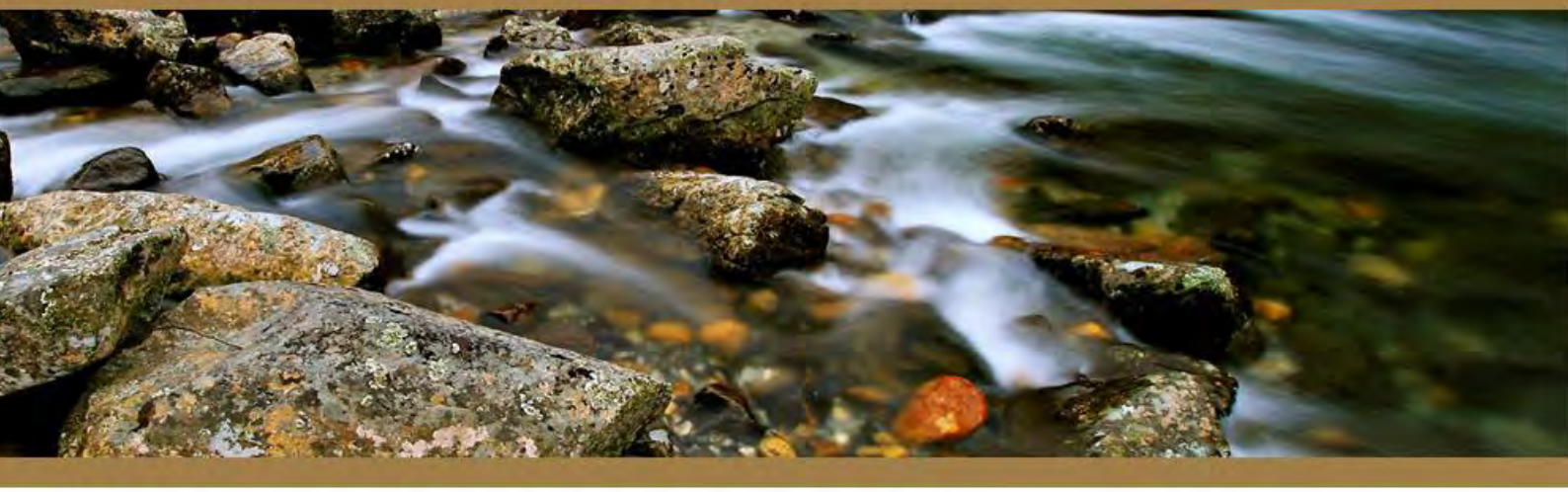
Omahu North Industrial Zone Background Report and Section 32 Evaluation

For Hastings District Council

April 2016



Environmental Management Services

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Report Status	**File Location**	**Our Reference**
Final	Napier	PAM004
Author: Philip McKay **Reviewer: Alexandra Johansen**	**Signed** 	

1 Introduction

The proposed Omahu North Industrial Area is a 3.2km long strip of land located on the north-western fringe of Hastings, on the northern side of Omahu Road (refer Figures 1 to 3). The land is zoned partly 'Deferred General Industrial (Omahu North)' and partly 'Plains Production' under the Proposed Hastings District Plan as amended by Decisions on Submissions (September 2015) (the Proposed Plan), but is located immediately opposite General Industrial zoned land.

The area currently contains a mixture of horticultural, lifestyle residential and industrial land use activities. This land has been identified for industrial rezoning since 2003 when the Hastings District Industrial Growth Strategy was adopted by the Hastings District Council (the Council).

Both Plan Change 57 (notified 2012) and the Proposed Plan have respectively sought to enable industrial development at Omahu North. There are unresolved appeals to the Environment Court on Plan Change 57 and live submissions (yet to be heard) on the Proposed Plan in relation to the Omahu North area.

A variation to the Proposed Plan is therefore proposed to address the issues raised in the abovementioned appeals and submissions, which are generally seeking a larger industrial zone and a more affordable (in terms of Development Contributions) stormwater disposal system. The following report backgrounds the need to undertake a variation and assesses the district plan amendments proposed against the Resource Management Act (1991) (the RMA), including an evaluation under section 32 of that Act.

1.1 Plan Change 57 and Proposed Hastings District Plan

The identification of this strip of land for industrial use was actioned in 2012 with Plan Change 57 seeking to rezone some 36 hectares of land 'Deferred Industrial 2 (Omahu North)'. The deferred zoning was intended to be lifted in two stages. Deferment on Stage 1 was to be lifted once the planned service infrastructure had been constructed. The deferment on Stage 2 was projected to occur 10 years after the rezoning of Stage 1.

The stormwater solution proposed for Plan Change 57, which was to convey the water via a swale system to detention ponds, necessitated a staging approach. Rather than constructing the system for the whole length of the zone at one time, the intention was to initially construct the system for the catchments in the south eastern half of the zone, which formed Stage 1. As this swale system was dependent on an appropriate gravity fall, there was little flexibility for the alignment to be amended in response to submissions.

Submissions were heard on Plan Change 57 in 2013 with two appeals resulting from the decisions. Plan Change 57 was largely rolled over into the Proposed Hastings District Plan (notified in November 2013). With the Plan Change 57 appeals still outstanding and similar submissions lodged on the Proposed Plan (with the primary concerns being the cost of the development contributions, largely due to the proposed stormwater solution, and the narrow depth of the rezoning from Omahu Road), the hearing of submissions on the Proposed Plan was deferred until a solution acceptable to both the submitters and Council could be identified.

1.2 Variation Proposal

A resolution to the issues identified above is now proposed via this Omahu North Industrial Zone Variation to the Proposed Plan. In summary, this involves rezoning a larger 63ha area of land. This Variation does not involve any staging or 'deferred zonings'. It is based on a stormwater soakage swale and service access corridor defining the rear boundary of the zone. The swale is designed to accommodate stormwater for a 2% Annual Exceedance Probability (AEP) rainfall event by infiltration to the ground (soakage). There is no need therefore, for stormwater to be conveyed along the swale. This means that development of any given property can occur by construction of the section of swale for that property, with no dependence on the swale also needing to be constructed on neighbouring properties. This is explained in more detail in the following report.

2 Background

2.1 Hastings District Industrial Growth Strategy

The idea of rezoning additional industrial land on the northern side of Omahu Road stemmed from the Hastings District Council's Industrial Growth Strategy, adopted by Council in September 2003. This strategy was informed by a 2002 Industrial Demand Review completed by Logan Stone[1] and a 2003 Industrial Site Selection Report[2] completed by Council officers.

The Industrial Site Selection Report (2003) assessed some 838ha of land for potential industrial expansion. Using the best available information at the time, a preliminary assessment of environmental effects for rezoning was combined with information on servicing costs and stakeholder consultation.

Irongate and Omahu North were identified as future greenfield growth areas for dry and light industry. The location of these areas adjacent to existing industrial development, on comparatively lesser quality soil and with ready access to the arterial road network, was key to their selection. It was anticipated that Omahu North would be valued for its profile given its Omahu Road frontage.

This strategy was reviewed in 2009 based on an updated Hastings District Industrial Demand Review completed in 2008 by Logan Stone. The following table and map set out the updated 2009 Hastings District Industrial Strategy.

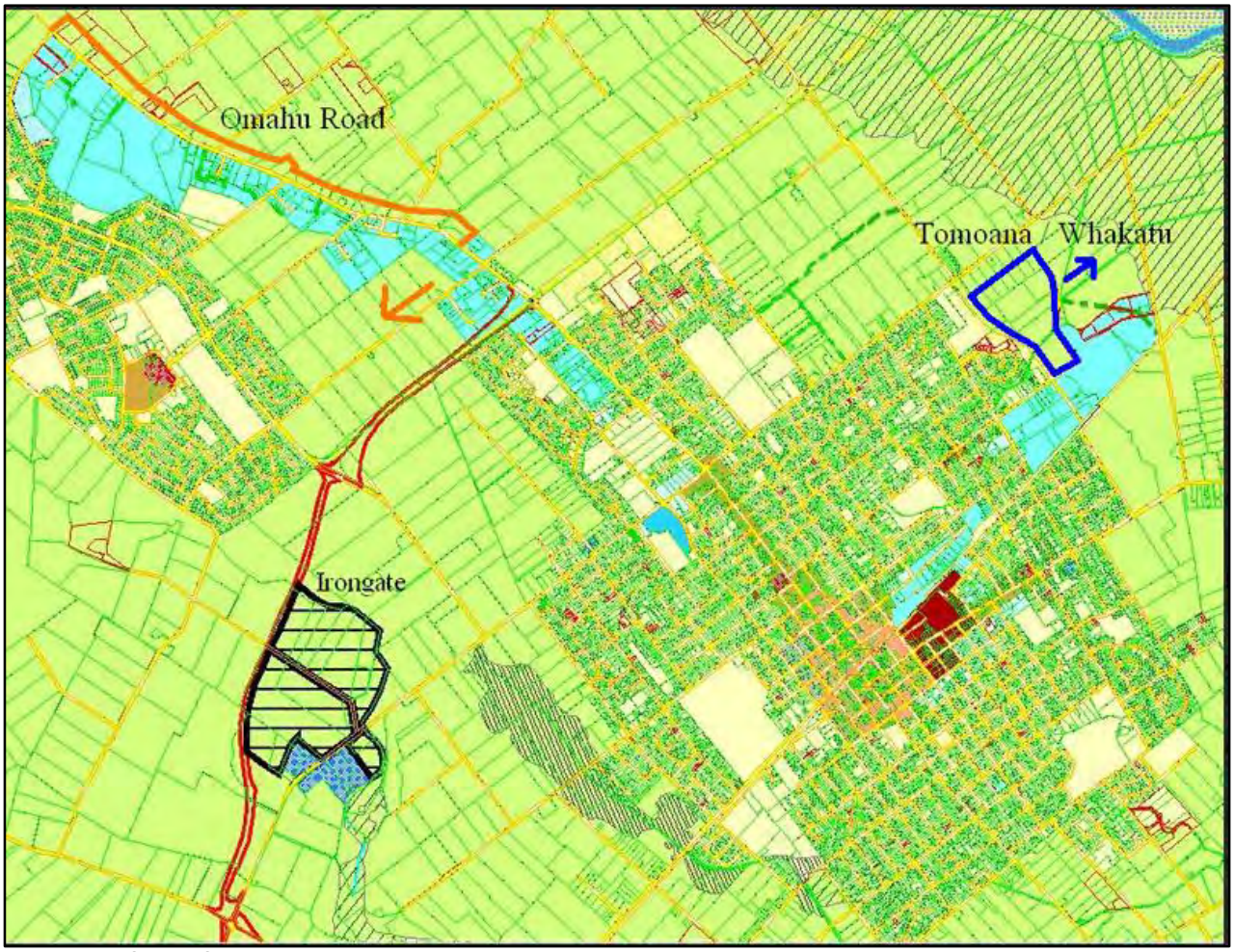
Table 1 – Hastings District Council Industrial Growth Strategy 2009

Location	Projected Development to 2019 in Hectares	Projected Development from 2020 in Hectares
Omahu Road	13	16
Irongate	35	43
Tomoana / Whakatu	Nil	25
Total	48	84

[1] *Hastings District Council Industrial Demand Study,* August 2002, Logan Stone Ltd.

[2] Report to the Hastings District Council Development and Environment Committee Meeting titled: *Industrial Zone Expansion Plans,* 25 September 2003, by Megan Annear and Anna Summerfield.

Figure 1– Map of areas identified in the Hastings District Council Industrial Growth Strategy 2009



2.2 Plan Change 57

Work commenced on preparing a Structure Plan for the Omahu North area in 2007. This process took some time with the principle constraint being to design a comprehensive stormwater solution to mitigate the effects of industrial development on both stormwater quality and quantity that would be able to gain a 'stormwater discharge consent' from the Hawke's Bay Regional Council (HBRC).

The stormwater consent was applied for in 2012 prior to Plan Change 57 being notified. Caution was taken in designing a stormwater system that would be acceptable to the HBRC due to delays that had occurred in the rezoning of the Lyndhurst residential area due to stormwater issues. Further to this, development is constrained in parts of Whakatu where there is no access to a reticulated stormwater system, and Council wished to avoid such a situation at Omahu North.

The technical reports prepared to inform Plan Change 57, or referred to in the section 32 report for that plan change, are set out in Table 2 overleaf. Some of these reports remain relevant to this current Variation. Such relevance is established in the column headed 'Comment' in Table 2.

Table 2 – List of Technical Reports Prepared in Support of Plan Change 57

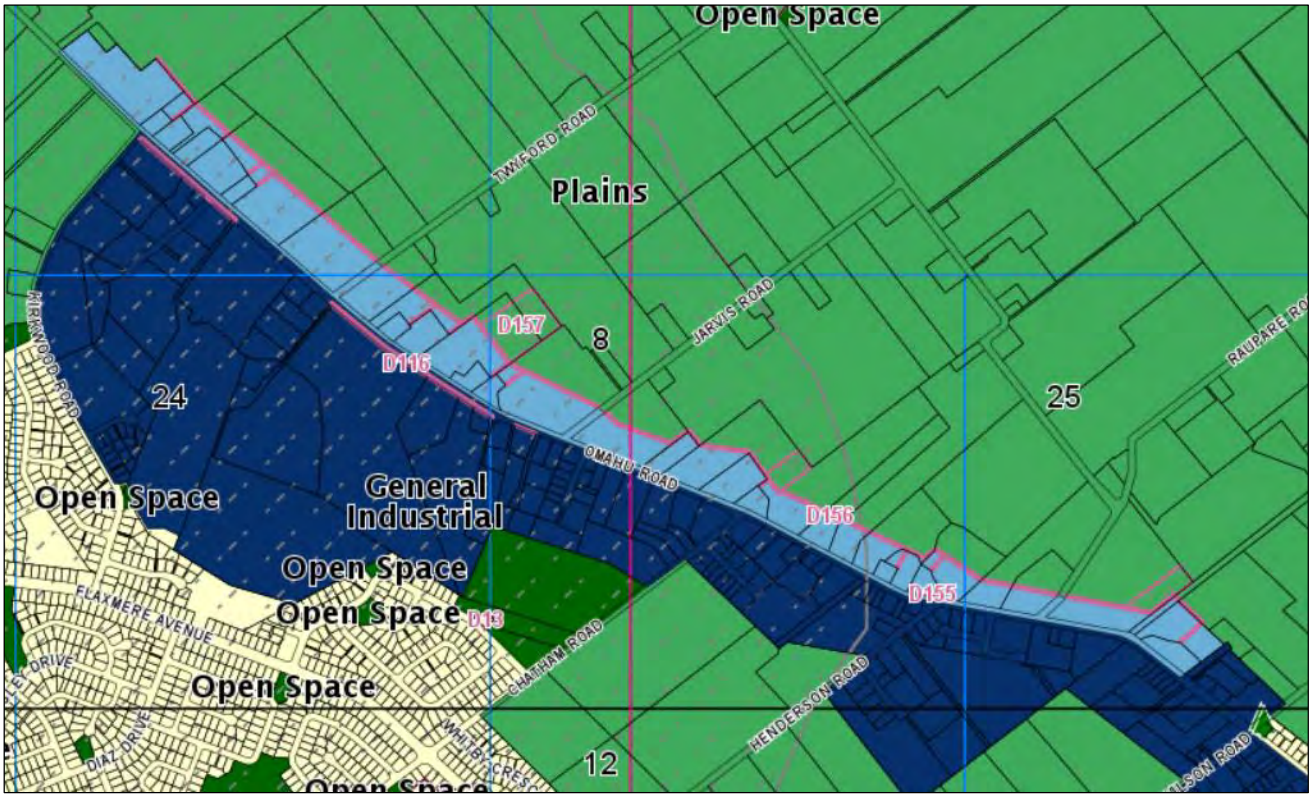
Report Title[3]	Author	Comment
HDC Industrial Site Selection Report, Sept 03	HDC Internal (A Summerfield & M Annear)	In undertaking a district wide comparative assessment of the best areas for industrial greenfields development, the Omahu North Area was identified along with Irongate for 'dry' industry. **This report remains relevant to the Variation**.
HDC Industrial Demand Study Update, June 08	Logan Stone	This report sought to project the likely demand for industrial land in the District out to 2019. An updated industrial land projection is required to support the Variation.
Omahu Plan Change Industrial Land Demand and Viability, August 12	Logan Stone	This report provided a brief update of the 2008 Industrial Demand Report and a brief financial viability assessment in regards to Plan Change 57.
Omahu Plan Change – Soils Quality & Impact Assessment, 2012.	Ag First	This report identifies the soils in the Omahu North Rezoning area and their relative versatility for land based primary production. It is still relevant, alongside the Page Bloomer Jan 2014 report (commissioned prior to the submission hearings). With regard to soils, anecdotal evidence provided by landowner submitters at the Plan Change 57 hearing is also relevant to consider. **No new soils assessment is necessary.**
HDC Desktop Archaeological Assessment, June 2009	HDC Internal – T Gray	This report includes maps of the wider area identifying the location of archaeological sites, waahi tapu and Other Historic Features. **This report is still relevant** as the additional land included in the Variation is also covered by this report.
Omahu Plan Change Water & Wastewater Assessment, 2012	HDC Internal – D Stuit & D James	This report describes the water and wastewater services proposed for plan change 57. The water and wastewater services proposed in the Variation are different with a larger area and these services are to be provided from the rear of the zone rather than from Omahu Road.

[3] These reports are all Available on the Hastings District Council Plan Change 57 Web Page: http://www.hastingsdc.govt.nz/node/2582

Omahu North Integrated Transport Assessment	HDC Internal – A Campion	This report assesses the traffic volumes predicted to result from the industrial rezoning and recommends upgrades to the roading network to ensure that an adequate level of service can be provided. It will have some relevance but a new report for the Variation is required to cover the traffic effects from the larger area.
HDC Application to Discharge Stormwater, 2012	HDC & MWH	This resource consent application to the Regional Council was specific to the stormwater disposal solution proposed with Plan Change 57 and is not relevant to the Variation.

The Omahu Road North Deferred Industrial Zone was introduced by Plan Change 57 which was notified for submissions in November 2012. The area included in the rezoning is identified by the light blue shading on the map shown in Figure 2. Jarvis Road formed the boundary between Stage 1, to its south east, and Stage 2 to the northwest. Under Plan Change 57, industrial development in Stage 1 is a 'restricted discretionary activity' until such time as the servicing is in place and the deferment is lifted. Industrial development in Stage 2 however, is a 'non-complying activity' until such time as Stage 1 is largely developed and the services are extended into Stage 2 allowing the deferment to be lifted. The reason for the staging is to reduce the holding costs for Council between constructing the services and recouping development contributions.

Figure 2 – Map of the area rezoned Deferred Omahu North Industrial Zone in Plan Change 57 (identified in light blue shading).



Hearings of the 19 submissions on Plan Change 57 (plus the further submissions) and the 13 submissions on the associated Notice of Requirement took place in February and April 2013. Council made its decisions on submissions in June 2013 and two appeals to Plan Change 57 were subsequently received in August 2013 from Kevin Bayley & Associated Parties, and Hustler Equipment Ltd & Currie Family, respectively.

