

Plan Change 88G: [Light Industrial Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

Contents

Contents	1
List of Abbreviations.....	2
1. Introduction.....	3
1.1 Overview.....	3
1.2 The Proposed Plan Change	3
2. Background	3
2.1 Existing Environment.....	3
2.2 Resource Management Issues	4
3. Proposed Light Industrial Zone	5
4. Section 32 Analysis.....	8
4.1 Appropriateness in Terms of Purpose of RMA	8
4.2 Appropriateness in Relation to Higher Order Documents.....	10
4.3 Appropriateness in Relation to the Strategic Direction Chapter	10
4.4 Appropriateness of Proposed Policies and Methods	11
5. Conclusion.....	23

List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 8** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88G (**PC88G**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Light Industrial Zone (**LI**). The LI proposes to replace portions of existing Business 2, 3 and 4 Environments within the UA. PC88G will include:
 - A new 'Light Industrial Zone' Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the LI.
 - Consequential changes to the WDP.
3. PC88G includes a description of the proposed LI to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Outside of the central city there is a mixture of Business 2 (**B2**), Business 3 (**B3**) and Business 4 (**B4**) Environments throughout the UA. The B3 typically applies to smaller scale local shopping centres; these have been addressed in **Part 6** of this report. The B2 has traditionally been considered a "light industrial" zone with the B4 being considered a "heavy industrial" zone. However, the B2 and B4 provisions are not significantly different and have resulted in relatively homogeneous zones.
5. The wide range of activities enabled in the B2 and B4 has led to non-industrial activities locating in the Environments, in some cases changing the character and amenity of the areas. By allowing commercial, retail, and in some cases residential activities, the WDP has created the potential for increasing land prices and reverse sensitivity effects. Additionally, as land in the B2 and B4 has been used for smaller scale uses this has depleted the supply of land available for industrial use.
6. The Upper North Island Industrial Land Demand report (**UNIILD**), prepared in February 2015, sought to review industrial land needs and current availability. The UNIILD used Whangarei District's industrial supply and demand as a case study. A key finding of this report is that:

Overall, land use planning is the most significant regulatory and policy influence affecting the supply and uptake of industrial land for industrial purposes. This provides a very strong message

that if the present function of industrial areas is to be retained then changes in land use cannot be left to the property market alone to resolve. Changes in accessibility by alternative transport modes and/or specific zoning changes may be required. The advantage of this approach is that in areas where competing, higher value land uses could crowd out industrial activity, industrial land for industrial purposes could be protected and industrial land supply maintained. It also has the added benefit of protecting the vitality of planned commercial and retail centres.

7. Besides industrial activities some of the key activities present in the B2 and B4 include uses such as garden centres, trade suppliers, hire premises and motor vehicle sales. It is important that these types of activities are provided for outside of the City Centre and local centres, as they are not considered appropriate in higher amenity commercial zones.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.3 discuss the following key resource management issues in relation to the LI and industrial activities generally:

- Adverse effects on sensitive activities
- Lack of strong policy direction
- Sufficient land supply

2.2.1 Adverse Effects on Sensitive Activities

9. Industrial activities and large scale commercial activities contribute to the ability of communities to provide for their needs, but have the potential to cause adverse effects on the environment and the character and amenity values of areas. Within the LI it is important that sensitive activities are discouraged to ensure that the ongoing operation of industrial type activities is protected. Additionally, as the B2 and B4 are often in proximity to more sensitive zones (i.e. Residential and Open Space Environments) it is important that methods are implemented at the zone boundary interfaces to manage adverse effects.

2.2.2 Lack of Strong Policy Direction

10. It is important that the LI provides clear direction of the anticipated outcomes of the zone. Lack of strong policy direction can lead to industrial land being used for non-industrial purposes, such as small-scale commercial or residential. This can result in:
 - A lack of certainty for industry investment decisions.
 - Rising land prices responding to higher value land uses such as retail, making land unaffordable for industrial land use.
 - Potential reverse sensitivity effects from sensitive activities, locating in proximity to existing industrial activities.
 - Commercial sprawl of retail, hospitality and commercial activities outside the central city area and into less appropriate areas, compromising the city's vitality and economic performance.

- Fragmentations of the industrial land supply through inappropriate subdivision removing the supply, or raising the price, of larger lots that some industrial land use requires.

2.2.3 Sufficient Land Supply

11. The National Policy Statement for Urban Development Capacity (**NPS:UDC**) requires WDC to provide sufficient business land development capacity and the required infrastructure to support this development. Industrial land supply requires flat relatively constraint free land that is protected from reverse sensitivity effects and has good access to transport routes. As there are several requirements for industrial land it is important that the potential available land is not unduly compromised. It is necessary to ensure that PC88G provides an appropriate amount of land for business and light industrial use.

3. Proposed Light Industrial Zone

12. The proposed LI provides for smaller-scale industrial activities and larger scale retail activities that are compatible with smaller-scale industrial activities such as motor vehicle sales, garden centres, trade suppliers and hire premises. Ancillary or supporting activities such as food and beverage activities are also provided for. However, other non-industrial activities are limited as a key principle of the LI is to preserve land for industrial uses.
13. Industrial activities range in scale and nature. Those anticipated within the LI are generally smaller scale, carried out indoors, and are unlikely to give rise to significant adverse effects beyond the site. This includes activities such as those involved with warehousing, bulk storage, light manufacturing and servicing activities. However, the anticipated level of amenity within the LI is lower than most other UA zones. Therefore, sensitive activities are restricted within the LI, and the scale, design and location of activities and buildings are managed on sites in proximity to more sensitive zones.
14. The following criteria have been used to identify appropriate areas for the proposed LI:

