a reticulated scenario, due primarily to the reduced size of the lots.
14. Finally, before I handover to Mr Batten and then to Mr Henehan, I note that there has been some criticism from Southpark Corporation Ltd that the request for rezoning was not supported by appropriate technical reports (most notably an economic assessment). This is acknowledged. However, the costs and benefits (while not quantified) are identified in the submission, further submission, and pre-circulated evidence. The proposal being advanced by REDG and supported by various landowners within the proposed residential area is a response to real issues being experienced first-hand by those who live and/or work in the Marsden Point-Ruakaka area.

A handwritten signature in black ink, appearing to read 'Brett Hood', positioned above a horizontal dotted line.

Brett Hood (Planner)

This 26th day of November 2019