These appeals did not challenge the objective of the Plan Change in rezoning the land from plains to industrial, but rather sought that a greater area of land be rezoned. The appeals included associated amendments to the servicing proposals and in particular, doing away with the proposed stormwater drainage swale and retention pond system, in favour of an onsite stormwater disposal system. The timing was such that these appeals were received just prior to the Council adopting the Proposed Hastings District Plan for public notification in September 2013.

2.3 Proposed Hastings District Plan

The provisions of the Omahu Road North Industrial Zone resulting from the decisions on submissions to Plan Change 57 were rolled over into the Proposed Plan which was notified for submissions in November 2013. Five submissions requesting zoning extensions and amendments to the servicing provisions of the Omahu North Industrial Zone were received on the Proposed Plan. Included in the five are submissions from the appellants to Plan Change 57, who essentially requested the same relief as requested in their appeals. The five submissions and associated further submissions are summarised in Table 3.

Table 3 - Submission to the Proposed Plan, relating to the Omahu North Industrial Zone

Submitter	Area of additional Rezoning	Location of additional land sought to be rezoned	Further Submissions
Bayley et al **(Also an appellant to PC57)**	3 Hectares (approx. in regards to own land)	This land is in Stage 1 and stretches from 1215 Omahu Road through to the Currie property which fronts Jarvis Road, in terms of the submitters own land. The submission also seeks a general of widening of the zone over its full length to a minimum depth of 130m following soil and title boundaries where possible.	4 in support 0 in opposition
Hustler Equipment (Also an appellant to PC57)	1.9 Hectares	This involves one property in Stage 1 located at 18 Jarvis Road, being the corner of Jarvis and Omahu Roads (referred to above as the 'Currie property'). The submission seeks that the rezoning covers the entire property, rather than having the boundary bisect the property.	3 in support 0 in opposition
Golden Oak	3.3 Hectares	10 Ormond Road in a strip of land from Ormond Road through to the Expressway. The land is located behind a row of residentially zoned dwellings fronting Omahu Road. This land doesn't adjoin the rezoning area being	1 in support 4 in opposition

		separated by existing Industrial land in the Unison Depot and neighbouring sites.	
Hamish Campbell and David Osborne (two separate submissions relating to neighbouring properties)	5.3 Hectares	The properties subject to these submissions are located in Stage 2 at 1393 Omahu Road and 1 Twyford Road respectively. An extension of 90m to the zone boundary is sought, to give a total depth from Omahu Rd of 225m. The submissions also seek that this land to the north west of Twyford Road not be subject to the staging restrictions amongst other amendments sought.	8 in support 2 in opposition (most of these further submissions were made on both of these respective submissions)

The five submissions identified above and associated further submissions were not heard as part of the 2014 / 2015 submission hearings and were therefore excluded from the decisions on submissions to the Proposed Plan made by Council on 27th August 2015. Upon a variation to a proposed plan being notified (as is proposed here), submissions to the proposed plan automatically become submissions to the variation, with those submitters also having the opportunity to lodge fresh submissions on the variation.

As the land subject to the Golden Oak submission is physically removed from the Omahu North Industrial Area identified in the Proposed Plan, that submission and the associated further submissions have been recently heard (March 2016) by an independent commissioner, with a decision pending. Regardless of the outcome of that hearing, the Golden Oak land would not be incorporated into the variation due to it being physically separated from the remainder of the land involved. The remaining 4 submissions referred to above will carry over as submissions to this Variation.

Given the background outlined above, the current zoning situation applying to the Omahu North area is complicated. The underlying zoning in the Operative District Plan is Plains Zone, with the Deferred Industrial 2 (Omahu North) Zone sitting over this via Plan Change 57. This Plan Change has never been made operative due to the two outstanding appeals, meaning that the underlying Plains Zone would still have some status in the consideration of any resource consent application. In addition to this, is the Deferred General Industrial (Omahu North) Zone applying under the Proposed District Plan, which is now proposed to be amended by this variation.

2.4 Alternative Stormwater Solution

In regards to Plan Change 57 and the Omahu North Industrial area in the Proposed Plan, the proposed stormwater reticulation system based on a swale drain to retention ponds, is also in question by the submitters and appellants. As the swale is intended to form the boundary of the zone it is implicated in any decisions regarding the extension of the zone. There has been ongoing discussion between Council engineers and the appellants' representatives since Environment Court mediation on the Plan Change 57 appeals in late 2013. The purpose of the discussions has been to explore whether or not, an alternative

and consentable stormwater solution that does not rely on reticulation to retention ponds, may be available. This would then allow the zone boundary to be shifted further back from Omahu Road.

HBRC engineering staff have also been consulted in regards to the alternative. Council's Water Services Manager, Brett Chapman, sought clarification from the regional council as to whether the alternative option could be considered as a variation to HDC's existing discharge consent, or whether a new consent is required. HBRC have advised that either option would be possible and that a new consent would be a controlled activity therefore providing certainty that consent will be granted. The resource consent will be subject to conditions following assessment by the HBRC.

Either way the proposed alternative swale solution does not result in any additional stormwater entering the regional council's network except for overland flow from rain fall events exceeding a 2%AEP. This is in contrast to the consented system which did propose some discharge from the retention ponds.

In terms of resolving the Plan Change 57 appeals, agreement was reached not to seek a court hearing while the appellants still had live submissions on the Proposed Plan. The thought was that if some agreement could be reached going into the Proposed Plan hearings to alleviate the submitters concerns and that if this was carried into the decisions, then the appeals could be withdrawn.

It has transpired that agreements were never reached in time for the hearing, originally scheduled for April 2015 and then rescheduled for July 2015 before being postponed again. A report commissioned from Beca Consultants (the 'Beca Report') to review whether engineering services proposed for the Omahu and Irongate Industrial Zones were appropriate, was also being waited on to input into the hearings. The Beca Report and its peer review were subject to several delays.

A Council workshop was held in July 2015 in which the Beca Report was presented to Council and interested parties. A presentation was also made on an alternative servicing solution applying to an expanded area at Omahu Road North by consultant engineer, Ray O'Callaghan of Cardno on behalf of the Plan Change 57 appellants.

The solution put forward by Mr O'Callaghan and supported by Council Water Services Manager, Brett Chapman (being the culmination of discussions between the appellants' representatives and Council engineers), was received favourably at the workshop and has ultimately evolved into the Plan 'Variation' that is the subject of this report. This solution was also generally consistent with the relief sought by four of the five outstanding submissions to the Proposed Plan. The land sought to be rezoned by the Golden Oak submission is physically separated from the rezoning area so was not included in the alternative plan put forward at that workshop. The map in Figure 3 depicts the extent of the rezoning initially proposed under this alternative stormwater solution shown as purple shading.

Figure 3 – The extent of rezoning under the alternative stormwater solution as proposed July 2015

This proposal as at July 2015, involved an expansion of the zone from an area of 36ha to an area of 55ha. The alternative stormwater solution proposed involved the use of a 20m wide detention and soakage swale located to the rear of the zone. The principle of this approach is that stormwater would be both treated and disposed of by the soakage swale. Therefore, there is not any requirement for reticulation of stormwater along the length of the swale. Properties fronting Omahu Road that do not extend as far back as the proposed swale would have their stormwater conveyed to the swale via piped service connection corridors through the neighbouring property. The swale would also function as a services corridor for reticulated sewer and water services and provide for maintenance vehicle access.

This stormwater disposal method would remove the need for staging. This is significant, as the ongoing industrial development established via resource consent within Stage 2 in anticipation of a future industrial zoning, was going to make the enforcement of a delay in the development of Stage 2 very difficult.

At the abovementioned workshop it was assumed that this alternative stormwater solution would be able to be implemented by making decisions on the outstanding submissions. Council's legal advice however was that this solution goes beyond the scope of the outstanding submissions. The conclusion of the legal advice was that if Council wishes to pursue this alternative proposal, the correct course of action would be to do so via a Variation to the Proposed Plan via the RMA submission, further submission and hearing process. Hence, the Variation being progressed by this report.

3 Description of Proposal

3.1 General Description

This Variation to the Proposed Plan involves rezoning a 63.2ha area of land at Omahu North to General Industrial Zone. An additional area of 6.3ha adjacent to the boundary of this zone is proposed to be designated for a stormwater drainage swale and service access corridor. This compares to the 36ha 'Deferred Omahu North Industrial Zone' in the Proposed Plan, which involved an additional area of between 4.6 and 5.9ha for the stormwater swales and infiltration basins.

In terms of depth back from Omahu Road, the zone will be over 300m at its widest point, but will range in depth from 200m – 250m for most of its length. The range in depth is due to the nature of the existing property boundaries, which are used as zone boundaries where possible and also to use 'square boundaries' where the zone boundary does cut across existing titles to making horticultural activities more efficient on the remaining Plains Production Zone land. The definition of the proposed zone boundary is also consistent with the outcomes sought by the appellants to Plan Change 57 and the outstanding submissions to the Proposed Plan and has included landowner input.

This Variation is intended to provide a General Industrial Zone most suited to 'dry industries' seeking profile from Omahu Road, as was also intended by both the Proposed Plan and Plan Change 57. Little change is therefore proposed to the actual district plan provisions regarding the activities permitted in the zone and the standards that apply to them. Due to the additional depth of the Zone back from Omahu Road now proposed, the rear of the zone would be suitable for 'dry industries' that are not dependant on profile, but still require easy access to an arterial road. The dry industries include those that are not dependent on access to a 'trade waste' sewer system. The Zone would not however be suitable for food processing industries that have high water needs and a correspondingly high generation of wastewater.

In addition to the large area involved with the Variation, another key difference is that it does not involve any staging or 'deferred zonings'. This is enabled by the proposed stormwater soakage swale and service corridor defining the rear boundary of the zone. The swale is designed to accommodate stormwater up to a 50 year rainfall event by infiltration to the ground (soakage). There is no need therefore for stormwater to be conveyed along the swale. This means that development of any given property can occur by construction of the section of swale for that property. Therefore, each property can develop independently at a timing of the owner's choice. Further to this, Council has committed to providing reticulated water and wastewater services as soon as new development occurs. There is no need therefore to defer the zoning until reticulated services are all in place.

There is a separate Notice of Requirement application associated with this Variation to the Proposed Plan to designate the drainage swale and service access corridor. The intention is for this corridor to be in Council ownership which will allow for consistent maintenance of the services located within the zone.

3.2 Stormwater

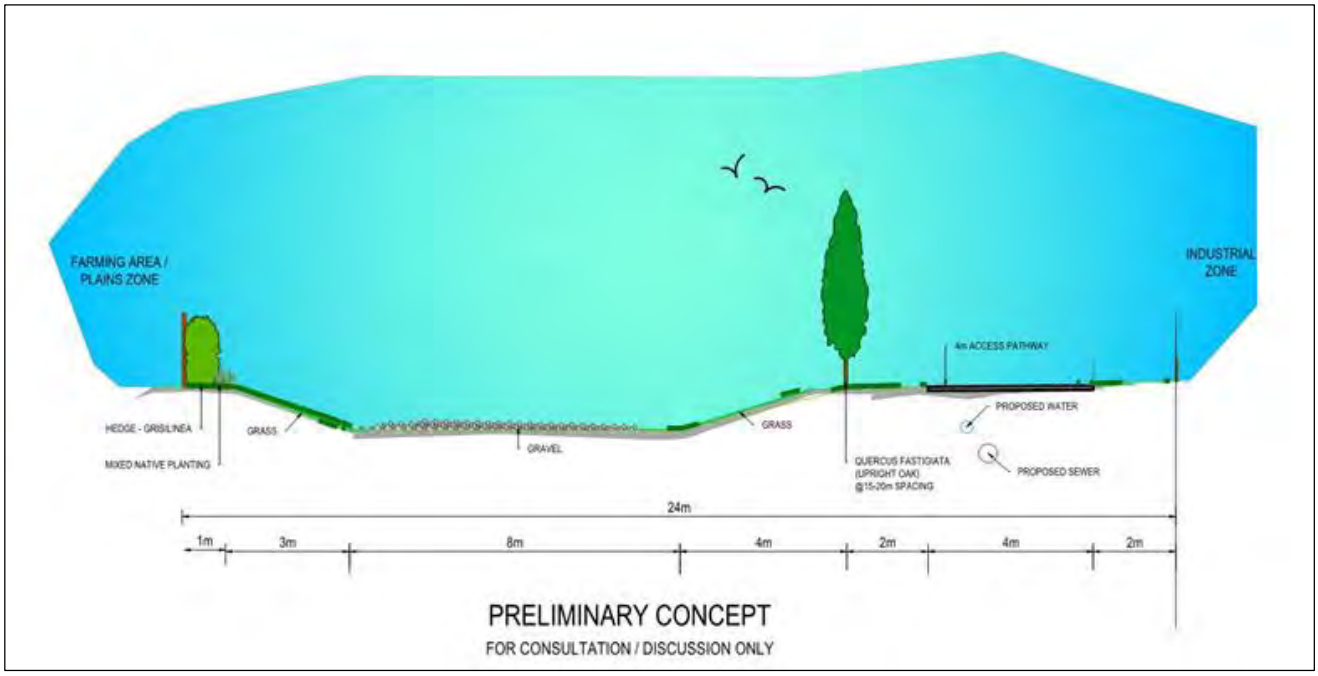
The proposed stormwater swale will be designed to both treat and dispose of stormwater. Treatment will be via filtration through a sand and gravel bed at the base of the swale.

The concept for the full width of the swale / access corridor is explained by the cross section diagram in Figure 4. It is intended that Council purchase and retain ownership of the stormwater swale and access corridor, although individual landowners / developers will be responsible for constructing the length of the stormwater swale adjacent to their property upon subdivision or development.

Construction of the swale will be required to be to Council specifications. The swale will be subject to a stormwater discharge consent (required from HBRC), which will be applied for and held by the Hastings District Council.

Council would be responsible for constructing the sewer and water services and vehicle access lane. The actual landscaping design of the swale is still to be confirmed by Council and would not be able to be put in place until such time as all the necessary construction of services (stormwater swale, water and wastewater pipes and access lane) has taken place. The diagram in Figure 4 is therefore conceptual in terms of aesthetics, but accurate in depicting the location of the proposed services. Figure 5 shows a conceptual aerial view of the swale and access corridor.

Figure 4 – Conceptual Cross Section of Stormwater Swale and Access Corridor Strip



A different perspective of the same concept is provided by Figure 5 overleaf, where the stormwater swale is shown in the light grey shaded area.

Figure 5 – Aerial Conceptual Diagram of the Proposed Stormwater Swale and Services and Access Corridor to Service the Omahu North Industrial Zone

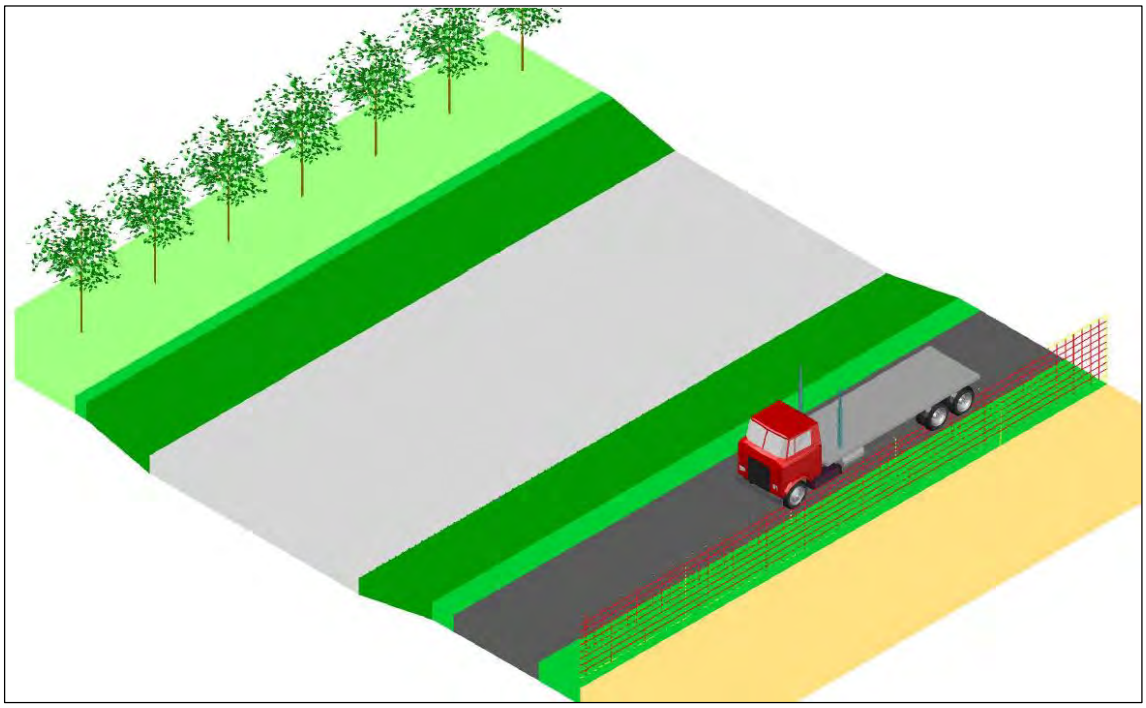


Figure 6 below shows the proposed location of the stormwater swale over an aerial photograph. The stormwater swale is not connected along the full length of the zone, instead running in sections. The 'proposed access corridor' is connected along the full length of the zone in providing both underground water and wastewater services and aboveground vehicular access for maintenance and construction purposes and would also provide for emergency access for firefighting.

Figure 6 – Stormwater servicing plan for the Omahu North General Industrial Zone

The proposed 'stormwater swale corridor' is to provide for stormwater disposal by infiltration to ground for each property within the Zone upon subdivision or development for industrial use. The proposed 'access corridor', provides vehicle access for the construction, servicing and maintenance of the stormwater swale and also access for reticulated underground wastewater and water services. The 'service corridors' shown in orange provide access (via underground pipes) to the stormwater swale and wastewater and water services to those properties that are physically separated from these services.

A full technical description of the stormwater, water and waste water servicing proposed to service the Omahu North Industrial Zone is provided in a report from consultant engineer, Ray O'Callaghan. This is attached in Appendix 1.

3.3 Water and Wastewater

The design and location of the water and wastewater services is summarised in Figures 4 – 6. A full description of these services is also provided in Mr O'Callaghan's report (Appendix 1).

It is intended that the water and wastewater services will be constructed as soon as possible so as not to delay intending industrial development. Confirmation of the Notice of Requirement (following the submission and hearing process) to designate the access strip and then subsequent land purchase would be required before construction of these services was legally possible. In the meantime however, construction could commence with the agreement of individual landowners to provide these services through their properties.

3.4 Traffic

A report was prepared by GHD Consultants titled: *'Transport Feasibility Assessment – Omahu Industrial Area'.* This report as attached as Appendix 2.

The purpose of the GHD report was to update the 2012 *'Omahu North Integrated Transport Assessment'* produced internally by the Council. The 2012 report concluded that the 36ha rezoning once fully developed would generate an additional 630 vehicles per hour on week days, but that additional traffic could be accommodated with "no more than minor" effects on the transport network if recommended upgrades were made to specified intersections. A new GHD report considers the anticipated traffic effects of the rezoning of a larger area of land at Omahu North than previously considered.