Criteria	Reason/Issue
There is a range of existing smaller-scale industrial and large scale retail activities.	The LI is not anticipated to experience significant changes in land use patterns. Areas that contain an existing range of activities that are consistent with those anticipated in the LI are more appropriate to be zoned as LI than areas with a high presence of activities like restaurants, cafes, general retail, residential activities and community activities.
The area has good access to major transport routes and key resources and infrastructure.	Activities anticipated within the LI typically require access to road transport routes for deliveries and/or shipments. Access to key infrastructure such as ports and railroads is also beneficial.
The proximity of the area to more sensitive zones such as Living and Green Space Zones.	Activities in the LI are susceptible to reverse sensitivity. It is important that the LI is not located in areas that are surrounded by sensitive activities and/or more sensitive zones. Locations that are in proximity to large portions of zones such as Living, Green Space or Mixed-use Zones are less appropriate for the LI.
The existing amenity levels of the area.	The LI is not anticipated to experience significant changes in built form. Areas that have high amenity are not considered appropriate for the LI as the activities and effects based controls in the LI could compromise amenity values.

<p>The area has an existing supply of medium to large sized allotments.</p>	<p>The activities anticipated in the LI typically require larger allotment sizes to operate and function effectively. Areas where allotment sizes are already highly fragmented are less appropriate for LI zoning as it would be difficult for future industrial activities to establish.</p>
---	--