Omahu Road is defined in the Hastings District Roading Hierarchy (Appendix 69 of the Proposed Plan) as a 'Regional Arterial' route and it carries more than 10,000 vehicles per day adjacent to the southeastern portion of the Proposed Zone. The analysis in the GHD report suggests that once fully developed, the Omahu North Industrial rezoning as proposed by this Variation would increase the traffic flows on Omahu Road by some 1,152 vehicles per hour during weekday peak flows. The report concludes: *"…there will be no significant impact on the functionality of Omahu Road or the main intersections along this route, following successful implementation of the recommendations contained within this report."*

The intersection upgrades recommended by the GHD Report are summarised in the following bullet points:

- A roundabout at the Henderson Road / Omahu Road intersection.
- A roundabout at the Chatham Road / Omahu Road intersection.
- The Raupare Road / Omahu Road intersection is modified to prohibit right turning both into and out of Omahu Road.
- The Twyford Road / Omahu Road intersection be upgraded to include a formal right turn lane for vehicles on Omahu Road.

3.5 Development Contributions

Development Contributions are set under the Local Government Act through either the Long Term Plan and / or Annual Plan processes and cannot be set or changed by this Variation or to the Proposed District Plan.

Nevertheless the cost of the development contributions is based on recovering Council's development costs in providing the utility and transportation infrastructure for the rezoning, also their payment is triggered by development either through the subdivision or building consent processes.

Some points regarding the development contributions proposed for the Omahu North Industrial Zone are summarised as follows:

- Development contributions to be based on a per hectare (ha) basis and not linked to building size;
- Development Contributions will be payable when land is developed by way of subdivision or building on the site (minor building work not requiring services may not trigger development contributions);
- Current Council policy is for 'growth' costs to be fully recovered through development contributions and not to be subsidised by ratepayers;
- The Variation proposes the rezoning of approximately 63ha of land, plus an additional area of approximately 6.3ha required for the service corridor and drainage swale. It is estimated that approximately 56.5ha of the zone would be available for development. Contributions recovering the costs of establishing new infrastructure will therefore be recovered from this area available for development;
- The current projection from Logan Stone[4] is that it would take 27 years for the zone to be fully 'taken up' with industrial development;
- Legally, council is not permitted to over collect contributions, but Council bears the risk if the opposite occurs and the contributions collected do not cover the actual costs.

The rezoning under this Variation only involves stormwater costs for land purchase, with the system itself being constructed upon development by the developer / landowner. This contrasts with the rezoning proposed under Plan Change 57 and the Proposed Plan which involved full construction of the stormwater swale and associated detention ponds by Council.

The other costs for water, wastewater and road upgrades will increase to varying degrees with the larger area being rezoned. This larger area however provides significantly more land to spread the costs over, resulting in the development contributions being lower in the proposed Variation on a per hectare basis. The cost of the wastewater and water supply will actually be similar compared with construction in Omahu Rd. Further to this there will be comparative cost savings to developers from properties being able to gravitate wastewater to the rear rather than having to pump it up to Omahu Rd.

Under the current policy (total area of 36ha), based on development occurring in Year 1 (within 12 months of services being implemented), a contribution of $\$40/m^2$ would apply.

[4] *Variation to Plan Change 57 Omahu Road North Industrial,* 9 February 2016, Logan Stone Ltd (Attached as Appendix 3)

Under the variation (total area of approximately 63ha), incorporating the revised infrastructure costs, service changes and increased developable area, indicatively a contribution of $22/m^2 would apply (there will be some refinement in this calculation as more accurate information comes to hand). Inflationary increase (BERL) would apply on development occurring in subsequent years.

4 Assessment of Potential Effects Resulting From the Rezoning of the Additional Land Area to Industrial

Section 74(1) of the RMA sets out that a council must prepare and change its district plan in accordance with both its functions under section 31, and the provisions of Part 2. With regards to 'effects on the environment' the functions of a territorial local authority set out under section 31 include:

"(a)…methods to achieve the integrated management of the effects of the use, development…of land and associated natural and physical resources of the district:…"

In terms of Part 2 of the Act, section 5(2) includes: *"In this Act,* ***sustainable management*** *means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while— …*

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment."

The focus of the following assessment of effects is on the industrial rezoning of the additional land at Omahu North over and above the 36ha zoned 'Deferred Omahu North Industrial Zone' by both Plan Change 57 to the Operative Plan and the Proposed Plan. The reason for this is that section 32(3) of the RMA states:

"If the proposal (an ***amending proposal****) will amend a standard, statement, regulation, plan, or change that is already proposed or that already exists (an* ***existing proposal****), the examination under subsection (1)(b) must relate to—*

(a) the provisions and objectives of the amending proposal…"

As a variation to a proposed plan, this is an 'amending proposal' in terms of section 32, therefore it is the provisions of the Variation that require evaluation. Those provisions of the Industrial Zone section of the Proposed Plan that are not being altered by the Variation do not need to be reconsidered and nor does the effects of the industrial development of the 36ha at Omahu North that is already zoned industrial (albeit 'deferred industrial).

4.1 Additional Traffic

As set out in section 3.4 of this report which discusses traffic, it is estimated that once fully developed, the Omahu North Industrial Zone would increase the traffic flows on Omahu Road by some 1,152 vehicles per hour during weekday peak flows. This is an increase of some 522 vehicles over that predicted for the original 36ha area. This is based on information in the report titled: *'Transport Feasibility Assessment – Omahu Industrial Area'* by GHD Consultants and attached as Appendix 2. The GHD report also concludes that there will be no significant impact on the functionality of Omahu Road provided the recommended intersection upgrades (as summarised in section 3.4) are undertaken.

Based on the Traffic Assessment (Appendix 2), effects of the additional traffic movements generated by the development of the additional industrial land can be mitigated.

4.2 Additional Loss of Plains Zone land

The Variation will result in a rezoning of a greater area of land compared to the current Deferred Zoning (PC 57 & Proposed Plan). The following table sets out a comparison of the areas involved with the Variation compared to the land zoned by Plan Change 57 (PC 57) and the Proposed Plan.

Table 4 – Area of Land Involved in Variation

Component	PC 57 / Proposed Plan	Variation	Difference
Industrial Zoning	36.5ha	63.2ha	26.7ha
Infrastructure Designations	5.9ha[5]	6.3ha	0.4ha
Totals	42.4ha	69.5ha	27.1ha

The net effect of the Variation therefore, is to make an additional 27.1ha of Plains Production Zone land unavailable for Land Based Primary Production (assuming full development of the proposed Omahu North General Industrial Zone over time).

From a pure 'protection of soils' perspective, this would seem to be negative and a relatively significant effect of the Variation. In terms of Council's function of achieving the integrated management of effects however, there are a number of reasons why the Variation is seeking to rezone a larger area of land.

These reasons are set out in the following bullet points:

- Better alignment with existing title boundaries. PC 57 resulted in a total of 17 separate title boundaries being bisected by the zone boundary. The number of title boundaries bisected by the proposed zone boundary reduces to 7 in the Variation with these zone boundaries generally square to the title boundaries assisting the efficiency of horticultural planting layouts on the land remaining in the Plains Production Zone;
- Better acceptance by affected property owners to the boundary proposed in the Variation. This includes the owners of the seven titles whose properties are bisected by the Proposed Zone boundary, who have generally indicated through the face-to-face consultation process that the Zone boundary proposed in the Variation is acceptable to them;
- Better alignment with soil type boundaries and the areas of lesser productivity according to anecdotal evidence. This point is expanded on further overleaf, with reference to soil maps.
- A reduction in the per hectare Development Contribution costs by having a greater area over which to spread the costs of the required service infrastructure;
- A stormwater disposal system based on infiltration at the rear of the Zone rather than reticulation to retention ponds. The previous zone boundary was defined by the stormwater swale system which was constrained in its location and alignment so that the necessary falls could be achieved for the water to flow to the designated infiltration areas. This was the cause of much frustration to the landowner submitters who did not support the alignment of the zone boundary, leading to submissions in opposition and ultimately appeals;

[5] An exact figure was not specified, the 5.9ha quoted in this table was the maximum area anticipated however the 'expected area' was 4.6ha.

- The Zone boundary proposed in the Variation has the support of the appellants to PC 57 and is consistent with the changes sought by the outstanding appeals to the Proposed Plan;
- The larger area of rezoning in conjunction with the Variation proposed for the Irongate Industrial Area, will create long term certainty in the location of the Hastings District's industrial land supply. The land included in the Omahu North Variation is projected to take 27 years to be developed;
- The additional land added to the proposed industrial zone in the Variation is generally greenfields land unconstrained by existing development, therefore offering better options for industrial activities with larger land area requirements which would have been constrained by the existing development and narrow depth of the previous zone.

In terms of soil quality and assessment as to relative productivity, two separate reports were produced as part of the PC 57 process. The first was commissioned by the Council in August 2012 as part of the supporting technical information for PC57 from AgFirst (John Wilton) titled, *'Omahu Road Industrial Rezoning – Soils Assessment'*. This report is attached as Appendix 4. The second was also commissioned by Council in assessing the merits of the submissions received on PC 57 in January 2013 from Page Bloomer Associates Ltd (Dan Bloomer), titled *'Omahu Road Industrial Rezoning Submissions: Soils Assessment'.* This report is attached as Appendix 5.

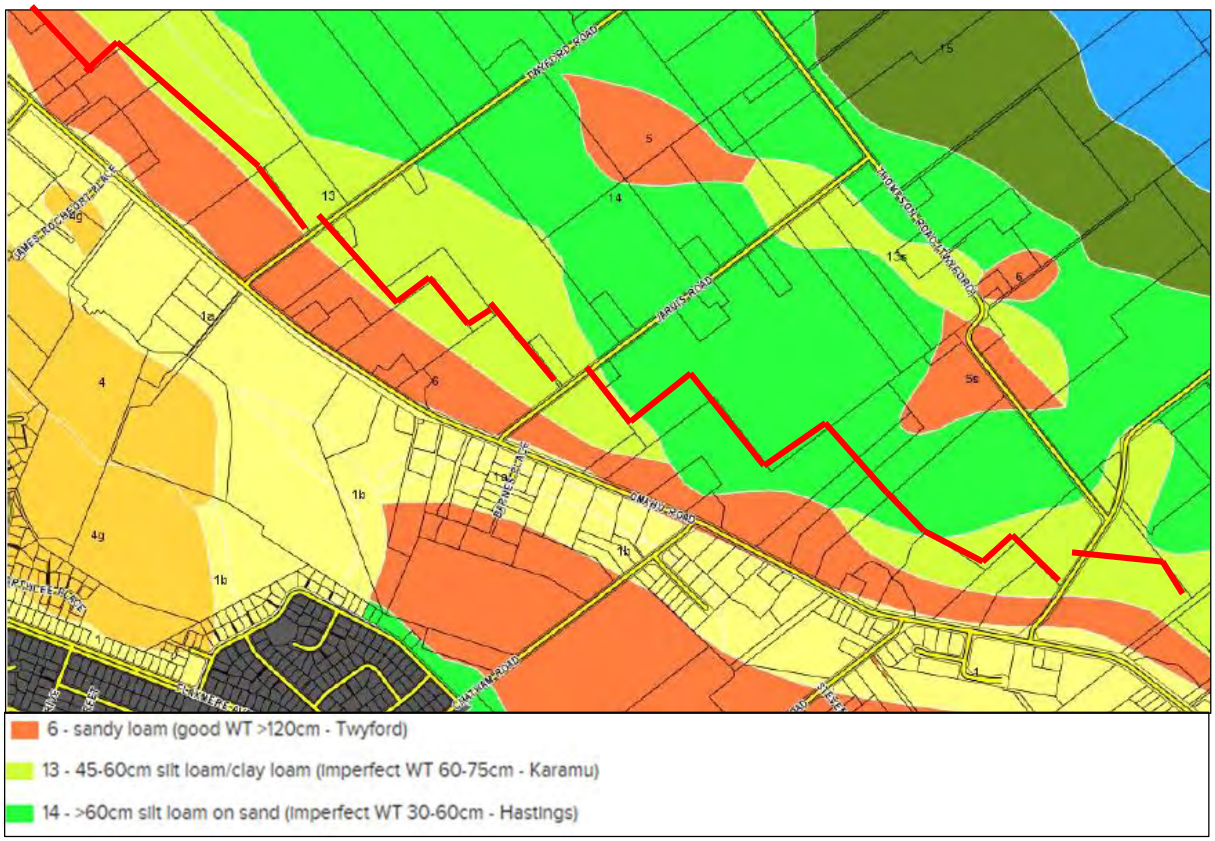
Both of these reports acknowledge that soil type 1 'Omahu Gravels' is poor (although suitable for premium grapes); however, the soil maps indicate only small areas of this soil type within the rezoning area. This is shown as pale yellow shading immediately adjacent Omahu Road in Figure 6.

Both reports state that the '6 Twyford Sandy Loam' soils are highly versatile, as are the '13 & 13s Karamu Silt Loam / Clay Loam' and '14 Hastings Silt Loam' soils, but all are susceptible to pugging and compaction when wet, and damage if cultivated in difficult conditions.

The consistent anecdotal evidence to the PC 57 hearings from various submissions, including those relating to the Campbell, Bayley and Vesty land, is that their crops all perform better in the 13 & 14 soils and that the boundary of the industrial zone would be better to include all of the 6 Twyford soils. The proposed zoning boundary as shown by the red line in Figure 6, largely does this but also includes smaller portion of soil types 13 and 14. Another criticism of the PC57 proposal from submitters, was the inclusion of the stormwater infiltration areas outside of the proposed industrial zone on the 13 or 14 soil types, rather than within the zone on the anecdotally inferior 6 soils.

The zone boundary proposed in the Variation has effectively accepted the anecdotal evidence of the submitters with regards to soil type as can be seen in Figure 7. The proposed zone boundary however is a function of all of those bullet points mentioned above, rather than soil type alone.

Figure 7 – Soils Map Omahu North Area (Proposed Zone Boundary in Red)[6]



During the recent face-to-face consultation process, comments were received from various land owners regarding the performance of the soil on their properties or properties that they were familiar with. There was some comment that although the Twyford 6 soils are versatile, they are lighter and more prone to drying out in the summer. It was also pointed out that there is a highly performing kiwifruit orchard located mainly within the Twyford 6 area which is consistent with the information provided in the abovementioned soils reports. There was also testament from those involved in a large produce company that its orchard located mainly on Hastings 14 soils between Thompson Road and the proposed zone boundary is one of its most productive. Again this is consistent with the information in the abovementioned soils reports.

There is no need to commission another soils assessment as the abovementioned reports remain valid, as does the anecdotal evidence of the landowners in the area as described above.

Given the context of the Hastings District with the emphasis placed on the protection of Heretaunga Plains soils from urban encroachment by both the operative and proposed district plans, the loss of an additional 27.1ha to urban activities cannot be taken lightly. For this reason, the Hawke's Bay Fruitgrowers' Association, who have advocated for the protection of the Heretaunga Plains soil resource for many years, were consulted early on in the face-to-face consultation process for the Variation, which is discussed further under the 'Consultation' in Section 5.

[6] Source Hastings District Council Intramaps (via Landcare Research information)

In summary, the loss of an additional 27.1ha of soil for the Omahu North Industrial Zone can be justified in terms of Council's section 31 RMA function of *"…methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district*:…". The provision of a relatively large area available for greenfields industrial development, located adjacent to existing infrastructure suitable for industrial development (particularly the transportation network) but removed from residential zoned land, in accordance with a long term strategy for industrial development, makes logical planning sense. This Variation, along with the proposals of the Irongate Industrial area, should remove the justification for the approval of out of zone industrial development within the Plains Production Zone, or the need to rezone any additional Plains Production Zone land for industrial purposes, at least in the medium term.

4.3 Adequacy of proposed utility servicing (including storm water)

In terms of avoiding any adverse effects on the environment, including peoples' health and safety, the integrity of the proposed utility servicing is important. As addressed in Mr O'Callaghan's report (Appendix 1) the proposed water supply is designed to provide firefighting capacity. The location of the new water mains to the rear of the zone is also important in this regard, as it means that mains water for firefighting will be available from both the Omahu Road frontage and the rear of the zone.

The availability of reticulated wastewater removes any concerns from the non-performance of onsite effluent disposal systems over the Heretaunga Plains unconfined aquifer and also increases the efficiency of the zone by allowing more land to be covered in buildings or hard surfaces, without the need for effluent soakage fields.

The effects of stormwater quantity and quality are dealt with in detail in the report in Appendix 1. In brief, the swale system includes a filtration system to minimise the potential for contaminants to enter into the ground water. The HDC Water Services Bylaw will enable the assessment of any proposed discharge and impose additional treatment to ensure the stormwater system is not compromised. It is also designed to accommodate stormwater detention for up to a 2%AEP (Annual Exceedance Probability) event; beyond this, stormwater would over top the swale and enter the Raupare Stream catchment by natural overland flow as it does now. No stormwater resulting from increased run off from industrial development will therefore enter the Raupare Stream catchment for events up to a 50 year return period (or 2%AEP).

4.4 Amenity effects from industrial boundary moving closer to houses in Plains Zone

There are two separate scenarios in terms of amenity effects on dwellings. These being the effects of an industrial zone coming closer to dwellings on properties located outside the proposed zone; and also where houses were previously outside the proposed zone, but would now be within it.

In terms of the latter situation, there would be reduced amenity levels for those living in houses which remain in the zone as the industrial development progresses. Houses within the zone are not protected from noise by the district plan noise limits, as these limits are zone based in urban areas and not land use based. In acknowledgement of the need for industrial activities to generate noise the noise limits applying to the industrial zones are significantly higher than those that apply to rural or residential zones for

example. The owners of these dwellings will however be able to choose when and if the land on their own property is developed for industrial use.

There are some dwellings that are on relatively small titles. In these situations the owner will have the option of staying in the dwelling in the meantime, but as residential amenity levels reduce with industrial development occurring on surrounding land, the residential value of the dwelling will decrease while the value of the underlying land will increase for its industrial potential.

There may be some reduced amenity levels for the owners of existing dwellings in the Plains Zone that will be closer to the Zone boundary proposed in the Variation. There are a number of standards in the district plan provisions proposed in the Variation that seek to mitigate the effects of industrial development on residents in the Plains Production Zone. These standards are set out in Table 5 as follows.