15. The proposed LI zoning is shown in pink in Figures 1 – 3 below:

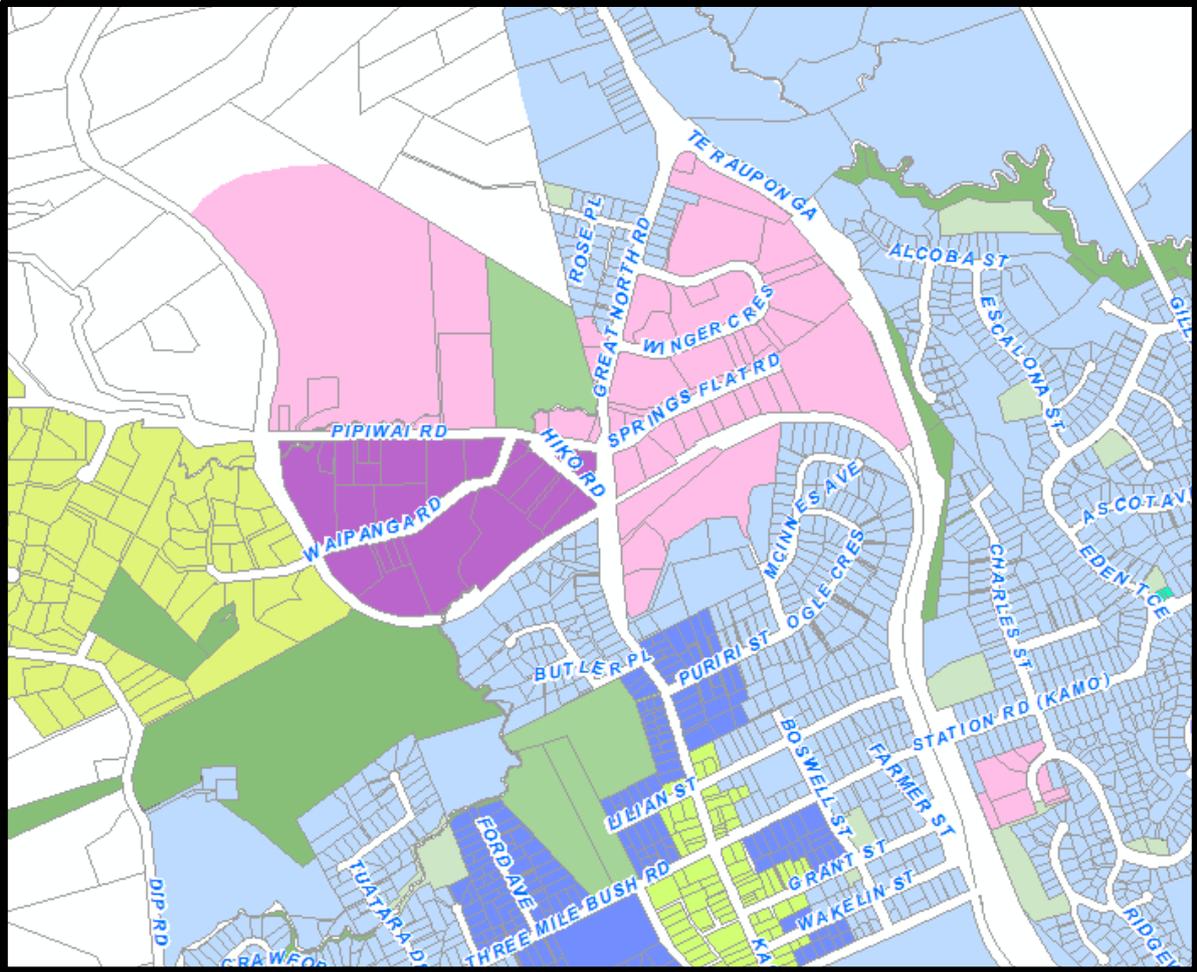


Figure 1: Proposed Light Industrial Zone north of Kamo shown in pink

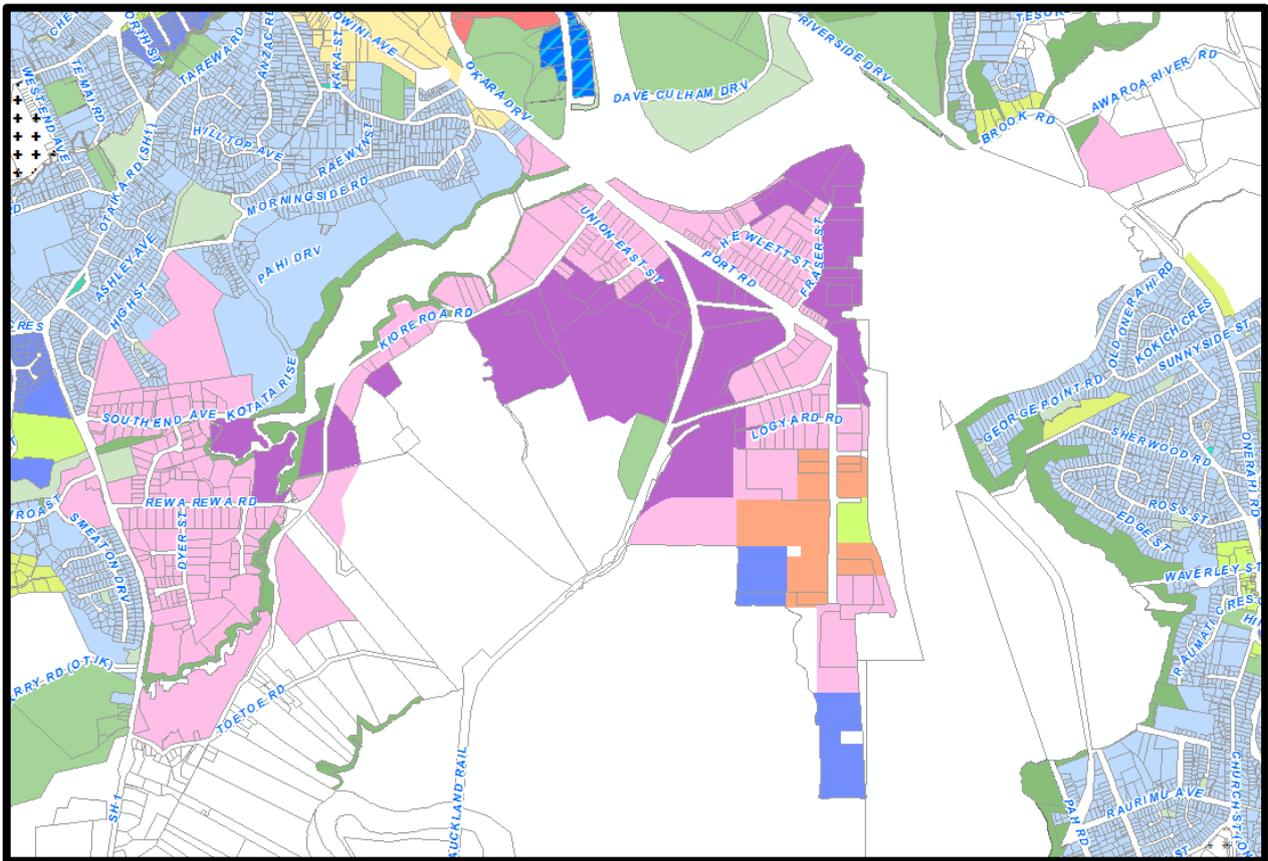


Figure 2: Proposed Light Industrial Zone south of Whangarei City shown in pink

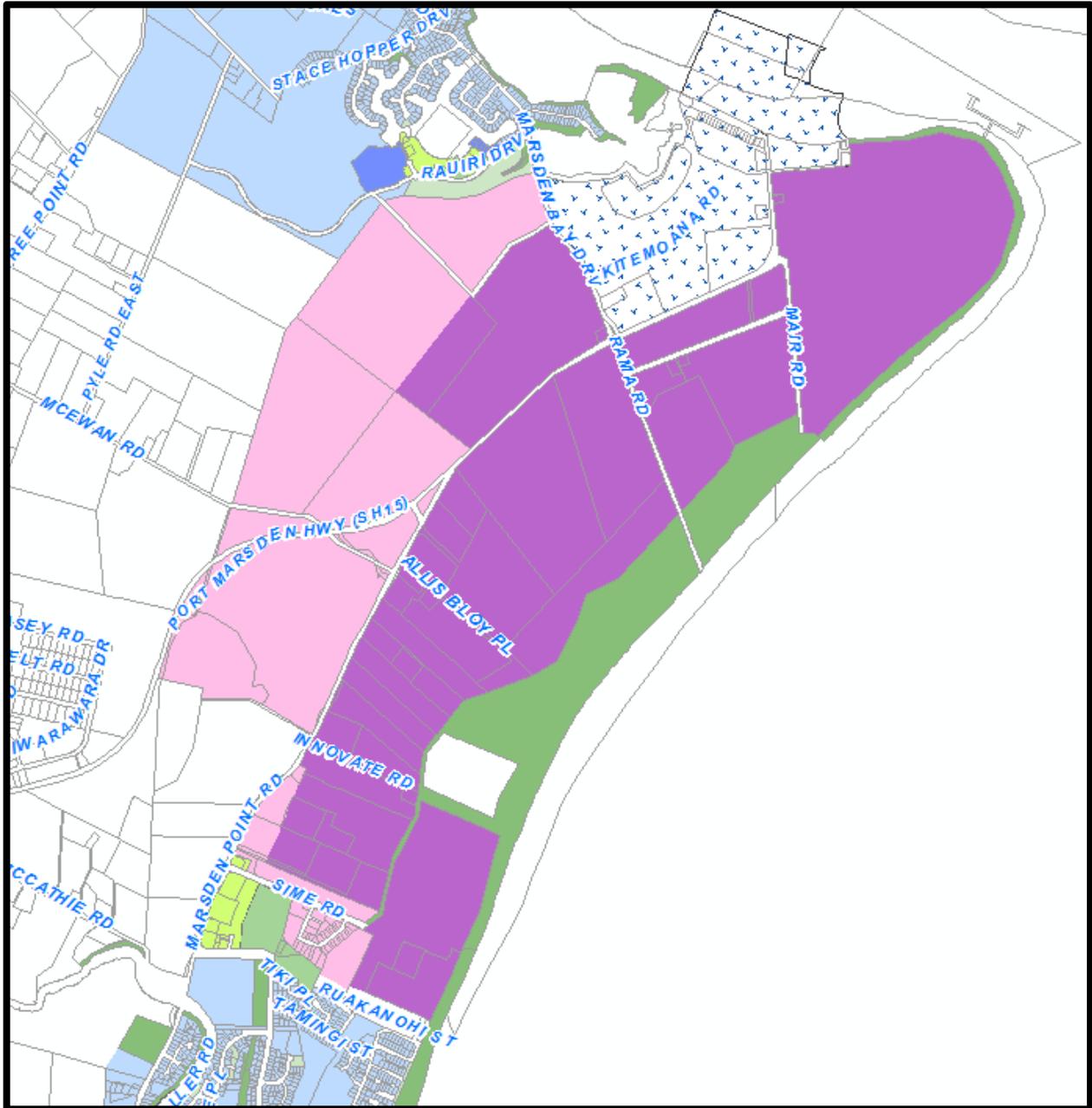


Figure 3: Proposed Light Industrial Zone at Ruakaka/Marsden Point shown in pink

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

16. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88G is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.

17. PC88G seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the LI and address the current resource management issues.
18. PC88G proposes the following objectives, the reasons for which are detailed in Table 2:

TABLE 2: S32 ASSESSMENT OF PROPOSED LI OBJECTIVES	
Proposed LI Objectives	Reason/Issue
LI-O1 – Industrial Activities Industrial activities, that are not noxious or large in scale, establish and operate efficiently and effectively within the LI.	This objective aims to give clear guidance on the scale and nature of industrial activities that are anticipated within the LI to address the current lack of guidance regarding the purpose of the WDP Environments.
LI-O2 – Adverse Effects Potential adverse effects on adjacent zones and the environment are avoided, remedied or mitigated.	Smaller-scale industrial activities and large scale commercial activities have the potential to cause adverse effects on the environment and on character and amenity values. As the LI is in proximity to more sensitive zones (i.e. Living and Green Space Zones) it is important that adverse effects are managed.
LI-O3 – Ancillary Activities Ancillary and supporting activities are enabled while ensuring that industrial land supply is not compromised and that the viability and vitality of other Business Centres are maintained.	This objective acknowledges that industrial activities often involve or require ancillary activities. However, it is important that non-industrial activities are managed to protect industrial land supply.
LI-O4 – Reverse Sensitivity Avoid activities that may generate reverse sensitivity effects or compromise the operation of future industrial activities within the LI.	Smaller-scale industrial activities and large scale commercial activities require protection from the establishment of sensitive activities and the encroachment of more sensitive zones. This objective provides the direction to manage reverse sensitivity effects.