Table 5 – District Plan Standards from Section 14.1 'Industrial' as proposed in the Variation to Mitigate the Effects of Industrial Activities on Adjoining Plains Zone Residents

Ref	Standard	Comment
14.1.6A.2	*14.1.6A.2 HEIGHT IN RELATION TO BOUNDARY* *(a) On any boundary with a site zoned Plains[1], Rural, Residential or Public Open Space, buildings shall not project beyond a building envelope constructed by recession planes from points 2.75 metres above the boundary. The angle of such recession planes shall be determined for each site by use of the recession plane indicator in Appendix 60.* *Note 1: In the case of the boundary of the Omahu North General Industrial Zone with the designated stormwater swale and / or services and access corridor, the recession plane calculation shall be from the Plains Production Zone side of this designated corridor.*	The maximum height of buildings in the General Industrial Zone (including Omahu North) is 30m. This recession plane rule ensures that buildings of this height cannot be located near to the zone boundary so as to protect neighbouring residents in the Plains Production Zone from the visual effects of excessive building bulk and any shading that such a building may cause.
14.1.6A.3	*14.1.6A.3 SETBACKS …* *Storage Setbacks* *No structure shall be erected or item/s stored in manner that exceeds a height of 1.5m from ground level within 2m of a boundary adjacent to a Residential, Open Space or Plains Zone[1].* ***Note 1: In the case of the boundary of the Omahu North General Industrial Zone with the designated stormwater swale and / or access corridor, this storage setback rule shall not apply as the designated corridor will ensure a physical separation from industrial activities to adjoining Plains Production Zone properties. For the avoidance of doubt, this exemption does not apply where there is an easement for underground service connections only.***	The 'Internal Yard' setback standard ensures a 5m separation of industrial buildings from the zone boundary. The width of the drainage swale and / or service and access corridor will ensure an even greater set back from industrial buildings from nearby residents in the Plains Zone. That is 5m + 24m where the full drainage swale and access and service strip is proposed, or 5m + 7m where there is no swale, but an access and service strip. The storage setback exemption from the designated strip allows for the efficient use of

		industrial land that cannot be built on for outdoor storage purposes.
14.1.6A.5	*14.1.6A.5 SCREENING* *All other Internal boundaries adjacent to a Plains zone Either a 1.8m high solid fence; or a 2m wide landscaping strip shall be provided along the full length of any side or rear boundary adjacent to a Plains Zone.* ***This requirement does not apply to boundaries adjacent to the designated stormwater swale corridor in the Omahu North General Industrial Zone****.*	Even though the stormwater swale and / or access and services corridor provides a physical separation and potentially some landscape plantings, this standard ensures some responsibility on the industrial land owner to internalise the visual effects of their activities and to mitigate such effects on adjoining Plains Production Zone residents.

Further to the rules outlined in Table 5 above, the Noise Section of the Proposed Plan applies more restrictive noise limits for industrial activities that are located near to residential activities in the Plains Zone. Table 6 sets out a comparison of the noise limits to be achieved over boundaries internal to the industrial zone, compared to those to be achieved within the notional boundary of any dwelling (that is within 20m of the dwelling) within the Plains Production Zone.

Table 6 – Comparison of Noise Limits in Section 25.1 of the Proposed Plan that would apply to the Proposed Omahu North General Industrial Zone

Nature of Limit	Internal to Industrial Zone	Within 20m of Plains Zone Dwelling
General Noise Limit	On any day at all times 70 dB $L_{Aeq\ (15\ min)}$	0700 to 1900 hours 55 dB $L_{Aeq\ (15\ min)}$ 1900 to 2200 hours 50 dB $L_{Aeq\ (15\ min)}$ 2200 to 0700 hours the following day 45 dB $L_{Aeq\ (15\ min)}$
Maximum Noise Limit	On any day at all times 85 dB L_{AFmax}	2200 to 0700 hours the following day 75 dB L_{AFmax}

Of particular relevance to neighbouring residents is the restrictive night time noise limits of 45 dB_{LAeq} that would need to be met within 20m of their dwelling. The New Zealand Standards for the Assessment and Management of Noise are based on an industry acceptance that a noise limit of 45 dB_{LAeq} protects residents from sleep disturbance.

4.5 Effects on individual owners of alignment of zone boundary / services strip

There has been considerable refinement of the swale and service access alignment presented as a concept in July 2015. Since the 10th February 2016 landowner consultation meeting, there has been a targeted program of face-to-face consultation with landowners to establish their preferred alignment for the zone boundary / service corridor (as well as providing an opportunity for questions to be asked and information provided about the proposed Variation). Details of this consultation programme are set out in section 5 overleaf.

The outcome of the process is that the location of the strip has been able to be refined so that it is acceptable to most of the landowners within the zone. It is acknowledged that in some situations the most logical location for the zone boundary and service corridor is adjacent to and within the boundary of the property being rezoned industrial, but that such an alignment will not be favoured by adjoining Plains Production Zone property owners with a dwelling near to that boundary. Unfortunately, pushing the zone boundary further back towards Omahu Road will create more split zonings within properties and awkward fragments of Plains Zone land that are too small to be viable for horticultural purposes. This is exactly the situation that arose out of the rezoning proposed by Plan Change 57 / Proposed Plan that has been deemed unworkable by landowners within the zone.

In these situations of the zone boundary and designated strip being adjacent to a dwelling in the Plains Zone, the plan standards of the Omahu North Industrial Zone are designed to protect the amenity of nearby residents in the Plains Production Zone (as set out in Tables 5 and 6).

Over the 3.2km length of the Omahu North Industrial area there are two sections of swale and service access strip that have proved very difficult to align. These are discussed in turn as follows:

One example is the boundary of a highly productive orchard and a property containing a substantial and well maintained character dwelling and gardens. As would be expected, the orchard owners do not wish to lose any of their orchard to industrial infrastructure that they will not receive any benefit from. On the other side of the boundary, any loss of land to a drainage swale and service access corridor would encroach substantially on the outdoor living area and outlook of the dwelling resulting in a loss of amenity values to its owners. An aerial photograph of this example is shown in Figure 8.

Figure 8 – Area in the vicinity of an Orchard / Dwelling Boundary

Given the positions of the respective property owners, there is no way that the drainage swale and service access corridor could follow the Council's preferred alignment adjacent to the property boundary, without adversely affecting one or other of the landowners. Figure 8 shows a compromise were the swale stops short of the western boundary of the property with the house and gardens, and then recommences on the neighbouring property to the east. This is on the basis that the owners of the property have agreed that it is preferable for them to lose some of their land with potential for industrial development to an onsite stormwater disposal system. Industrial development on their property will therefore be subject to an onsite stormwater disposal standard. The future industrial landowners would also be responsible for the ongoing maintenance of that system, which is not the case for the designated swale system that the Hastings District Council will be responsible for maintaining.

The proposed alignment of the service and access corridors in Figure 8 was drawn after initial face-to-face consultation with representatives of the properties either side of the boundary; during which, it was apparent that neither party wanted the stormwater swale or access corridor on their side of the boundary. A subsequent iteration of the service and access corridor alignment has now been developed that goes around the house and garden and through the industrial portion of that property.

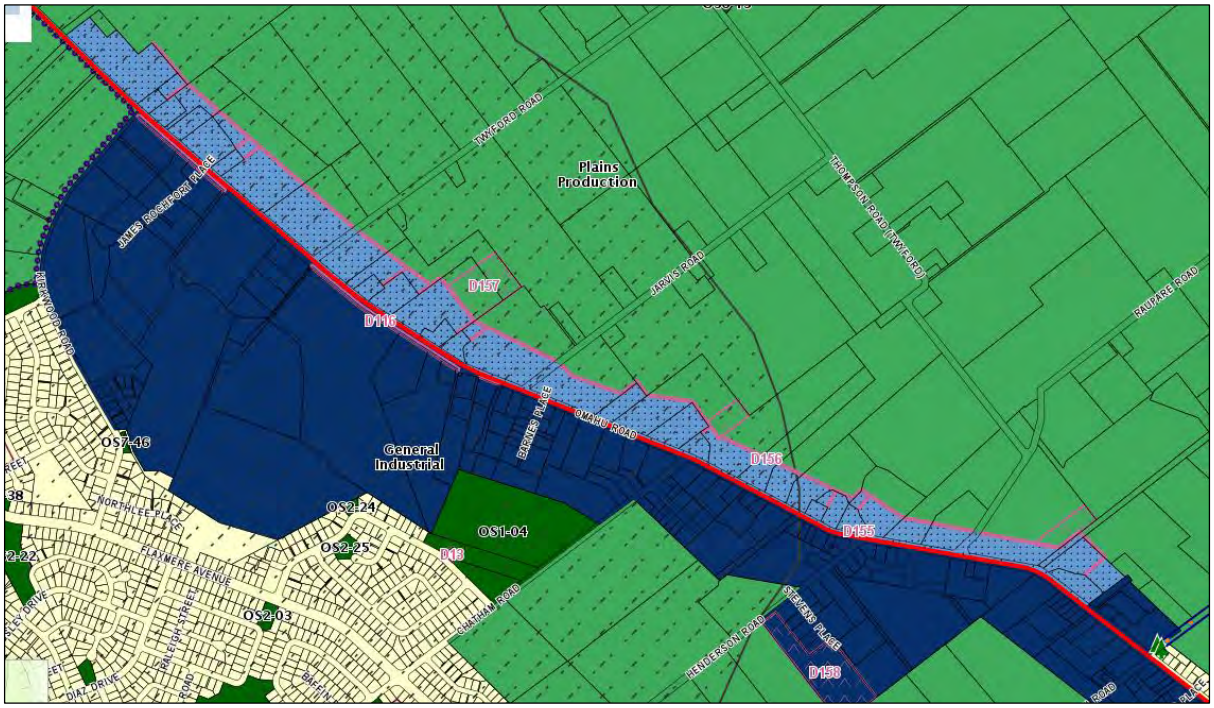
The other area where it is difficult to find an acceptable solution to all parties is shown in the aerial photograph presented in Figure 9. Clearly this is an example where the boundary of the new zone has moved closer to a Plains Zone residence. As discussed above and shown in Figures 4 and 5, the swale will provide a physical buffer between the industrial zone and Plains Zone dwelling. Further to this, the district plan standards outlined in Tables 5 and 6 will provide further protection to the Plains Zone dwelling. The alignment of the swale as shown in Figure 9 also allows the principles of using property boundaries to define the zone boundary where possible, to be kept.

Figure 9 – Area in the vicinity of Jarvis Road and a Plains Zone Dwelling

4.6 Potential effects on unconfined aquifer from infiltration of contaminants

In terms of environmental effects that must be avoided, it is critical that the industrial rezoning does not result in any increased risk of contaminants entering the unconfined aquifer. The location of the unconfined aquifer in relation to the proposed Omahu North Industrial Zone and stormwater infiltration swale is shown in Figure 10. This map is extracted from the Proposed Plan maps and therefore shows that version of the Omahu Road North Industrial Zone (light blue), and the extent of the unconfined aquifer is depicted by the black diagonal dots and dashes pattern.

Figure 10 – Location of the Heretaunga Plains Unconfined Aquifer



As is evident from Figure 10, most of the proposed Omahu North Industrial Zone lies over the Heretaunga Plains Unconfined Aquifer. The southeastern quarter of the zone is however clear of the unconfined aquifer. Additional rules and standards apply to land in the zone that is situated over the unconfined aquifer as set out in and under Table 7.

Table 7 – Proposed Plan Provisions Relating to the Heretaunga Plains Unconfined Aquifer – Extracted from Section 29.1

RULE	LAND USE ACTIVITIES	ACTIVITY STATUS
HS1	The Storage, Handling or Use of Hazardous Substances (excepting Arsenic (As) and Major Hazardous Facilities) within the Heretaunga Plains Unconfined Aquifer.	Permitted
HS4	Permitted activities not meeting the Specific Performance Standards and Terms in Section 29.1.6.	Restricted Discretionary
HS5	Major Hazardous Facilities	Discretionary
HS8	The Storage, Handling or Use of Arsenic (As) within the Heretaunga Plains Unconfined Aquifer RMU.	Prohibited

29.1.6A THE STORAGE, HANDLING OR USE OF HAZARDOUS SUBSTANCES WITHIN THE HERETAUNGA PLAINS UNCONFINED AQUIFER

i) Impervious surfaces

All hazardous substances shall be stored and handled on areas which have impervious surfaces. In Industrial Zones, this impervious surface requirement also applies to fuel operated machinery and vehicles.

Note: Underground tanks and pipelines are considered to contain hazardous substances within an impervious surface.

(ii) Stormwater

Facilities shall be provided to prevent hazardous substances from being washed or spilled into natural ground or entering any stormwater systems or stormwater ground soakage up to a 1% AEP (Annual Exceedance Probability) rain event.

The above standards are contained in Section 29.1 of the Proposed Plan, 'Hazardous Substances and Genetically Modified Organisms DWA'. This section of the Plan is not proposed to be altered by the Variation. These provisions seek to ensure that any use or storage of hazardous substances occurs on impervious surfaces and that hazardous substances must be contained so that they do not enter the stormwater system.

Given this, there should be no hazardous substances entering the stormwater swale.

4.7 Other Potential Effects of Hazardous Substances

As mentioned in Table 7 above, any 'Major Hazardous Facility' seeking to locate within the proposed zone would first require 'discretionary activity' resource consent, to assess whether and how its potential adverse effects can be avoided, remedied, or mitigated.

Section 33.1 of the Proposed Plan defines a 'Major Hazardous Facility' as follows:

Means any facility which involves one or more following activities:

- *Manufacturing and associated storage of hazardous substances (including industries manufacturing agrichemicals, fertilisers, acids/alkalis or paints)*
- *Oil and gas exploration and extraction facilities*
- *Purpose built bulk storage facilities for the storage of hazardous substances (other than petrol, diesel or LPG) for wholesale or restricted commercial supply*
- *The storage/use of more than 100,000L of petrol*
- *The storage/use of more than 50,000L of diesel*
- *The storage/use of more than 6 tonnes of LPG*
- *Galvanising plants • Electroplating and metal treatment facilities*
- *Tanneries*
- *Timber treatment*
- *Freezing works and rendering plants*
- *Wastewater treatment plants*
- *Metal smelting and refining (including battery refining or re-cycling)*
- *Milk treatment plants*
- *Fibreglass manufacturing*
- *Polymer foam manufacturing*
- *Asphalt/bitumen manufacture or storage*
- *Landfills*

Many of these activities are not intended for the Omahu North Industrial Zone in any case, as they would require access to a trade waste sewer system. In the event that a *Major Hazardous Facility* did seek to

locate in the Omahu North Industrial Zone, it would be subject to assessment through the resource consent process.

In addition to the provisions set out in section 18.1 of the Proposed Plan relating to hazardous substances, activities will also be subject to the Hazardous Substances and New Organisms Act 1996 (HSNO). The purpose of the HSNO Act (1996) is to 'protect the environment, and the health and safety of people and communities by preventing or managing the adverse effects of hazardous substances and new organisms'. The HSNO Act (1996) is administered by the Ministry for the Environment and implemented by the Environmental Protection Authority. The new Ministry of Business, Innovation and Employment is also involved with enforcement in terms of hazardous substances.

4.8 Financial risk in terms of holding costs with no staging

With a larger area being rezoned and no staging of service provisions, there is therefore a longer timeframe for development and the recovery of costs by development contributions. This increases the holding costs for the Council after the initial capital expenditure.

Despite increased holding costs however, an overall reduction in the per m^2 development contribution cost has been achieved in the proposal under this Variation compared to the previous Omahu North Industrial Zone. This will be of benefit to the landowners within the industrial zone and the future developers of it.

A potential negative for landowners who were within Stage 1 of the Plan Change 57 version of the Omahu North Industrial Zone, is that under that proposal their land would have had some scarcity value and therefore potentially attracted a higher sale price. It would follow that due to the greater industrial land supply that would result from the proposed Omahu North and Irongate Industrial Variations, that land should ultimately have a lower market value. If this was to be the case, it would of course be beneficial to those seeking to buy and develop industrial land. It is also noted that the consultation undertaken suggests that landowners in the previous Stage 1 are generally more supportive of the rezoning under this Variation, mainly due to the more practicable zone boundaries and servicing arrangements able to be achieved being considered more important than an increased supply of industrial land.

It is acknowledged that many variables apply in the sale and marketing of land for development and in the case of greenfields residential land in provincial areas such as Hawke's Bay, market prices have not necessarily been reduced during periods where there is an ample supply of zoned residential land available. Although, increased supply may well have slowed increases in price. It remains to be seen as to whether a similar outcome will apply to industrial land. Ultimately, it is the decision of landowners and developers as to if and when the land comes to the market and is available for sale and development, rather than the zoning of the land in the district plan.

4.9 Effects of Natural Hazards

The Omahu North area is not subject to any natural hazards identified either in the district plan (operative and proposed) or in the 'hazards layer' on the Hastings District Council online GIS mapping system.

4.10 Effects on Land Features of Items of Cultural or Heritage Significance

The Omahu North area does not contain any heritage items or notable trees; waahi tapu sites or archaeological sites as identified in the Proposed Plan. A report was produced prior to Plan Change 57 investigating the presence of any such features in or near to the area proposed for rezoning, with this report also concluding that no such features were present in or near to the proposed rezoning area. This report is titled 'HDC Desktop Archaeological Assessment' (June 2009). As it investigated the wider area surrounding the original rezoning proposal it remains equally valid to the Variation and is attached as Appendix 6.

5 Consultation

This Variation to the Omahu North Industrial Zone has arisen as a response to submitter and landowner feedback on the workability of the PC57 version of the zone. Therefore, as well as the specific landowner consultation that has occurred as part of the preparation of this Variation, the submissions and appeals to PC 57 and the subsequent submissions to the Proposed Plan have also been considered in the preparation of this Variation. This aspect has been outlined in section 2 of this report under the heading 'Background'. The following analysis therefore focuses on the consultation that has occurred specifically in relation to this Variation.

5.1 Requirements of Schedule 1, Clause 3(1)

In terms of statutory consultation requirements Schedule 1, Clause 3 of the RMA sets out the following:

(1)During the preparation of a proposed policy statement or plan, the local authority concerned shall consult—
(a) the Minister for the Environment; and
(b) those other Ministers of the Crown who may be affected by the policy statement or plan; and
(c) local authorities who may be so affected; and
(d) the tangata whenua of the area who may be so affected, through iwi authorities; and
(e) any customary marine title group in the area.

In terms of 1(a), a letter was sent to the Ministry for the Environment on 11th April 2016 advising them of Council's intended Variation to the Proposed Plan on the Omahu North Industrial Zone.

Clause 3(1)(b) does not apply to this Variation, as there is no Crown land or specific interests of the Crown affected by this Variation.

With regards to Clause 3(1)(c), HBRC are potentially affected by the proposed Variation insofar as they are the authority with the jurisdiction for managing stormwater discharges. Discussions have been held with regional council staff in regards to the proposed stormwater management.

In terms of consultation with the tangata whenua of the area under clause 3(1)(d), there has been engagement with both Te Taiwhenua O Heretaunga and Ngati Kahungunu Iwi Incorporated. Potential concerns were raised with regard to the stormwater system and the need to protect both the Heretaunga Plains Unconfined Aquifer and Te Raupare Stream and drain system from any adverse effects of the proposed industrial development.

During the development of the original proposal for Plan Change 57, a hui was arranged in April 2010 to be held at Te Aranga Marae, Flaxmere. This was reported on in the Section 32 Evaluation for Plan Change 57 as follows:

"A hui was held in April 2010 regarding the stormwater options for the proposed zone. Only one representative attended this workshop. No significant issues were raised at this time. Advice was sought from Hastings District Council's Strategic Advisor - Culture and Heritage regarding the need for additional

consultation with Iwi on the proposed Plan Change. It was concluded at that stage that no additional consultation would be necessary. Having sought advice from the New Zealand Historic Places Trust and reviewing the New Zealand Archaeological Association's records ('Archsite') it was concluded that a cultural audit of the proposed zone was not necessary. No further consultation was hence specifically undertaken with iwi. However, all the above groups were provided with updates on the plan change project and offers of additional consultation, as a part of our wider public consultation."[7]

There were no submissions subsequently received regarding tangata whenua interests to either the Plan Change 57 or Proposed Plan Schedule 1 processes in regards to the Omahu North Industrial area.

Clause 3(1)(e) is not relevant to the Omahu North Area.

Clause 3(2) states that: *"A local authority may consult anyone else during the preparation of a proposed policy statement or plan."*

5.2 Consultation with Affected Parties (being 'anyone else' under cl3(2))

Appendix 7 includes a document titled 'Pre-notification Plan Consultation – Omahu Road Variation'[8]. This document provides a summary of the consultation that has occurred since November 2015, which is when the Council committed to proceeding with a Variation to the Proposed Plan to resolve the issues relating to the Omahu North Industrial Zone.

The key features of this consultation are set out in Table 8 below.

Table 8 – Features of Consultation with Affected Parties (Clause 3(2) Schedule 1)

Date	Party or Group Consulted	Comment
8/12/15	Representatives of the HB Fruitgrowers' Association	Meeting at the Executives office. Advised that they can, subject to talking to their members, support the larger area for rezoning.
17/12/15	Mail out to Affected Owners (both within and adjacent to the proposed zone boundary)	Enclosed Map and information sheet explaining the proposed changes in the Variation at a general level.
22/1/16	Mail out to Affected Owners (both within and adjacent to the proposed zone boundary)	Invitation to attend public meeting on 10 Feb.
10/2/16	Public meeting held in Hastings District Council Chambers	Large map of zoning area and servicing proposal in Council foyer with staff available for questions, followed by presentation by consultant engineer, Ray O'Callaghan.
3/3/ 16 – 13/3/16	Targeted Face to Face meetings with representatives of various properties.	Representatives of 13 separate properties were met, generally on site. These meetings were either about a specific property or clusters of properties with similar issues. The meetings provided an opportunity for information

[7] *'Proposed Omahu North Industrial Zone Plan Change 57 to the Hastings District Plan – Section 32 Evaluation',* Hastings District Council, August 2012 (Page 3)

[8] Prepared by Hastings District Council Team Leader Environmental Policy, Megan Gaffaney.

		sharing and establishing the preferred alignment of the zone boundary and servicing corridors.
30/3/16 – 20/4/16	Follow up correspondence with people involved in Face to Face meetings.	Involved sharing updated plans and feedback on the refinements to the previous version.

Clause 3(4) of Schedule 1 requires that consultation with 'anyone else' must be undertaken in accordance with section 82 of the Local Government Act 2002 (the LGA). The LGA, section 82 sets out principles for effective consultation. These can be paraphrased into four key principles that are relevant to the context of this RMA Proposed Plan Variation. These are paraphrased in Table 9 below, with a comment as to how each principle has been achieved or otherwise, during the consultation for this Variation.

Table 9 – LGA Key Principles for Consultation

LGA Principle	Evaluation
Providing accessible and relevant information to those persons that may be affected by a plan in a manner and format appropriate to the preferences and needs of those persons	As can be seen from Table 8 a variety of formats have been used, including a mailed map and information sheet to all affected landowners; an invitation to attend an information evening and presentation (held on 10 February); and specific face to face consultation with those owners most affected by the proposed alignment of the service corridors / zone boundary. To meet the needs of these most affected people, the offer was made to conduct these face to face meetings at the affected party's property or in a small group format at a neighbour's property. Most of the face-to-face meetings were therefore conducted 'on site'.
Encouraging people that may be affected or interested to present their views to the Council and providing them reasonable opportunity to present their views	The 10 February meeting offered people the opportunity to present their views verbally to the Councillors and other Council representatives present. There was also the opportunity for more informal conversations around the map displays in the Council foyer. The face-to-face meetings have provided the opportunity for people to present their views in regards to the specific impacts on their properties. Individual meeting notes have been recorded in addition to the general summary of consultation provided in Appendix 7. Correspondence mailed to affected parties has also offered the opportunity to contact the relevant Council staff for further information.
Receiving feedback with an open mind with due consideration given to the views presented	The plan presented at the meeting on 10th February and displayed in the Council foyer before and after this meeting has been subject to continuous iteration. Much iteration resulted from the face-to-face meetings held during the period 3 – 13 March as solutions were sought to satisfy the views of the individual landowners. The Consultation summary in Appendix 7 documents some of these responses and the correspondence following the initial face-to-face meetings during the period 30 March – 6 April. This process is evidence

	that an open mind has been kept through out to take on board the views of those consulted.
Providing clear information to those consulted on the reasons for decisions following feedback	The feedback period referred to above from 30th March has sought to convey information on the decisions made following feedback. This will also occur via the formal notification of the Variation with the affected parties all to receive information regarding notification in writing.

6 Statutory Considerations

Sections 72 – 75 of the RMA, relate to the 'Purpose'; 'Preparation & Change'; 'Matters to be Considered' and 'Contents' of district plans respectively. The Variation is considered against these sections of the RMA as follows.

6.1 Section 72

Section 72 states: "*The purpose of the preparation, implementation, and administration of district plans is to assist territorial authorities to carry out their functions in order to achieve the purpose of this Act.*"
As stated above the function of territorial local authorities is set out in section 31 of the RMA and is focused around the 'integrated management of effects' with the purpose of the Act being 'sustainable management'. As set out throughout this report, the Variation seeks to achieve sustainable management in providing a supply of land available for industrial development in the Omahu North area. The Variation is very much focused on the integrated management of effects arising from the development of industrial land. These potential effects and the intended management of them is set out in section 4 of this report under the heading 'Assessment of Potential Effects Resulting From the Rezoning of the Additional Land Area to Industrial' above.

The 'Purpose of the Act' is discussed further below under section 8, 'Part 2 of the RMA'.

6.2 Section 73

Section 73 sets out the requirement for territorial local authorities to have a district plan and that it may be changed. It also sets out circumstances when a district plan must be changed. Section 73 requires that the preparation of district plans and changes to them be carried out in accordance with the process set out in Schedule 1 of the Act. Schedule 1 provides for councils to undertake a 'variation' to a proposed district plan before it becomes operative. It requires the variation to follow the same consultation and submission process as a plan change.

The consultation requirements for a variation to a proposed plan are set out in clause 3 of Schedule 1 of the RMA as set out under section 5 of this report under 'Consultation'.

6.3 Section 74

Subsection (1) of Section 74 is particularly relevant and it as follows:

A territorial authority must prepare and change its district plan in accordance with—

(a) its functions under section 31; and
(b) the provisions of Part 2; and
(c) a direction given under section 25A(2); and
(d) its obligation (if any) to prepare an evaluation report in accordance with section 32; and
(e) its obligation to have particular regard to an evaluation report prepared in accordance with section 32; and
(f) any regulations.

Of the above sections 74(1)(a), (b), (d) and (e) are most relevant to consider in terms of this variation. The Councils' function relating 'the integrated management of effects' under section 31 has already been discussed above, while there are separating headings assessing the Variation against Part 2 and section 32 of the RMA below.

6.4 Section 75

This section of the RMA sets out the 'Contents of District Plans'. Of most relevance to this variation is section 75(3)(c) which states that a district plan must give effect to any regional policy statement. An assessment of the Variation against the Regional Policy Statement for the Hawke's Bay Region is provided in Section 7 overleaf.

7 Regional Policy Statement

The Hawke's Bay Regional Resource Management Plan 2006 (RRMP) includes the regional policy statement for the Hawke's Bay Region, which contains the following relevant objectives and policies set out in italic font with the evaluation of the proposed Variation against them in plain font.

7.1 Overarching Resource Management Objectives

OBJ 1 To achieve the integrated sustainable management of the natural and physical resources of the Hawke's Bay region, while recognising the importance of resource use activity in Hawke's Bay, and its contribution to the development and prosperity of the region.
OBJ 2 To maximise certainty by providing clear environmental direction.
OBJ 3 To avoid the imposition of unnecessary costs of regulation on resource users and other people.
Explanation and Reasons
2.3.1 These objectives have been adopted by the HBRC to set the overarching resource management framework for the region's resources. Hawke's Bay Regional Council recognises the integrated nature and importance of both resource use and environmental quality and the need for this to be apparent in the Plan.
2.3.2 These objectives build on the sustainable philosophy of the RMA, while also incorporating the private sector's and the public's desire for efficient and accountable decision-making.
2.3.3 These are the key Regional Policy Statement objectives. …

The Variation seeks to give effect to all three of the above objectives as the rezoning of the Omahu North Industrial area is seeking to provide land for new industrial development, which will contribute to the development and prosperity of the region. These potential economic benefits of the zone are documented in the February 2016 report from Sean Bevin titled *'Proposed Omahu Road North Industrial Zone Land Extension for Industrial Development and Servicing/Other Purposes –Economic Impact Assessment'.* This report is referred to further below in the Section 32 evaluation under section 9 and is attached as Appendix 8.

Doing away with the staging and any deferred zonings helps to maximise certainty in terms of OBJ2. The rule structure based on providing for both industrial activities and suitable commercial services as permitted activities seeks to avoid unnecessary costs and regulation in terms of OBJ3.

7.2 Urban Development

There are a number of objectives and policies in the RPS relating to Urban Development. This part of the RPS was incorporated by 'Change 4' which provided the statutory implementation of the Heretaunga Plains Urban Development Strategy (HPUDS), which was adopted by HBRC, Napier City Council and Hastings District Council in 2010. The strategy seeks to ensure that urban growth occurs in the most sustainable manner avoiding the encroachment of urban activities onto the versatile soils of the Heretaunga Plains in ad hoc or unplanned ways.

With regard to the industrial growth areas HPUDS adopted the respective industrial growth strategies of the Napier City and Hastings District Councils. As outlined in the 'Background' (section 2), the Omahu North area has been identified for industrial rezoning and development since the Hastings Industrial Development Strategy was adopted in 2003. Objective UD3 and Policy UD4.5 are specific to the provision of industrial land and are listed as follows:

OBJ UD3 PROVISION FOR BUSINESS LAND (HERETAUNGA PLAINS SUB-REGION)

Identify and provide for the land requirements for the growth of business activities in the Heretaunga Plains sub-region in a manner that supports the settlement pattern promoted in OBJ UD1.
Principal reasons and explanation
The provision of adequate land for future business activities is important for long term economic growth and the provision of both employment and services to the sub-region's existing and future communities. HPUDS2010 identified that there is already an adequate supply of commercial land within the Heretaunga Plains sub-region to accommodate projected demand and growth. In relation to industrial land, HPUDS2010 identified a limited number of areas appropriate for additional industrial land expansion and growth. These additional areas (identified in Policy UD4.5) are expected to accommodate projected growth and demand for industrially-zoned land out to 2045, and any additional growth in the event that the projections change from what was anticipated in HPUDS2010.

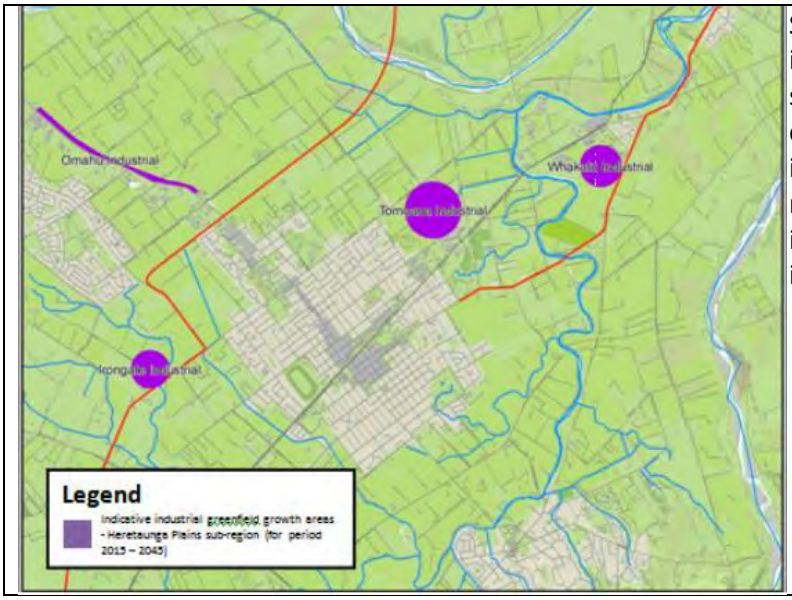
POL UD4.5 APPROPRIATE INDUSTRIAL GREENFIELD GROWTH AREAS (HERETAUNGA PLAINS SUB-REGION

Within the Heretaunga Plains sub-region, areas where future industrial greenfield growth for the 2015-2045 period have been identified as appropriate, subject to further assessment referred to in POL UD10.1, POL UD10.3, POL UD10.4 and POL UD12, are :

a) Irongate industrial area
b) Omahu industrial area
c) Whakatu industrial area
d) Tomoana industrial area
e) Awatoto industrial area. The indicative locations of the above areas are shown in Schedule XIVb.

The relevant portion of the Schedule XIVb map is extracted as follows:

Figure 11 – Extract from Schedule XIVb of the RPS, 'Heretaunga Plains sub-region – Indicative location map of industrial greenfield growth areas for period 2015 - 2045



Schedule XIVb identifies indicative industrial growth nodes rather than specific areas for rezoning. In the case of 'Omahu Industrial' the node is shown as an indicative strip on the northern side of Omahu Road, which is consistent with the area involved in this Variation.

POL UD10.1 STRUCTURE PLANS (HERETAUNGA PLAINS SUB-REGION)

In the Heretaunga Plains sub-region, development of urban activities within greenfield growth areas shall occur in accordance with a comprehensive structure plan. Structure plans shall be prepared when it is proposed to amend the district plan, and shall be included in the district plan to provide for urban activities.

The existing Omahu North industrial area in PC57 and the Proposed Plan is subject to a structure plan. The existing 'Omahu North Area Structure Plan' is broken into Figure 1 for Stage 1 and Figure 2 for Stage 2 and is included in 'Appendix 17' of the Proposed Plan.

This Variation necessitates the replacement of the Proposed Plan's Appendix 17 Structure Plan maps with a new structure plan. The important issue in terms of giving effect to the RPS and Policy UD10.1 is that a structure plan is prepared for the Variation. The structure plan proposed to replace Appendix 17 as part of this Variation is attached as Appendix 9 to this report.

In comparing the Appendix 17 structure plan of the Proposed Plan with that proposed in the Variation there are some key differences, these are summarised in the following bullet points:

- Removal of the staging
- Removal of the infiltration areas
- Relocation of the water and wastewater services to the rear of the zone
- Increased width and amended alignment of the stormwater swale which is no longer continuous in its extent
- The addition of an access and services corridor, either adjacent to or connecting the areas of stormwater swale
- A generally increased depth of zoning back from Omahu Road

Similarities between the proposed and existing structure plans include the location and extent of the zone along the length of Omahu Road, the road intersection improvement and the connection links to properties that do not extend to the swale.

POL UD10.3 STRUCTURE PLANS (REGION)

Notwithstanding Policy UD10.1, structure plans for any area in the Region shall:
a) Be prepared as a single plan for the whole of a greenfield growth area;
b) Be prepared in accordance with the matters set out in POL UD12;
c) Show indicative land uses, including:
i. principal roads and connections with the surrounding road network and relevant infrastructure and services;
ii. land required for stormwater treatment, retention and drainage paths;
iii. any land to be set aside for business activities, recreation, social infrastructure , environmental or landscape protection or enhancement, or set aside from development for any other reason; and
iv. pedestrian walkways, cycleways, and potential public passenger transport routes both within and adjoining the area to be developed;
d) Identify significant natural, cultural and historic or heritage features;
e) Identify existing strategic infrastructure; and
f) Identify the National Grid (including an appropriate buffer corridor).

With regard to a) the proposed Variation structure plan has been prepared as a single structure plan for the whole of the Omahu North industrial growth area.

In terms of b) the matters set out in POL UD12 are assessed under that policy below.

The land uses listed in c)i and ii are clearly shown in the structure plan. In terms of c)iii, the structure plan identifies the land area zoned for industrial (business) activities, while no land for recreation and social

infrastructure is set aside as such facilities are relevant to residential and not industrial growth areas. As the area does not contain any significant landscapes or other significant environments, no such areas are set aside from development.

In terms of d) and f) there are no significant natural, cultural, historic or heritage features within the area identified in the Proposed Plan. Further to this as outlined in Appendix 6, '*HDC Desktop Archaeological Assessment*' there are no archaeological or cultural sites in or within the vicinity of the area covered by the structure plan. Nor does the National Grid traverse this area.

Omahu Road is an example of 'strategic infrastructure' and is identified on the proposed structure plan as a 'regional arterial'.

POL UD10.4 STRUCTURE PLANS (REGION)

Notwithstanding Policy UD10.1, in developing structure plans for any area in the Region, supporting documentation should address:
a) The infrastructure required, and when it will be required to service the development area;
b) How development may present opportunities for improvements to existing infrastructure provision;
c) How effective provision is made for a range of transport options and integration between transport modes;
d) How provision is made for the continued use, maintenance and development of strategic infrastructure;
e) How effective management of stormwater and wastewater discharges is to be achieved;
f) How significant natural, cultural and historic or heritage features and values are to be protected and/or enhanced;
g) How any natural hazards will be avoided or mitigated; and
h) Any other aspects relevant to an understanding of the development and its proposed zoning.

Principal reasons and explanation

Structure plans provide a mechanism for integrating urban development with infrastructure, making the best use of existing infrastructure, and identifying and providing for the additional infrastructure required to meet the needs of incoming residents and businesses. Development occurring ahead of rezoning has the potential to reduce the efficiency of infrastructure and limit the options available when developing a structure plan for the area.

Structure plans provide the mechanism for integrating new development with existing urban areas, ensuring urban growth is accommodated in a sustainable way, and that all constraints are investigated and addressed or protected at the time of initial zoning for urban purposes. Infrastructure providers should be consulted early on in the structure planning process to ensure appropriate decisions are made as to how servicing is to be achieved, whether the proposed development is appropriate, and what limitations may exist. Policy UD10.3(e) and (f) ensure strategic infrastructure is taken into account when developing an area for urban activities, in particular sub-clause (f) specifically gives effect to Policy 11 of the National Policy Statement on Electricity Transmission, which refers to identification of an appropriate buffer corridor around National Grid lines.

This report provides the supporting documentation for the Variation and structure plan. Items a) and e) have been addressed in this report and by Appendix 1, Items b), c) and d) have been addressed in the transportation report attached in Appendix 2.

As discussed above item f) is not relevant to this area.

With regards to g) and natural hazard effects, the area to be rezoned is not subject to any identified natural hazards in the Proposed Plan, nor in the general hazard information in the Hastings District Council or HBRC on line mapping facilities.