LI-O5 – Subdivision The supply of large allotments within the LI is preserved by managing inappropriate fragmentation from subdivision.	Subdivision patterns can result in fragmentation of industrial land which can compromise the long-term capacity of the LI to accommodate industrial activities and large scale commercial activities as intended by the zone.

19. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed LI objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88G. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88G is inconsistent with s8.

		TABLE 3: LINKAGE OF PROPOSED LI OBJECTIVES WITH PART 2 OF THE RMA				
		Proposed Light Industrial Zone Objectives				
		LI-O1	LI-O2	LI-O3	LI-O4	LI-O5
RMA Part 2 Sections	5(2)(a)	✓	-	✓	✓	✓
	5(2)(c)	-	✓	-	-	-
	6(a)	-	✓	-	-	-
	7(b)	✓	-	✓	✓	✓

	7(c)	-	✓	-	-	-
	7(f)	-	✓	-	-	-
	7(g)	✓	✓	✓	✓	✓

20. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

21. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88G. **Part 1** of this s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 4 provides an overview of the proposed LI objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED LI OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		Proposed Light Industrial Zone Objectives				
		LI-O1	LI-O2	LI-O3	LI-O4	LI-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	-	✓	✓
	Whangarei District Growth Strategy – 30/50	✓	-	-	-	✓
	Blue/Green Network	-	✓	-	-	-
	Upper North Island Industrial Land Demand	✓	-	✓	-	✓

4.3 Appropriateness in Relation to the Strategic Direction Chapter

22. The proposed LI objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed LI objectives are shown in Table 5 below. This table illustrates that the objectives of the LI are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND LI OBJECTIVES		
Proposed SD Objective	Proposed SD Policies	Proposed LI Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	LI-O1
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	LI-O2
SD-03 – Growth	SD-P6	LI-O1, O3, O5

Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.		
SD-04 – Sense of Place Identify and protect buildings, sites, features and areas which are valued by the community and contribute to the District’s unique identity and sense of place.	SD-P18	LI-O2
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	LI-O4
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	LI-O1, O3
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	LI-O2, O4

4.4 Appropriateness of Proposed Policies and Methods

23. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a cost benefit analysis of the economic, social, environmental and cultural effects of the provisions, including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed LI Policies

24. The proposed LI objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.
25. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:
- Identifying the character and amenity that is anticipated within the LI.
 - Managing the scale and nature of industrial activities to manage adverse effects.
 - Managing non-industrial activities to protect existing industrial activities, industrial land supply and the viability of commercial centres.
 - Managing cross boundary effects as the LI is located adjacent to the more sensitive zones.
 - Managing stormwater and future esplanade corridors by protecting mean high water springs and river banks from inappropriate development.
 - Avoiding fragmentation by managing subdivision.
26. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the LI chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below

demonstrates that the policies proposed for the LI implement the proposed LI objectives, and that the methods implement the proposed LI policies:

TABLE 6: LINKING OF PROPOSED LI PROVISIONS		
Proposed LI Objective	Proposed LI Policies	Proposed LI Methods
LI-O1 – Industrial Activities Industrial activities, that are not noxious or large in scale, establish and operate efficiently and effectively within the LI.	LI-P1, P2, P3	LI-R2, R7 – R11
LI-O2 – Adverse Effects Potential adverse effects on adjacent zones and the environment are avoided, remedied or mitigated.	LI-P1, P2, P4, P5	LI-R3 – R11, R28 – R32, mapping
LI-O3 – Ancillary Activities Ancillary and supporting activities are enabled while ensuring that industrial land supply is not compromised and that the viability and vitality of other Business Zones are maintained.	LI-P3	LI-R12 – R24, R25 – R27, R34 – R39
LI-O4 – Reverse Sensitivity Avoid activities that may generate reverse sensitivity effects or compromise the operation of future industrial activities within the LI.	LI-P3	LI-R3 – R6, R7 – R11.2-3, R12 – R21.1, R24.3, R33, R35, R38, mapping
LI-O5 – Subdivision The supply of large allotments within the LI is preserved by managing inappropriate fragmentation from subdivision.	LI-P6	SUB-R9

27. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in providing clear direction for the LI area. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed LI Boundaries

28. Spatial mapping is considered to be an appropriate method of achieving the objectives of the LI as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the LI in achieving the objectives of the LI the following three options were evaluated:

- **Option 1:** Status Quo: Map the LI to match the current extent of the WDP B2.
- **Option 2:** Map the LI based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)
- **Option 3:** Replace the B2 and B4 with a single Industrial Zone.

29. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS	
Costs	Benefits

<p>Option 1: Status Quo</p>	<p><u>Environmental</u> Potential adverse effects on amenity and character in proximity to the City Centre where the B2 is currently located.</p> <p><u>Economic</u> Operational costs arising from reverse sensitivity effects as large portions of the B2 are located in proximity to Living Zones. Rising land prices around the City Centre making B2 land unaffordable for industrial use. Smaller allotment pattern in B2 could compromise use of land for future industrial activities. Insufficient land supply to meet projected industrial land demand.</p> <p><u>Social</u> Adverse effects on walkability adjacent to the City Centre and Waterfront Zones.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental & Cultural</u> None identified</p> <p><u>Economic</u> No change to the current level of compliance and enforcement cost.</p> <p><u>Social</u> Status quo so familiar to district plan users.</p>
<p>Option 2: Map LI based on criteria in section 3</p>	<p><u>Environmental, Social & Cultural</u> None identified</p> <p><u>Economic</u> Change in zoning pattern could result in some existing activities no longer being consistent with the zone and needing to rely on existing use rights. More prescriptive than Option 3 as smaller-scale and larger-scale industrial zones would be separately identified.</p>	<p><u>Environmental</u> Improved amenity within the City Centre, Waterfront, Living and Green Space Zones compared to Option 1 as the LI would be relocated away from some of these areas. Better environmental protection than Option 3 which would significantly increase the capacity for noxious and larger-scale industrial activities.</p> <p><u>Economic</u> Reduced reverse sensitivity effects compared to Option 1. Sufficient land supply is provided for industrial land. Existing B2 land which is less suitable for industrial activities due to site size, proximity to sensitive activities, etc. would be rezoned as an alternative zone to enable more efficient use of the land.</p> <p><u>Social</u> Improved walkability around City Centre compared to Option 1 as the B2 in this area would be rezoned for more appropriate uses.</p> <p><u>Cultural</u> None identified.</p>
<p>Option 3: Single Industrial Zone</p>	<p><u>Environmental</u> Smaller-scale and larger-scale industries have differing requirements for locating and operating. A single zone may not adequately provide for both while mitigating adverse environmental effects. Noxious and larger-scale industries may be constrained from operating efficiently through the location of incompatible</p>	<p><u>Environmental & Cultural</u> None identified.</p> <p><u>Economic</u> Larger, more general industrial zone could provide greater flexibility for industrial activities.</p> <p><u>Social</u> Less complex compared to Options 1 and 2, only one zone covering all industry land use.</p>