POL UD12 MATTERS FOR DECISION-MAKING (REGION)

In preparing or assessing any rezoning, structure plans, or other provisions for the urban development of land within the Region, territorial authorities shall have regard to:
a) The principles of the New Zealand Urban Design Protocol (Ministry for the Environment, 2005);
b) New Zealand Standard NZS4404:2010 Land Development and Subdivision Infrastructure, and subsequent revisions;
c) Good, safe connectivity within the area, and to surrounding areas, by a variety of transport modes, including motor vehicles, cycling, pedestrian and public transport, and provision for easy and safe transfer between modes of transport;
d) Location within walkable distance to community, social and commercial facilities;
e) Provision for a range of residential densities and lot sizes, with higher residential densities located within walking distance of commercial centres;
f) Provision for the maintenance and enhancement of water in waterbodies, including appropriate stormwater management facilities to avoid downstream flooding and to maintain or enhance water quality;
g) Provision for sufficient and integrated open spaces and parks to enable people to meet their recreation needs, with higher levels of public open space for areas of higher residential density;
h) Protection and enhancement of significant natural, ecological, landscape, cultural and historic heritage features;
i) Provision for a high standard of visual interest and amenity;
j) Provision for people's health and well-being through good building design, including energy efficiency and the provision of natural light;
k) Provision for low impact stormwater treatment and disposal;
l) Avoidance, remediation or mitigation of reverse sensitivity effects arising from the location of conflicting land use activities;
m) Avoidance of reverse sensitivity effects on existing strategic and other physical infrastructure, to the extent reasonably possible;
n) Effective and efficient use of existing and new infrastructure networks, including opportunities to leverage improvements to existing infrastructure off the back of proposed development;
o) Location and operational constraints of existing and planned strategic infrastructure;
p) Appropriate relationships in terms of scale and style with the surrounding neighbourhood; and
q) Provision of social infrastructure.

Principal reasons and explanation

These matters provide general guidance to territorial authorities and developers involved in the preparation and assessment of urban developments, recognising that good urban design will increase the efficiency and effectiveness of urban areas – both in terms of quality of life, and the efficient and effective provision of infrastructure and community services. These matters are considered especially important in achieving quality urban environments given the policy direction towards higher density development.

Many of the matters listed in Policy UD12 are relevant to the development of greenfield residential growth areas, but not to industrial areas, or are only relevant if the features listed are located in the area. The matters of Policy UD12 that are relevant to industrial growth areas and this Variation are f), k), l), m), n), o) and p), which are commented on in turn as follows.

With regard to f) the water bodies of concern for industrial development at Omahu North are the Heretaunga Plains Unconfined Aquifer and the Raupare Stream catchment. As discussed above there are specific district plan provisions in place to mitigate any effects of land use activities over the Unconfined Aquifer. These provisions include standard 26.1.6A(ii) which states: "*Facilities shall be provided to prevent hazardous substances from being washed or spilled into natural ground or entering any storm water systems or storm water ground soakage up to a 1% AEP (Annual Exceedance Probability) rain event."*

Given this requirement it would be a breach of the district plan for any hazardous contaminants to enter the stormwater swale. The stormwater solution proposed for this rezoning and Variation relies on the

Water Services Bylaw to assess and determine the extent of any onsite mitigation to be applied before stormwater enters the swale. Further treatment is provided within the swale via a gravel and sand filtration layer at the bottom of the swale system to minimise any adverse effects on the groundwater resource. This is explained in more detail by Mr O'Callaghan's report in Appendix 1.

In terms of stormwater quantity issues and the Raupare Stream catchment, the swale system is designed to accommodate all stormwater from the Omahu North industrial area for up to a 2% Annual Event Probability (AEP) rainfall event. Beyond that the swale will over top and stormwater will sheet - flow into the Raupare Stream via existing natural overland flow paths.

In summary the rezoning proposal and structure plan do therefore seek to mitigate any adverse effects on water bodies resulting from the proposed industrial development.

POL UD12 k) seeks provision for 'low impact stormwater treatment and disposal'. The disposal method proposed via a swale ground soakage system is exactly that. This is as opposed to more traditional methods of piping stormwater into drains and streams and increasing the flood flows and contaminant levels in these water bodies by doing so.

POL UD12 l) relates to avoiding or mitigating reverse sensitivity effects. This matter is discussed under OBJ 16 & 17 below which relates specifically to reverse sensitivity effects.

POL UD12 m) also relates to reverse sensitivity, but in relation to such effects impacting on strategic and physical infrastructure. The traffic on Omahu Road will increase as a result of the Variation, however the rezoning does not seek to provide for residential or other 'sensitive' activities that would be affected by any reduced amenity. In terms of other physical infrastructure, the swale and access corridor system proposed, as depicted in Figures 4 and 5 above, will actually be of benefit to neighbouring Plains Production Zone residents, by forming a largely green 24m wide physical buffer between their dwellings and industrial activities on the other side of this infrastructure.

With regards to n) and o) it has been a key principle of this Variation process to establish a more effective and efficient servicing solution for the Omahu North Industrial Zone to improve the affordability of development contributions and to remove interim infrastructure constraints. In terms of the latter, a 'deferment' was applied to the previous zone until services were constructed and available. The servicing proposed with this Variation is much more responsive to those with immediate needs to commence development, with wastewater and water services able to be constructed to connect to that property and each section of stormwater swale being constructed independently by owners and developers when they wish to subdivide or commence development of a particular property.

Finally in terms of POL UD12 p), a strong reason for the selection of Omahu North as an industrial growth area was that it would be on the opposite side of Omahu Road to an existing industrial area. The 'scale and style' of development on either side of Omahu Road will now be similar. On the flipside, the industrial zone boundary does now move closer to some Plains Zone residents. This issue has already been addressed in section 4 of this report above, and referred to in mitigation measures listed in Tables 4 and 5.

7.3 Reverse Sensitivity

OBJ 16 For future activities, the avoidance or mitigation of off site impacts or nuisance effects arising from the location of conflicting land use activities

OBJ 17 For existing activities (including their expansion), the remedy or mitigation of the extent of off site impacts or nuisance effects arising from the present location of conflicting land use activities.

Explanation and Reasons
3.5.2 Where different land uses are located adjacent to each other there is always the potential for conflict. This is particularly the case where, for example, there is residential development adjacent to industrial or rural activities, or the use or disposal of organic material associated with rural activities. The proximity of these land uses to one another can cause conflict, predominantly in relation to odour, smoke, dust, noise and agrichemical spray drift (note that the issue of agrichemical use is discussed more fully in section 3.6)…
3.5.5 It is important that local authorities work together to resolve present issues and to ensure that predicaments surrounding conflicting land use activities do not arise from inappropriate planning decisions. This can be most efficiently and effectively achieved through the District Plan development process through techniques involving regulation such as zoning and buffering or the use of separation distances; or the use of non- regulatory methods such as information provision about the potential nuisances likely to arise
3.5.6 Of particular concern to industries and rural businesses are complaints about existing activities made by new neighbours. The viability of existing business activities may be threatened as a result of effects which were not perceived as a problem when the activities were first established. Commonly this occurs when rural lifestyle subdivisions are allowed in traditional farming areas. Odours, noise, agrichemical and fertiliser applications, and dust may be considered to be incompatible with the new adjacent activity. Similar situations arise when residential areas encroach onto industrial areas….
3.5.7 These issues form the justification for management on the basis of "reverse sensitivity". The Environment Court has defined the term "reverse sensitivity" as the effects of the existence of sensitive activities on other activities in their vicinity, particularly by leading to restraints in the carrying on of those activities. The crux of this principle is that where an existing activity produces a situation that a new activity would likely regard as noxious, dangerous, offensive or objectionable, then the new activity should not be sited next to the existing one. Alternatively, safeguards should be put in place to ensure that the new activity does not curtail the existing one.

A direct effect of the rezoning is that on existing residential activities, the mitigation methods proposed to avoid these effects have been discussed under section 4 of this report. Reverse sensitivity effects however could occur from either new residential activities establishing within the Omahu North Industrial Zone or near to its boundary. The methods intend to mitigate these two potential forms of reverse sensitivity are discussed as follows.

The rule structure of the General Industrial Zone in section 14.1.5.1 (which will apply to the Omahu North Industrial Zone) only provides for 'caretakers residences' as a 'discretionary activity', all other forms of residential accommodation including 'visitor accommodation' are non-complying activities. This rule structure therefore protects industrial activities from reverse sensitivity effects from new residential activities. These rules are not proposing to change as part of this Variation.

Perhaps of greater concern from a reverse sensitivity perspective, would be for new dwellings to establish as a permitted activity on neighbouring Plains Production Zone properties. Rule PP34 of the Plains Production Zone is proposed to be amended by the Variation to read:

Residential Activities and visitor accommodation within 30 metres of the General Industrial Zone (Omahu North) as identified by Appendix 17. – Non Complying Activity.

This rule will ensure that any new residential activity establishing within the Plains Production Zone will be setback by at least 30m from the Omahu North Industrial Zone. In most instances, a green physical buffer in the form of the stormwater swale and access and service corridor will also be present between the zone boundary and any residential activities within the Plains Production Zone.

Given the assessment above, the Variation will give effect to the Regional Policy Statement as required by section 75(3)(c) of the RMA.

8 Part 2 of the RMA 'Purpose and Principles'

The above assessment demonstrates that the Variation gives effect to the Regional Policy Statement, which in turn has been deemed to give effect to Part 2 of the Act. The Proposed Plan to which this Variation relates and Plan Change 57 before it, have also been .previously assessed as giving effect to the Purpose of the Act.

The following is therefore a brief assessment of the Variation in regards to Part 2 of the Act, focusing on those aspects of the Variation that differ from the Plan Change 57 / Proposed Plan version of the Omahu North Industrial Zone.

8.1 Section 5 'Purpose'

Section 5 of the RMA sets out the Act's 'purpose' as follows:

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.
(2) In this Act, **sustainable management** *means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—*

> ***(a)*** *sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
> ***(b)*** *safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
> ***(c)*** *avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

As detailed above, this rezoning seeks to achieve sustainable management by providing a strategic and planned approach to industrial development. The greater land area and different approach to infrastructure services proposed for the Variation has been in response to the wishes of landowners and submitters so as to provide an industrial zoning that they are prepared to invest in in terms of industrial development. In this way, the Variation seeks to enable people and communities to provide for their social and economic wellbeing. As is documented in section 9 of this report, the industrial rezoning has the potential to generate significant economic benefit for the community and wider region.

In terms of section 5(2)(a) – (c), the Variation does involve an additional loss of versatile land from the Heretaunga Plains for growing purposes. This is relevant both in terms of (a) with regard to the natural resource of the versatile soils meeting the needs of future generations; and (b) in terms of the life supporting capacity of the soil. The encroachment onto this land is however necessary to provide long term certainty in land supply for new industrial development in a location where there is existing industrial infrastructure, particularly in terms of transportation with Omahu Road and ready access to the Expressway (being regional and national arterial routes respectively).

The location also provides for the economic benefits of the clustering of like activities. Such clustering of industrial activities into a zone also reduces the potential for reverse sensitivity effects by reducing the interface with sensitive activities (as compared to stand alone industrial activities). Increasing the zoned supply of industrial land will also take away the need for industrial activities to locate out of zone 'due to a scarcity in zoned industrial land supply'. In this regard the rezoning will have a positive effect in

protecting the versatile soil resource in comparison to a constrained industrial land supply which can encourage the dispersal of industrial activities over the Heretaunga Plains.

The previous attempt at rezoning a lesser area of land with a correspondingly lesser encroachment onto versatile soils was not considered to be workable by the landowners involved. It can therefore be considered that the proposed Variation gives better effect to the economic and social well-being component of section 5.

With regard to s5(c) above, section 4 of this report demonstrates how the Variation seeks to avoid, remedy and mitigate any adverse effects on the environment.

8.2 Section 6 'Matters of National Importance'

With regard to section 6 of the Act 'Matters of National Importance', the Omahu North area does not trigger the need to consider any of these matters, due to the area being devoid of those resources that section 6 is seeking to protect. For completeness however, it is noted that in consultation with tangata whenua, the potential adverse effects of industrial development on the Heretaunga Plains Unconfined Aquifer and the Raupare Stream catchment have been raised. This is a relevant issue in terms of section 6(e) being: *"the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:"*

As outlined in the assessment above and in the stormwater report (Appendix 1): the district plan rules, the design of the proposed stormwater swale, and the provision of a reticulated waste water disposal system; combine to ensure that the Variation will not result in development that adversely effects either the Heretaunga Plains Unconfined Aquifer or the Raupare Stream and catchment.

8.3 Section 7 'Other Matters'

With regard to section 7 and 'Other Matters' to be given particular regard, the relevant provisions to the Variation are listed as follows:

> *(b) the efficient use and development of natural and physical resources:*
> *(ba) the efficiency of the end use of energy:*
> *(c)the maintenance and enhancement of amenity values:*
> *(f) maintenance and enhancement of the quality of the environment:*
> *(g) any finite characteristics of natural and physical resources:*

In terms of 7(a), the consolidation of dry industrial activities and industrial related businesses requiring profile to a busy road, into the Omahu Road area, is an efficient use of the physical resource of the arterial road network and existing wastewater and water mains (from which the new services are to extend from). Some loss of the versatile soil natural resource will result, although the rezoning will encourage the consolidation of industrial activities, which could otherwise locate in a dispersed pattern across the Plains Production Zone versatile soil resource (albeit subject to resource consent).

As with 7(a), the consolidation of industrial activities resulting from the rezoning, adjacent to the existing industrial zone on the southern side of Omahu Road, is positive in terms of 7(ba) and the 'efficiency of the end use of energy'. Transport efficiencies result from such clustering. Omahu Road is already an established location for the sale of farm machinery and equipment and the rezoning will enable this to develop further. In terms of dry industry, the rezoning is central to the produce grown in the Heretaunga Plains and the arterial road network, which is beneficial in reducing transportation costs for produce packhouses and coolstores. Land will also be available in the new zone to enable companies specialising in industrial logistics to locate near to potential users of their services, which is again beneficial in regard to transport efficiencies and the end use of energy.

The maintenance and enhancement of amenity values in terms of s7(c) is relevant both in terms of the amenity values of neighbouring residents to the zone and to the amenity of those travelling through or to the zone. Section 4.4 of this report, under the heading 'Amenity Effects from Industrial Boundary moving closer to Houses in Plains Zone', addresses how amenity values are to be maintained. This includes through the use of the following performance standards: 'Height in Relation to Boundary' (14.1.6A.2), 'Boundary Setbacks' (14.1.6A.3), 'Screening' (14.6.6A.5) and 'Noise' (25.1.6F). Further to this the design of the storm water drainage swale and access corridor, provides an opportunity for the enhancement of amenity values through landscape plantings. Concepts showing such plantings are listed in Figures 4 and 5 above. These areas to be vested in Council also provide a physical open space buffer between the edge of the Industrial Zone and the Plains Production Zone.

In terms of amenity for those travelling through the zone the front yard (3m) and landscaping requirements will help to ensure that the road frontage of industrial sites is softened with landscaping while still providing opportunity for the commercial value of the profile to be realised. See the Variation plan standards 14.1.6A.3 and 14.1.6A.4 respectively.

These same matters are also relevant in terms of section 7(f) and the maintenance of the quality of the environment. Also of relevance to 7(f) is the protection of the Heretaunga Plains Unconfined Aquifer and the Raupare Stream water quality. Both of these matters are addressed at various places in the above report and are mitigated by a combination of the Proposed Plan rules and standards in section 29.1 and the design of the stormwater swale system.

In terms of section 7(g) and the finite characteristics of natural and physical resources, both the versatile soils resource of the Heretaunga Plains and the quality of the unconfined aquifer water resource are relevant considerations. The potential effects on these finite resources has been discussed in section 4 of this report. It is concluded that although some of the versatile land resource will be lost to urban encroachment, the extended rezoning will achieve sustainable management in a manner that can mitigate any adverse effects on the unconfined aquifer water resource.

8.4 Section 8 'Treaty of Waitangi'

Section 8 of the RMA 'Treaty of Waitangi', is as follows:

> *In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi)*

Consultation with iwi authorities has identified that the most significant issue in regards to the proposed Variation is that it does not impact on the quality of the water resources of the Heretaunga Plains Unconfined Aquifer or Te Raupare Stream. As explained in the previous section, mitigation measures are in place through both the Plan rules and standards regulating activities over the aquifer and the design of the stormwater swale, to ensure that these resources are protected.

9 Section 32 Evaluation

The RMA requires under section 32 that an evaluation be undertaken of any proposed plan, plan change or variation. Section 32 is set out in full as follows:

32 Requirements for preparing and publishing evaluation reports

(1) An evaluation report required under this Act must—
(a) examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and
(b) examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—
(i) identifying other reasonably practicable options for achieving the objectives; and
(ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and
(iii) summarising the reasons for deciding on the provisions; and
(c) contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.
(2) An assessment under subsection (1)(b)(ii) must—
(a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—
(i) economic growth that are anticipated to be provided or reduced; and
(ii) employment that are anticipated to be provided or reduced; and
(b) if practicable, quantify the benefits and costs referred to in paragraph (a); and
(c) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.
*(3) If the proposal (an **amending proposal**) will amend a standard, statement, regulation, plan, or change that is already proposed or that already exists (an **existing proposal**), the examination under subsection (1)(b) must relate to—*
(a) the provisions and objectives of the amending proposal; and
(b) the objectives of the existing proposal to the extent that those objectives—
(i) are relevant to the objectives of the amending proposal; and
(ii) would remain if the amending proposal were to take effect.
(4) If the proposal will impose a greater prohibition or restriction on an activity to which a national environmental standard applies than the existing prohibitions or restrictions in that standard, the evaluation report must examine whether the prohibition or restriction is justified in the circumstances of each region or district in which the prohibition or restriction would have effect.
(5) The person who must have particular regard to the evaluation report must make the report available for public inspection—
(a) as soon as practicable after the proposal is made (in the case of a standard or regulation); or
(b) at the same time as the proposal is publicly notified.
(6) In this section,—
***objectives** means,—*
(a) for a proposal that contains or states objectives, those objectives:
(b) for all other proposals, the purpose of the proposal
***proposal** means a proposed standard, statement, regulation, plan, or change for which an evaluation report must be prepared under this Act*
***provisions** means,—*

(a) for a proposed plan or change, the policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change:
(b) for all other proposals, the policies or provisions of the proposal that implement, or give effect to, the objectives of the proposal.

9.1 Amending Proposal

Section 32(3) is relevant to this Variation which is an 'amending proposal'. In terms of section 32(1)(a) then, no new objectives are proposed in the Variation as the objectives of section 14.1.3 (Industrial) of the Proposed Plan all remain relevant to the Variation. The extent to which these objectives are the most appropriate way to achieve the purpose of the Act has already been evaluated in the preparation of the Proposed Plan. This evaluation can be viewed on the Hastings District Council website at the following link:
http://www.hastingsdc.govt.nz/files/all/documents/districtplan/review/section-32s/14.1-industrial.pdf

Following the hearing of submissions on section 14.1 of the Proposed Plan, further evaluation was undertaken with reference to the requested amendments made in the submissions. As a result, one minor amendment was made to objective IZO4. Accordingly, the original section 32 evaluation remains valid in relation to the objectives of section 14.1. The component of that section 32 evaluation that addresses the objectives is attached as Appendix 10. The decision on the submission (including reasons) that resulted in the amendment to objective IZO4 is attached as Appendix 11.