	<p>smaller-scale industrial activities and non-industrial activities.</p> <p><u>Economic</u></p> <p>Land may not be protected for noxious and larger-scale industries leading to:</p> <ul style="list-style-type: none"> • rising land prices making land unaffordable for larger-scale industrial land use • subdivision removing the supply of larger lots required by larger-scale industry. <p><u>Social</u></p> <p>Could enable noxious and larger-scale industrial activities in sensitive locations adversely affecting social wellbeing.</p> <p><u>Cultural</u></p> <p>None identified.</p>	
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	This option efficiently identifies a zone for smaller-scale industrial activities.	Option 1 does not effectively achieve the objectives of the LI as the zoning pattern compromises industrial land supply and does not effectively manage reverse sensitivity.
Option 2	This option is considered efficient in that it proposes a new zone with clear expectations and outcomes for the area.	This option would effectively provide for smaller-scale industrial activities and other compatible activities while managing reverse sensitivity and protecting the viability of established commercial centres.
Option 3	This option is efficient in identifying land for industrial use but does not provide clarity as to where smaller-scale and larger-scale industrial activities are appropriately located.	This option would not effectively manage adverse effects as noxious and larger-scale industrial activities could potentially locate in inappropriate areas and would not effectively protect the larger-scale industrial land supply as the zone could be fragmented and compromised by other uses.
Economic Growth and Employment Opportunities		
<p>Industrial development and land use provides economic benefit to the district.</p> <p>Option 2 provides the most opportunity for economic growth and employment opportunities as it has been assessed as providing sufficient capacity for projected business growth and identifies more appropriate locations for smaller-scale industrial activities.</p> <p>Options 1 and 3 provide for economic growth and employment opportunities, but potentially at the expense of noxious and larger-scale industries and with wider effects on the sustainable development of the City Centre, other commercial centres and Living Zones.</p>		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk of acting due to insufficient information.		

30. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the LI. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed LI Rules

31. The proposed provisions in the LI are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of

the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Bulk and Location

32. The proposed LI objectives seek to enable smaller-scale industrial and ancillary activities while managing adverse amenity effects, especially on more sensitive zones. Proposed Rule LI-R2 manages building height within the LI, with a proposed maximum building height of 20m. Proposed Rule LI-R4 seeks to manage the height in relation to boundary (**HIRB**) adjacent to Living and Green Space Zones. Proposed Rule LI-R3 seeks to manage building setbacks from roads (2.5m), Rural Production, Living and Green Space Zones (5m), Heavy Industrial, Local Commercial or Mixed-use Zones (3m) and from Mean High Water Springs (**MHWS**) and rivers over 3m wide (27m).
33. The proposed 27m setback from MHWS and rivers is consistent with the operative Business Environment provisions that aim to ensure that land is available for esplanade reserves/strips and that those areas are protected for conservation, ecological, recreational, access and hazard mitigation purposes. This distance was arrived at through Environment Court mediation on the WDP.
34. The status quo for building height in the proposed LI area is a range of heights as there are three operative Business Environments which have maximum building heights ranging from 11m – 20m. The three operative Business Environments also have a range of building setbacks. HIRB is managed in the WDP under Appendix 11 – Daylight Angles.
35. Alternatives considered were:
 - **Option 1:** Retain the operative B2 rules (maximum building height of 15m, 2.5m setback from roads, 3m setback from Living, Open Space and B3).
 - **Option 2:** Increased building heights and setbacks from Living and Green Space Zones and replace Appendix 11 with a HIRB rule. (Plan change option)
 - **Option 3:** No height or setback rules and instead rely on only having a HIRB control.
36. Evaluation of these alternative options have been summarised in Table 8:

TABLE 8: SECTION 32 ASSESSMENT OF BUILDING BULK AND LOCATION OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Retain the B2 rules	<p><u>Environmental</u></p> <p>Industrial buildings within 3m of Living and Green Space Zones would not be as effective as Option 2 at managing adverse effects on amenity.</p> <p>Amenity in other zones (such as the Rural Production or Mixed-use Zones) would not be as well protected as Option 2.</p> <p><u>Economic</u></p> <p>15m building height would restrict development opportunities more than Options 2 and 3.</p>	<p><u>Environmental</u></p> <p>More certainty of built form than Option 3, as Option 3 could result in adverse effects on amenity within large allotments where HIRB could be easily met.</p> <p>Setbacks form MHWS manage stormwater effects.</p> <p><u>Economic</u></p> <p>Additional development opportunities enabled where building can be within 3m of Living and Green Space Zones, and there would be no setbacks from the Rural Production or Mixed-use Zones.</p>

	<p>Additional consenting costs to exceed height limits.</p> <p>3m setbacks from Residential and Open Space Environments has greater potential for reverse sensitivity effects than Option 2.</p> <p><u>Social</u></p> <p>Appendix 11 – Daylight Angles is not clear for plan users.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p><u>Social and Cultural</u></p> <p>None identified.</p>
Option 2: Plan Change option	<p><u>Environmental, Social and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Reduced development opportunities by increasing setback from Living and Green Space Zones, and including setbacks from additional zones.</p> <p>Additional consenting costs to breach setbacks.</p>	<p><u>Environmental and Social</u></p> <p>More certainty of built form than Option 3, as Option 3 could result in adverse effects on amenity within large allotments where HIRB could be easily met.</p> <p>HIRB rule provides more clarity for plan users than Appendix 11 – Daylight Angles.</p> <p>Setbacks form MHWS manage stormwater effects.</p> <p>Amenity better protected in the Rural Production and Mixed-use Zones.</p> <p><u>Economic</u></p> <p>Increased development opportunities associated with increased height limit.</p> <p><u>Cultural</u></p> <p>None identified.</p>
Option 3: No maximum building heights	<p><u>Environmental, Social and Cultural</u></p> <p>Without a maximum building height, there is the potential for adverse effects in relation to shading, human scale of development and adverse effects on adjacent Living and Green Space Zones.</p> <p>No management of buildings next to MHWS which could result in adverse stormwater effects.</p> <p><u>Economic</u></p> <p>High density and large built form in the LI could dominate, and adversely affect, other commercial centres.</p>	<p><u>Environmental and Cultural</u></p> <p>None identified.</p> <p><u>Economic</u></p> <p>Increased development opportunities with no height restrictions.</p> <p><u>Social</u></p> <p>Simplified rules for plan users.</p>
	<u>Efficiency</u>	<u>Effectiveness</u>
Option 1	<p>The status quo is considered to be an efficient and clear method of managing building heights, except for Appendix 11 – Daylight Angles which is considered inefficient.</p>	<p>Setbacks form adjacent Environments is not effective in managing reverse sensitivity effects and protecting amenity of adjacent Environments.</p>
Option 2	<p>Option 2 is considered to be an efficient and clear method of managing building heights.</p>	<p>Option 2 is considered to be more effective than the status quo in managing adverse effects on adjacent zones and reverse sensitivity. Increasing the maximum building height by 5m would still effectively manage adverse effects when coupled with the setback and HIRB rules.</p>
Option 3	<p>Option 3 is considered to be efficient as it would streamline the LI provisions.</p>	<p>Option 3 would not be effective in managing building height as the HIRB controls could be easily met on larger allotments leading to the potential for perverse outcomes.</p>

Economic Growth and Employment Opportunities
Option 3 provides the most economic growth and employment opportunities by only managing building HIRB. Options 1 and 2 have similar impact in terms of economic growth and employment opportunities.
Risk of acting and not acting if there is uncertain or insufficient information
There is no known risk due to insufficient information.

37. Option 2 (Plan change option) is considered to be the most appropriate method. Option 2 will achieve the expectations for the LI and achieve the proposed LI objectives.

Cross Boundary Effects

38. A portion of the proposed LI is located adjacent to operative Rural Production, and proposed Living and Green Space Zones. Proposed Rules LI-R7 – R11.2-3, R12 – R21.1, R24.3 seek to require landscaping along these shared boundaries and to require setbacks for industrial activities. Proposed Rule LI-R5 seeks to manage the fortification of fences adjacent to Living and Green Space Zone boundaries.

39. These provisions aim to reduce adverse effects on Rural Production, Living and Green Space Zones and manage potential reverse sensitivity effects. The B2 does not have industrial activity setbacks or landscaping requirements adjacent to these Environments. Due to the scale of development and activities enabled in the LI, it is considered important to manage potential cross boundary effects.

40. The alternative considered was to retain the status quo with no landscaping requirements or industrial activity setbacks; however, this is not considered appropriate. Table 9 below demonstrates the appropriateness of the proposed provisions.

TABLE 9: S32 ASSESSMENT OF CROSS BOUNDARY EFFECTS PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in more sensitive zones.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	Protects residential amenity. <u>Economic</u> Manages reverse sensitivity effects.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed LI by protecting amenity in adjacent zones and managing reverse sensitivity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of LI immediately adjacent to more sensitive zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Outdoor Areas of Storage

41. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created issues in the ability to monitor and enforce them and is inefficient. Proposed Rule LI-R6 aims to retain the intent of the WDP storage and stockpile provisions, but improve on the wording to make it clearer.
42. Alternatives considered were to retain the status quo, or delete all storage and stockpile rules. The plan change option is considered more efficient than the status quo as it can be more easily interpreted and enforced, and is more effective than no rules as the issue would then be unmanaged and could have adverse amenity effects within the LI.

Definition Grouping Activities

43. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 10 below provides an assessment of the plan change option for the proposed LI rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 10: SECTION 32 ASSESSMENT OF PROPOSED LIGHT INDUSTRIAL ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Permitted	<ul style="list-style-type: none"> Permit all rural production activities Prohibit all rural production activities Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying 	<ul style="list-style-type: none"> Consenting costs for plantation forestry, intensive livestock farming and farm quarrying. Potential for industrial land to be compromised by rural production activities – however risk is low as rural production activities typically involve buildings that area easily replaced when industrial activities become viable. 	<ul style="list-style-type: none"> Enables farming and seasonal activity to be undertaken on vacant industrial land prior to industrial activities becoming viable on the site. Plantation forestry, intensive livestock farming and farm quarrying activities are unlikely to occur in the LI, therefore there are minimal risks or costs associated with requiring consent. Industrial land supply is protected from plantation forestry, intensive livestock farming and farm quarrying activities which may compromise the future use of the site.
Seasonal Activity				
Plantation forestry	Non-Complying			
Intensive livestock farming				
Farm quarrying				
Industrial Activities				
General Industry	Permitted with maximum GFA of 7000m ² and restricted discretionary beyond threshold	<ul style="list-style-type: none"> Permit all industrial activities Permit all industrial activities with increased GFA limits Default to discretionary activity status where 7000m² GFA is exceeded 	<ul style="list-style-type: none"> Consenting costs for any landfill or waste management facility. Consenting costs to exceed GFA. Potential for adverse amenity effects if smaller industrial activities are noxious. Existing activities that exceed GFA rely on existing use rights. 	<ul style="list-style-type: none"> Industrial activities are provided for which is consistent with the LI. Larger scale industrial activities require consent as they may be noxious or offensive in nature and may have adverse external effects. Reduced consenting costs as restricted discretionary allows for a specific set of criteria to be assessed rather than full discretion assessment. Non-complying status for waste management facilities and landfills is consistent with LI objectives as these activities generally have significant external effects.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility	Non-Complying			
Landfill				
Residential Activities				