9.2 Objectives of Section 14.1 'Industrial'

The objectives of Section 14.1 'industrial' of the Proposed Plan as they stand after decisions on submissions are set out as follows:

OBJECTIVE IZO1
To facilitate efficient and optimum use and development of existing industrial resources within the Hastings District.

OBJECTIVE IZO2
To enable a diverse range of industrial activities within the Hastings District while ensuring adverse effects on the environment, human health and safety are avoided, remedied or mitigated.

OBJECTIVE IZO3
Industrial activities shall maintain acceptable amenity levels or be safeguarded from incompatible uses within surrounding environments.

OBJECTIVE IZO4
To enable the efficient and effective use and the sustainable management of the District's resources by providing for the development of new industries in accordance with the Hastings Industrial Strategy.

With regards to Objective IZO4, the words *"…and the sustainable management…"* were added as a result of the decision on a submission from Ngati Kahungunu Iwi Incorporated (see Appendix 11).

These (objectives IZO1 – IZO4) are therefore the objectives that the provisions of the variation must be examined against in terms of section 32(1)(b).

Under the objectives heading, it is also useful to consider the purpose of this proposal, being the Variation. This has been touched on under sections 1.2, 2.4 and 3.1 of this report. The purpose of this Variation can be expressed simply as follows:

To enable greenfields industrial development at Omahu North in accordance with the Hastings District Industrial Growth Strategy and the Heretaunga Plains Urban Development Strategy, in a manner in which landowners and developers are prepared to invest in.

Both Plan Change 57 and the Proposed Plan enabled industrial development at Omahu North in accordance with the strategies, but not in a manner acceptable to the land owners in the area. As explained in Section 2 ('Background') of this report, this was largely due to the inflexibility of the stormwater system associated with those proposals to be shifted in response to concerns that the strip was too narrow and not aligned in a practical way with property boundaries and changes in spoil type. That stormwater system was also relatively costly influencing the development contributions associated with that proposal, which land owners considered to be too expensive. Further to this, the gravity fall stormwater system did not allow for flexibility in the order of development, with development of a particular property not being a able to occur until the whole of the stormwater system serving that 'catchment' was constructed.

This Variation therefore seeks to address these issues with an alternative stormwater system that has provided for a depth of zone that where possible is able to follow property boundaries and which includes those soil types considered by some to be inferior within the industrial boundary. The infiltration to ground system also enables flexibility in the order of development and will result in reduced development contributions per hectare of industrial land.

The purpose of this Variation is set out above for clarity. The preceding sections of this report describe how the purpose of the Variation is to be achieved (section 3) and the potential effects that it may give rise to and how these are to be mitigated (section 4). An examination of how the Variation is appropriate in giving effect to the purpose pf the Act is also provided (section 8).

As there are district plan objectives applying to the Industrial Section of the Proposed Plan, it is these four objectives (listed above) that will be used to test the district plan provisions proposed in the Variation against.

9.3 Evaluation of the Variation Provisions against the Objectives

The appropriateness of the district plan provisions of the Variation require evaluation under section 32(1)(b) and 32(2). In carrying out such an evaluation it is important to ensure that the evaluation is not at a level so broad that the district plan changes are left unjustified or at a level of detail so great that the consideration of alternative approaches is lost. To ensure this, the evaluation of the methods for achieving the purpose of, and district plan provisions proposed to be changed by, this Variation is broken down into the following five headings:

1. Alternative Stormwater Options

2. Zone Extent
3. Deferment and Staging
4. Implementing the Stormwater Swale
5. District Plan Provisions Amended by Variation

9.3.1 Stormwater Solution

VIABLE ALTERNATIVE OPTIONS

The status quo stormwater solution proposed in Plan Change 57 & the Proposed Plan, including its modification to try and satisfy landowner concerns is labelled 'Option 1' in the following table. This is different however to the 'do nothing option' which would involve individuals disposing of stormwater via onsite methods. This is denoted as 'Option 2' in the following table A third option ('Option 3') is that proposed in the Variation of a stormwater swale infiltration system at the rear of each property vested in Council ownership for ongoing management and maintenance.

These are the three most viable options for the purpose of this evaluation. Other methods such as collecting and reticulating the stormwater across Omahu Road into the Southland Drain catchment, or reticulating to the Raupare Catchment have also been considered in the past, but later discounted. A discussion on these options is set out in the Hastings District Council's 2012 application to discharge stormwater from the proposed Omahu North industrial development to HBRC. Relevant extracts from this document are provided as follows:

A wide range of options for the disposal of stormwater from this area were considered by the Council between 2004 and 2008. At the completion of that work, a discharge into the Upper Southland Catchment was identified as the preferred option. This was primarily to avoid the flooding and water quality concerns about the Raupare catchment previously identified in the consideration of the options for the Lyndhurst residential development. However, following detailed analysis it became apparent that there were considerable practical difficulties with the depth of trenching required to proceed with that option. A decision was made in 2008 to reconsider the issues and options available.

A Stormwater Issues and Options Report was then prepared by MWH on the Council's behalf. This identified and assessed the following seven options:
Southland Drain Options:
1. Direct flows to the Upper Southland Drain with detention pond
2. Direct flows to Omahu South infiltration basin
3. Direct flows from zone rear to Upper Southland with detention pond
4. Direct flows from zone rear to Omahu South infiltration basin
Raupare Catchment Options:
5. Direct to infiltration basins alongside zone
6. Detention and slow release to Raupare Catchment
7. Direct to Thompson Road infiltration basin
…Options 1 and 2 were not considered technically feasible whilst Options 3 and 4 were considered so costly that their viability was compromised. All three of the Raupare Catchment Options (Options 5, 6 and 7) were considered to be simpler from a technical / network perspective. Issues and / or uncertainty were however identified with all of these options as a result of the relative sensitivity of the Heretaunga Plains Unconfined Aquifer and the Raupare Catchment

(in terms of quality) and the flooding issues within the Raupare Catchment that became apparent with the early Lyndhurst residential development stormwater proposals. At this stage it was clear that the Raupare Options were the only ones which remained feasible."[9]

As is set out in this report, Option 5 to direct stormwater to infiltration basins (or in this case swales) alongside the zone has subsequently proven to be a feasible option.

EVALUATION OF ALTERNATIVE STORMWATER OPTONS (S32(2))

Table 10 – s32(2) Evaluation of Alternative Stormwater Options Against the relevant Plan Objectives

Objective	Option 1 – PC 57	Option 2 – Individual owner	Option 3 – Infiltration Swale vested in Council
IZO1 To facilitate efficient and optimum use and development of existing industrial resources within the Hastings District.	This option would take out the least amount of land within or bounding the industrial zone, but would result in land being lost from the Plains Zone for use as infiltration basins.	Less effective in achieving optimum use of zoned land as each site would be required to have an area dedicated to stormwater soakage and treatment meaning that it would not be available for industrial buildings, access or storage.	Some loss of Plains land at the rear of the zone for the stormwater infiltration swale, but maximises the land available elsewhere in the zone for industrial use and development.
IZO2 To enable a diverse range of industrial activities within the Hastings District while ensuring adverse effects on the environment, human health and safety are avoided, remedied or mitigated.	This option can achieve this objective.	This option is dependent on individual landowners maintaining onsite stormwater infiltration systems. This creates a potential risk for a lack of maintenance resulting in contaminants entering the ground water system. Such a risk is significant in the area over the unconfined aquifer. The need for each site having dedicated stormwater disposal areas would	This option can achieve this objective.

[9] Hastings District Council Application to the Hawke's Bay Regional Council to discharge Stormwater from the proposed Omahu North Industrial Development, 2012 (pages 18 & 19)

		also reduce the range of industrial activities that the zone could accommodate.	
IZO3 Industrial activities shall maintain acceptable amenity levels or be safeguarded from incompatible uses within surrounding environments.	This option provides the benefit of a physical buffer in the form of a 6m wide swale at the rear of the zone which would help to soften the industrial zone boundary with adjoining Plains Zoned land and nearby dwellings.	No effect on amenity levels.	As for option 1 except that the physical buffer will be 24m wide (combination of the stormwater swale and access corridor) and the benefit therefore correspondingly greater.
IZO4 To enable the efficient and effective use and the sustainable management of the District's resources by providing for the development of new industries in accordance with the Hastings Industrial Strategy.	Submissions to Plan Change 57 & the Proposed Plan suggest that the cost of the development contributions resulting from this stormwater system is unaffordable. This being the case, little or no development would occur and the objective would not be achieved.	Would achieve by allowing the new zone identified in the strategy to be developed with self-servicing for stormwater.	Would achieve by servicing the new zone identified in the strategy for stormwater in a manner that consultation has suggested would be acceptable to landowners in terms of enabling development.
Summary of Objectives Achieved	Achieves objectives IZO1, IZO2 and IZO3. Would not achieve IZO4	Least effective in achieving IZO1 and would achieve IZO4. Would not achieve IZO2. Neutral in terms of IZO3.	Can achieve objectives IZO1, IZO2, IZO3 and IZO4.

Bearing in mind the respective ability of the 3 options to achieve the objectives of the Industrial Zone of the Proposed Plan, the following table (Table 11) provides a benefits and costs assessment in terms of section 32(2)(a).

Table 11 – s32(2)(a) Evaluation of Alternative Stormwater Options – Benefits and Costs Efficiency

Option		Environmental Effects	Economic Effects	Social & Cultural Effects
1	Benefits	Council controlled and maintained system is designed and provided to mitigate effects of stormwater on the environment.	No benefits if development of zone stalled due to development contribution costs and the need for the system for each catchment to be fully constructed.	No benefits if development of zone stalled and the alignment of the swale is deemed unacceptable to some.
	Costs	No significant environmental costs.	Deemed to be too expensive by landowners & developers in terms of the resulting development contributions. (See section 3.5 above, an estimated total development contribution cost[10] of $\$40/m^2$ compared to an estimated $\$22/m^2$ for Option 3). The stormwater retention ponds on Plains Zone land results in that land being removed from horticultural production.	The need for a connected reticulation swale to run through the grounds associated with several well-established dwellings and gardens caused stress and frustration to those property owners as was evident in the PC57 submission and hearing process. In some cases trees and accessory buildings would require removal.
2	Benefits	Stormwater adequately disposed of onsite if on site system is correctly designed, constructed and maintained.	No contribution to development contribution costs from stormwater. No delays in initial development as the timing of the availability of the stormwater system is in the hands of the owner /developer.	Up to the individual as to where the stormwater infiltration area will be located on their property.
	Costs	Potential for adverse stormwater effects both in terms of quantity and quality if individual landowners do not adequately maintain their onsite stormwater systems. Difficulty in monitoring the environmental effects of individually owned and managed stormwater system.	Loss of available land for development of buildings and hardstand areas (impervious surfaces are a requirement for industrial use over the unconfined aquifer). Where properties are sold new owners will need to upgrade on site stormwater systems upon undertaking additional development.	Potential cost in terms of cultural effects with concerns about potential effects on the unconfined aquifer from stormwater or contamination runoff being raised in consultation with tangata whenua.

[10] This cost includes contributions to the water and wastewater services and road upgrades as well as the stormwater.

		Difficulty in dealing with cumulative effects if individual stormwater systems are deficient.		
3	Benefits	Constructed to Council specifications and thereafter a Council owned and maintained system is provided to mitigate effects of stormwater on the environment. Room in the overall stormwater and access corridor for landscape planting for amenity purposes and to soften the industrial zone interface with the Plains Production Zone.	A stormwater system that is perceived to be affordable and practicable will enable development of the industrial zone in accordance with the industrial growth strategy contributing to regional GDP.	The flexibility in design allowed by full infiltration and no need to convey stormwater from property to property has enabled the wishes of most landowners to be satisfied in terms of the location of the swale.
	Costs	No significant environmental costs.	There will be an economic cost to landowners in funding the construction of the stormwater swale.	There should not be any tangible social and cultural costs relating to this option.

Given the above evaluation, Option 3 'Stormwater Swale' comes out as the most effective at achieving the objectives and then also the most efficient in terms of the cost and benefits assessment.

OPPORTUNITY FOR ECONOMIC GROWTH AND EMPLOYMENT

Option 3 as evaluated above, is effective and efficient at achieving the relevant objectives of the Proposed Plan. Stormwater tends to be the primary servicing constraint for greenfields development of both industrial and residential land in the Hastings District. A viable and practicable stormwater system will enable development of the Omahu North Industrial Zone, unlocking economic growth and employment opportunities. Quantification of these benefits is provided under the following evaluation of 'Zone Extent'.

9.3.2 Zone Extent

VIABLE ALTERNATIVES – ZONE EXTENT

In terms of Zone extent, the viable alternatives are considered to be: Option 1 'Plan Change 57 / Proposed Plan Rezoning Extent (36ha)'; Option 2 'No Industrial Rezoning at Omahu North'; and Option 3 'The Enlarged Rezoning Extent (63ha)'. Of course there are a multitude of different alternative options

that would be available between Options 1 and 3 in terms of the area of land rezoned to keep the evaluation concise, however it is confined to these three options.

EVALUATION OF ZONE EXTENT OPTONS (S32(2))

Table 12 – s32(2) Evaluation of Alternative Zone Extent Options Against the relevant Plan Objectives

Objective	Option 1 – PC 57 (36ha)	Option 2 – No Rezoning	Option 3 – Extended Zone (63ha)
IZO1 To facilitate efficient and optimum use and development of existing industrial resources within the Hastings District.	This option provides a new greenfileds industrial land resource in a location that optimises existing industrial resources. Also, the limited area available could potentially still keep pressure on for the efficient development of existing industrial resources within already zoned industrial land.	This option is potentially the most effective at achieving optimum use and development of existing industrial resources within existing industrial zones. This would be due to the scarcity effect of not providing for additional industrial land at Omahu North. This could potentially result in the intensification of industrial activity (to the extent that this is possible with industrial activities) in the District's existing industrial zones.	This option provides a new greenfileds industrial land resource in a location that optimises existing industrial resources in terms of infrastructure. That is, the use of the existing transport network in terms of Omahu Road and the Expressway and accessible wastewater and water mains suitable for industrial development.
IZO2 To enable a diverse range of industrial activities within the Hastings District while ensuring adverse effects on the environment, human health and safety are avoided, remedied or mitigated.	This option can achieve this objective, although the narrow depth of the zone compared to option 3 would reduce the range of industrial activities that the zone is suited to. On the other hand this option has a lesser effect on the versatile soil resource than option 3.	This option will not assist in enabling a diverse range of industrial activities within the District. Some limited packhouse / coolstore type development could be consented in the Plains Production Zone, but a diverse range of industrial activities would not be enabled.	This option would achieve this objective. The additional depth compared to option 1 would provide space for dry industrial activities at the rear, while the Omahu Road frontage will be suitable for industrial and commercial service activities. In terms of effects it is acknowledged that a greater area of versatile land will be lost to urban development.

IZO3 Industrial activities shall maintain acceptable amenity levels or be safeguarded from incompatible uses within surrounding environments.	This option results in the zone boundary severing a number of properties, with two notable examples of substantial dwellings being on the Plains Zone side of the boundary and being potentially incompatible with the industrial development of nearby properties. This aside plan standards would be capable of protecting amenity levels.	Again as this option doesn't specifically provide for industrial activities it is not effective in achieving the objective.	The zone boundary will move closer to some dwellings in the Plains Zone however the proposed 24m wide stormwater swale and access corridor and the plan standards will help to provide acceptable amenity levels.
IZO4 To enable the efficient and effective use and the sustainable management of the District's resources by providing for the development of new industries in accordance with the Hastings Industrial Strategy.	Submissions to Plan Change 57 & the Proposed Plan suggest that the cost of the development contributions resulting from this option is unaffordable on a $ per hectare basis. This being the case, little or no development would occur and the objective would not be achieved.	Does not achieve objective as would not provide for the development of new industries in accordance with the Hastings Industrial Strategy.	This zoning option would provide for the development of new industries in accordance with the Hastings Industrial Strategy in a manner that consultation has established, would be acceptable to landowners.
Summary of Objectives Achieved	Achieves objectives IZO1, IZO2 (to an extent) and IZO3. Would not achieve IZO4.	Achieves IZO1. Would not achieve IZO2, IZO3 or IZO4.	Clearly achieves objectives IZO1 and IZO4. On balance can achieve objectives IZO2 and IZO3 (provided appropriate plan standards are implemented).

Bearing in mind the respective ability of the 3 options to achieve the objectives of the Industrial Zone of the Proposed Plan, the following table (Table 13) provides a benefits and costs assessment in terms of section 32(2)(a).

Table 13 – s32(2)(a) Evaluation of Alternative Zone Extent Options – Benefits and Costs Efficiency

Option	Environmental Effects	Economic Effects	Social & Cultural Effects

1 – PC57 (36ha)	Benefits	Lesser loss of versatile land resource than Option 3. Planned industrial development allows environmental effects to be mitigated.	Contribution to regional GDP and employment if industrial development occurs as planned.	Social and cultural benefits of growth and development if occurs as planned.
	Costs	No significant environmental costs.	Deemed to be too expensive by landowners & developers in terms of the $ per hectare cost of the resulting development contributions, therefore the economic benefits of industrial development are unlikely to be realised at least in the short to medium term.	The zone boundary severance of several properties containing well-established dwellings and gardens creating uncertainty for the future viability and value of the residential (within the Plains Zone) components of these properties. Uncertainty surrounding the viability of proceeding with industrial development given the cost of development contributions.
2 – No Industrial Rezoning at Omahu North	Benefits	No direct loss of versatile land resource in the Omahu North area.	Land can continue to be used for horticultural production with the resulting economic benefits.	Beneficial to those owners of residential lifestyle properties within the Omahu North area who would rather stay living in their dwellings than pursue industrial development.
	Costs	Would encourage dispersed and unplanned industrial development, the environmental effects of which are difficult to manage. This would also result in the loss of the versatile land resource elsewhere.	The potential economic benefits of industrial development in the area would be lost.	Would encourage dispersed and unplanned industrial development which could have social and cultural costs to residents who live near where such development occurs.
3 – Extended Zone (63ha)	Benefits	Planned industrial development allows environmental effects to be better mitigated.	Significant contribution to regional GDP and employment as is quantified below.	Consultation in setting the zone boundary has enabled the wishes of most landowners to be satisfied, including alignment with property boundaries where possible and regard to changes in soil type.

	Costs	Loss of the life supporting capacity of the versatile soil resource to urban development.	A loss of potential returns to landowners within the new zone if the greater supply of greenfields industrial land results in a lower per hectare sales price.	Potential effects on Plains Zone dwelling owners close to the proposed zone boundary under this option.

Given the above evaluation Option 3 'Rezoning of Additional 63ha' comes out as the most effective at achieving the objectives. Options 1 'PC57 (36ha)' and 3 have similar theoretical efficiencies in terms of the cost and benefits assessment, albeit with slightly different costs and benefits. Consultation however, suggests that Option 3 is more likely to achieve immediate industrial development than Option 1, which in reality would make Option 3 more efficient.