Residential Activities	Non-Complying	<ul style="list-style-type: none"> • Status quo – permitted (except in the B4) with outdoor living court controls • Permitted with additional effects based controls such as outlook space and habitable room orientation • Prohibited 	<ul style="list-style-type: none"> • Consenting costs for any residential activity. • Existing residential activities would rely on existing use rights. • Non-complying still enables consent to be applied for which could create reverse sensitivity effects. 	<ul style="list-style-type: none"> • Manages reverse sensitivity more effectively than status quo or permitted options. • Retains land for more appropriate uses. • Residential activities are required to locate in more appropriate zones. • Non-complying with an associated policy enables residential activities to be applied as compared to the prohibited option. • More enabling than prohibited as consent can be applied for.
Commercial Activities				
Motor Vehicle Sales	Permitted	<ul style="list-style-type: none"> • Permitted with GFA limits • Restricted Discretionary or Discretionary with a suite of effects based controls such as GFA limits, hours of operation, setbacks from Living Zones, etc. 	<ul style="list-style-type: none"> • By permitting these activities the effects based rules are relied on to manage adverse effects that may occur from these activities. • A proliferation of these activities could have adverse cumulative effects on the industrial land supply. 	<ul style="list-style-type: none"> • Plan change option is consistent with the LI objectives in providing for a certain range of activities which do not compromise the vitality and viability of established commercial centres and which are compatible with, and often support, industrial activities. • Enables activities which are not provided for in other zones. • Reduced consenting costs for these activities.
Garden Centres				
Trade Supplier				
Marine Retail				
Drive Through Facility				
Hire Premise				
Service Station				
General Retail	Permitted with maximum GFA per site of 100m ² and where it is ancillary to an industrial activity on the site.	<ul style="list-style-type: none"> • Permitted • Permitted with increased maximum GFA limits • Discretionary 	<ul style="list-style-type: none"> • Consenting costs. • Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> • Provides opportunity for general retail and food and beverage activities and commercial services in the LI. • Manages potential adverse effects on the viability of other established centres. • Consistent with Strategic Direction Chapter policies and higher order strategic directions. • Retains LI land for more appropriate activities.
Commercial Service	Permitted where it is ancillary to a permitted activity and the maximum GFA per site is 250m ²			
Food and Beverage Activity	Permitted with a maximum GFA per site of 250m ² and hours of operation limitations.			

Grocery Store	Discretionary	<ul style="list-style-type: none"> • Permitted with GFA limit • Non-Complying 		<ul style="list-style-type: none"> • In combination with other zones proposed under PC88A – J, the plan change option provides sufficient land supply for grocery stores over the life of the district plan. • Retains LI land for more appropriate activities.
Funeral Home				
Entertainment Facility	Non-Complying	<ul style="list-style-type: none"> • Permitted with effects based controls such as traffic and GFA • Discretionary 		<ul style="list-style-type: none"> • These activities can have adverse effects (including reverse sensitivity), the proposed discretionary activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the LI. • Protects viability of established commercial centres as these smaller activities would not be encouraged in the LI. • Retains LI land for more appropriate activities.
Visitor Accommodation				
Community Activities				
Emergency Service	Permitted	<ul style="list-style-type: none"> • Permitted with effects based controls such as traffic and GFA • Discretionary 	<ul style="list-style-type: none"> • None identified. 	<ul style="list-style-type: none"> • Reduced consenting costs compared to alternatives considered. • Provides appropriate areas for emergency services where adverse effects can be mitigated due to the mapping.
Recreational Facilities	Discretionary	<ul style="list-style-type: none"> • Permitted • Non-Complying 	<ul style="list-style-type: none"> • Consenting costs. • Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> • Protects viability of established commercial centres. • Retains LI land for more appropriate activities. • More enabling than non-complying option as activities like gyms may be appropriate in the LI depending on the nature and design of the activity.
Educational Facilities	Non-Complying	<ul style="list-style-type: none"> • Permitted with effects based controls such as GFA limits and hours of operation • Discretionary 		<ul style="list-style-type: none"> • Manages reverse sensitivity. • Retains LI land for more appropriate activities. • Encourages these activities to locate in more appropriate zones.
Hospitals				
Place of Assembly				
Care Centre				

Efficiency and Effectiveness

44. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the LI.
 - The proposed rules are more effective than the status quo in managing adverse effects as the WDP has a minimal level of control of activities.
 - The proposed rules provide for a permitted threshold of activities, in line with the LI objectives, so that consent requirements are not restrictive.

Economic Growth and Employment Opportunities

45. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed LI rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the environment and adjacent zones.
46. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

47. There is no known risk due to insufficient information.

Conclusion

48. It is considered that the proposed plan change provisions to manage activities in the LI are appropriate.

Subdivision

49. The WDP provides for subdivision in the B3 as a controlled activity where the net site area of an allotment is at least 100m² and the minimum site frontage is 6m, or 12m in the case of a corner site. In the B2 the minimum site size is 300m² and the frontages are 15m, and 30m for corner sites.
50. The LI proposes to remove the minimum frontage requirement and to implement a minimum site size of 500m² net site area. The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
51. A number of alternatives have been evaluated in relation to subdivision in the LI. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the LI. However, this is considered to be overly restrictive and not proportional to the effects being managed.

52. The status quo minimum frontage requirements are not considered effective or efficient in achieving the proposed LI objectives and are therefore not appropriate to retain. Due to the range of proposed zones included in the Urban Plan Changes it is appropriate to reconsider the minimum site size. The proposed Commercial Zone will retain the minimum site size of the B2 (300m²). The proposed 500m² minimum in the LI slightly increases this, as the LI objectives have a strong focus on protecting the industrial land supply from inappropriate uses and fragmentation. Requiring slightly large site sizes is therefore considered appropriate in achieving the LI objectives.

5. Conclusion

53. Pursuant to s32 of the RMA, the proposed LI objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
54. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to light industrial activities and areas of Whangarei.