OPPORTUNITY FOR ECONOMIC GROWTH AND EMPLOYMENT – ZONE EXTENT

A report prepared by Sean Bevin of Economic Solutions and titled *'Proposed Omahu North Industrial Zone Land Extension for Industrial Development and Servicing / Other Purposes – Econmic Impact Assessment'* (February 2016) seeks to quantify the economic benefits of rezoning the land for industrial purposes, against leaving it available for agricultural / horticultural production. This report is included in Appendix 8, and its findings are summarised in the following table (Table 14).

Table 14 – Evaluation Under s32(a)(i)&(ii) for Zone Extent – Quantification of Economic Growth & Employment Opportunities

Option	Opportunities for Employment – Annual full time equivalent positions, including indirect employment from 'value added'	Annual Value Added / Gross Regional Product $M (2015 New Zealand dollar value)
1 - PC57 / PDP (36ha)	588	51.34
2 - No Industrial Rezoning	39	2.55
3 - Rezoning of an additional 61ha	1,252	109.24

Care needs to be taken in the use of these figures as the Option 1 and Option 3 figures are based on an assumption of a fully developed industrial zone which is not likely to be the case for some time (it is estimated that Option 3 would take some 26 years to reach capacity).

In regards to this, Mr Bevin's report states: *"On the basis of information recently provided to the Hastings District Council by Hastings based 'Logan Stone'[11] Valuers and Property specialists, concerning projected future annual levels of industrial land uptake in the new industrial zone, full capacity utilisation is anticipated to be reached by Year 2042, assuming further industrial development occurs from 2016. During this period, a minimum of 27 new industrial enterprises are expected to be established and operating in the new Zone."*

The 'no industrial zoning' option 2 is also assuming a full use of the available land area in pipfruit production, being the agricultural / horticultural land use that has the greatest returns from the modelling exercise undertaken by Mr Bevin (the other land uses modelled were Vegetables / Grazing and Summerfruit).

Mr Bevin's report also includes an analysis of total multiplied Gross Regional Product (GRP) impact over the 2015 – 2042 time period assuming a gradual reduction in pipfruit production and a gradual increase in industrial development. For this time period pipfruit production would contribute $37 million, in current dollar terms. This figure compares with the estimated GRP impact for new industrial enterprises operating over the period of approximately $1,540 million (including both direct and flow on GRP impacts).

Clearly then with regard to section 32(2)((a)(i) & (ii), undertaking the full extent of rezoning in Option 3 provides the greatest opportunities for economic growth and employment provision.

9.3.3 Use of Deferred Zone and Staging

VIABLE ALTERNATIVES – DEFERRED ZONING AND STAGING

A 'Deferred Zoning and Staging' approach was proposed for the Omahu North rezoning in Plan Change 57 and the Proposed Plan. Consultation on the Variation has been undertaken on the basis that the rezoning would not involve any deferment or staging. In regards to this issue there is no need to consider any further options. The following assessment is therefore based on Option 1 'Use of a Deferred Zoning and Staging' (which is the status quo in the Proposed Plan) and Option 2 'Immediate Rezoning & No Staging'.

[11] This report from Logan Stone is provided in Appendix 3.

Table 15 – s32(2) Evaluation of Alternative Deferment & Staging Options Against the relevant Plan Objectives

Objective	Option 1 – Use of a Deferred Zoning and Staging	Option 2 – Immediate Rezoning & No Staging
IZO1 To facilitate efficient and optimum use and development of existing industrial resources within the Hastings District.	In this case the deferment was proposed to allow the necessary reticulated services to be constructed prior to development occurring. Particularly the stormwater system which would need to be constructed for an entire catchment area to be useable (see Option 1 in the Stormwater solution evaluation above). Once the services were in place the objective would be achieved, but in the meantime onsite sacrificial services would need to be constructed for development to proceed, which is less than optimal. The staging on the other hand could be considered to achieve this objective, as infrastructure for Stage 2 would not be constructed until the Stage 1 area is largely taken up by development.	No sacrificial servicing is required under this option and it has the flexibility to allow industrial development to occur in any order throughout the zone. This option will however necessitate wastewater and water services being constructed to service land that may take over 20 years to be developed. Option 2 is therefore partially effective in achieving objective IZO1.
IZO2 To enable a diverse range of industrial activities within the Hastings District while ensuring adverse effects on the environment, human health and safety are avoided, remedied or mitigated.	The deferment and staging will initially delay the timing of the land being available to accommodate industrial activities, although once the deferment is lifted, the objective would be achieved in terms of Stage 1.	This option will provide a large land supply that would be available to accommodate a diverse range of industrial activities. Not having a deferment or staging does not have any impact in terms of effects on the environment and health and safety.
IZO3 Industrial activities shall maintain acceptable amenity levels or be safeguarded from incompatible uses within surrounding environments.	Deferment and staging are neutral with regards to this objective.	Not having deferment and staging is neutral with regards to this objective.
IZO4 To enable the efficient and effective use and the sustainable	It is the intent of this Option to achieve this objective, experience with Plan Change 57 and the Proposed Plan has been that submissions and appeals have prevented	This Option would achieve this objective. Without staging the investment in the wastewater and water infrastructure would not be as efficient for Council than if

management of the District's resources by providing for the development of new industries in accordance with the Hastings Industrial Strategy.	construction of services taking place and the deferment being lifted. Theoretically however this option would still be able to achieve this objective. The intent of the staging is to make the rezoning more financially sustainable for Council in regards to the capital investment in services prior to there being a demand for those services.	this was done in stages, however it provides for greater flexibility in location options for new industries and therefore a more effective use of the industrial land supply.
Summary of Objectives Achieved	Achieves all objectives IZO1, IZO2 IZO3 and IZO4 to an extent.	Also achieves all objectives IZO1, IZO2 IZO3 and IZO4 to an extent.

Bearing in mind the respective ability of the 2 options to achieve the objectives of the Industrial Zone of the Proposed Plan, the following table (Table 16) provides a benefits and costs assessment in terms of section 32(2)(a).

Table 16 – s32(2)(a) Evaluation of Alternative Deferment & Staging Options – Benefits and Costs Efficiency

Option		Environmental Effects	Economic Effects	Social & Cultural Effects
1 – Use of a Deferred Zoning and Staging	Benefits	Ensures that no development can occur unless necessary reticulated infrastructure services are in place or a resource consent is obtained. This should prevent any adverse effects from inadequate servicing.	Landowners in Stage 1 would potentially benefit from higher land values due to a limited industrial land supply.	Peace of mind that deferment will not be lifted until the infrastructure is in place to adequately mitigate the effects of stormwater runoff on water resources, including the unconfined aquifer.
	Costs	Maintenance of building and property assets in Stage 2 could be put off in anticipation of the deferment being lifted, although this is unlikely to give rise to any significant environmental effects, there would be some reduction in visual amenity. Potential cumulative adverse effects if industrial development is able to gain resource consent ahead of time in stage	Conversely landowners in Stage 2 will have to wait longer to receive any benefits of land sales resulting from rezoning. Any people wishing to develop prior to deferment being lifted and reticulated services being available would have to bear the costs of constructing sacrificial onsite services and then pay development contributions to connect to reticulated services once available.	Inequity to landowners in Stage 2 of not being able to develop until deferment is lifted and services are available. This is more pronounced due to a number of industrial activities having been granted resource consent to locate in Stage 2 in advance of any rezoning over the last 10 years. Uncertainty across the whole zoning as to the timing of the lifting of the

		2 without infrastructural services being available.	The viability of the provision of infrastructure to Stage 2 could be reduced if Council is unable to defend applications for development in advance of the deferment lifting (see comment under social and cultural effects)	deferments would make it difficult for landowners to plan ahead.
2 – Immediate Rezoning & No Staging	Benefits	In conjunction with the proposed stormwater infiltration swales, and reticulated wastewater and water services there should be no adverse environmental effects resulting from this option.	Economic benefits for industrial development, with a larger land supply available potentially influencing more affordable land prices. Greater selection of land supply options for prospective industrial developers.	Greater equity to landowners across the zone in terms of ability to develop. Greater certainty of timing for landowners with no deferment in place.
	Costs	Potentially a greater immediate loss of versatile soil resource to industrial development, rather than just in the Stage 1 area. Competition to sell industrial land may result in some productive activities ceasing before justified by industrial demand and uptake.	Greater holding costs for the Council in constructing water and wastewater services over the whole rezoning area upfront, rather than in stages. Land owners in the previous Stage 1 are likely to get a lower return for land sales with the increased supply of land available.	In theory greater uncertainty to those with existing lifestyle residential properties in stage 2 as to when development may occur on surrounding properties.

Given the above evaluation the two options are similarly effective at achieving the objectives. Again with the theoretical efficiencies in terms of the cost and benefits assessment, the two options both come out with a number of costs and benefits, albeit with differences. On the whole the benefits of Option 2 are more significant than for Option 1, while the costs of Option 1 are more significant than the costs of Option 2. Further to this Option 2 is more likely to achieve immediate industrial development, than Option 1. Consultation also suggests that Option 2 'No Deferment or Staging' is also favoured by landowners.

OPPORTUNITY FOR ECONOMIC GROWTH AND EMPLOYMENT – DEFERMENT AND STAGING

As explained under the corresponding section for the 'Extent of Zoning' evaluation above, there are significant employment and economic growth benefits to be gained from industrial development at Omahu North. Option 2 and its immediate rezoning approach would ensure that such benefits are more immediately available as compared to a deferred zoning approach.

9.3.4 District Plan Method for Implementing Stormwater Swale System

VIABLE ALTERNATIVES – DISTRICT PLAN STORMWATER STANDARD

Assuming that the extended Omahu North Industrial Zone is proceeded with on the basis of a storm water swale infiltration system, the district plan stormwater standard will need to achieve certain things, such as a requirement for construction prior to development and then connection upon development.

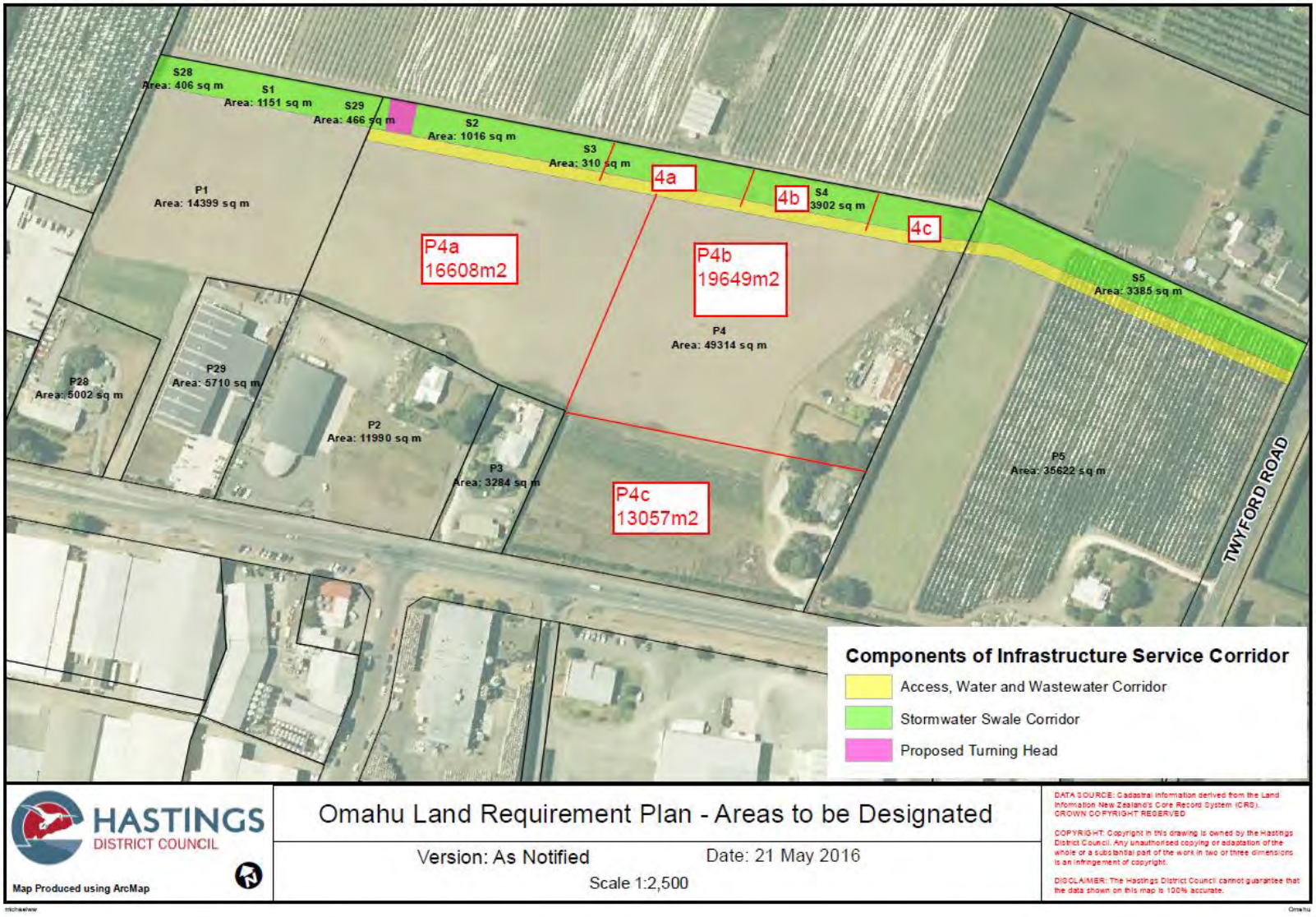
As the stormwater swale provides for infiltration without the need to convey the water elsewhere, it is possible for the swale to be constructed in sections as required by the property fronting the swale. As is evident from Figure 12 overleaf however, there are a number of properties within the proposed zone that do not adjoin the stormwater swale.

The rules requiring construction of the swale therefore need to be able ensure a stormwater swale is available for these properties without frontage to the swale as well. It would not be equitable to require the full length of the swale to be constructed upon development of the property that fronts the swale, if benefit was also going to be derived by the properties without frontage. Similarly, it would not be equitable if one of the properties not having frontage to the swale sought to develop first and was required to construct the full length of the swale fronting the property behind it. A proportional system is therefore required to specify the area of swale that the owners of each property are responsible for constructing upon development. Such a proportional system is explained in Figure 12.

This diagram shows how the corridor designated for the stormwater swale can be broken down into areas proportional in size to the different properties located between the swale and Omahu Road. Either subdivision or building development would be conditional on that portion of the swale tagged to the subject property, being constructed.

In Figure 12 the reference 'Px' is used to identify each separate property, while the reference 'Sx' is used to identify the proportional area of stormwater swale allocated to that property. That is the area of stormwater swale that would be required to be constructed prior to the subdivision or development of that property.

Figure 12 – Example of the Proportional Allocation of the Stormwater Swale Corridor to each Property



With reference to Figure 12, the following tables (Tables 17 and 18) set out the swale construction requirements for both a building development example and a subdivision example (relating to the red boundaries and font in Figure 12).

Table 17 – Proportion of Land Area to Stormwater Swale in Figure 12 and Areas Required for Swale Construction upon Building Development

Ref on Figure 11	Total Property Size (m^2)	Stormwater Swale Area (m^2)	Access Corridor (m^2)	Developable Area[12]	Stormwater Allocation	Stormwater Proportion[13]
P1	16,423	2,024	0	14,399	1,151	8.0%
P2	11,990	0	0	11,990	1,016	8.5%
P3	3,284	0	0	3,284	310	9.4%
P4	57,035	5,466	2,255	49,314	3,902	7.9%
P5	40,314	3,385	1,307	35,622	3,385	9.5%
P28	5,002	0	0	5,002	406	8.1%
P29	5,710	0	0	5,710	466	8.2%

As can be seen from the figures in Table 17, the 'developable area' has been derived by subtracting the stormwater swale and access corridor areas from the total property area. No consideration is made in these figures for existing development as this would be very difficult to calculate in an equitable manner. Where there are existing dwellings on properties it is possible that they will be removed in the long term and replaced with industrial development, even if the current owner has no plans to do so. In terms of existing development that is industrial in nature there will be the opportunity to either replace or extend that development, given that areas currently set aside for onsite wastewater and stormwater disposal will no longer be required. The stormwater swale area therefore needs to be big enough to accommodate future industrial development with near to total site coverage of impervious surfaces.

The 'stormwater allocation' / 'stormwater proportion' figures have been based on MWH Consultants engineering calculations, which have taken into account soil percolation testing results. This explains the slight variations in the stormwater proportion column.

Table 18 overleaf, references the subdivision example shown in Figure 12. As can be seen in the table the 'stormwater proportion' allocated to the parent title is applied equally to each of the allotments in the subdivision.

[12] As calculated by consultant engineer Wayne Hodson, MWH consultants, who also supplied the other information in the table.
[13] That is, Stormwater Allocation as a proportion of the 'Developable Area'.

Table 18 – Proportion of Land Area to Swale in Figure 12 and Areas Required for Swale Construction upon Subdivision Development (for subdivision of property P4)

Ref on Figure 11	Total Property Size (m^2)	Stormwater Swale Area (m^2)	Access Corridor (m^2)	Developable Area[14]	Stormwater Allocation	Stormwater Proportion[15]
P4a				16,608	1,314	7.9%
P4b				19,649	1,555	7.9%
P4c				13,057	1,033	7.9%
Parent title P4	57,035	5,466	2,255	49,314	3,902	7.9%

For the purposes of a section 32 evaluation, the Option outlined above is referred to as Option 1 'Proportional Stormwater Swale Requirement'. This can be compared to Option 2 of a similar proportional requirement but with reduced developable areas and therefore stormwater allocations, by not including land that has already been built on. Of course, there could be a number of variations relating to Option 2 such as not discounting residential dwellings from the stormwater allocation, but applying a discount to existing industrial development. Option 3 is for Council construction of the whole stormwater swale prior to development commencing.

An assessment of these options against the objectives is not required as the assessment under 9.3.1 above already concludes that the proposed stormwater swale will achieve these objectives once constructed. What is under consideration here is the efficiency in terms of costs and benefits of these options.

The alternative options evaluated below are summarised as follows:

Option 1 – Proportional Stormwater Swale Requirement;
Option 2 – Proportional Requirement Discounting Land Already Developed; and
Option 3 – Construction of Stormwater Swale by Council prior to Development.

[14] As calculated by consultant engineer Wayne Hodson, MWH consultants, who also supplied the other information in the table.
[15] That is, Stormwater Allocation as a proportion of the 'Developable Area'.

EVALUATION OF – METHODS FOR IMPLEMENTING THE STORMWATER SWALE SYSTEM

Table 19 – s32(2)(a) Evaluation of Alternative Methods for Implementing the Stormwater Swale – Benefits and Costs Efficiency

Option		Environmental Effects	Economic Effects	Social & Cultural Effects
1 – Proportional Stormwater Swale Requirement	Benefits	Ensures that no development can occur until the section of stormwater swale allocated to that property has been constructed. It also accounts for the removal of existing development and redevelopment at higher site coverage in the future. This should prevent any adverse effects from inadequate stormwater services being available.	The proportional approach with allocated areas of stormwater swale to each property ensures that the appropriate length of stormwater swale is constructed at the time the owner of each property wishes to commence subdivision or building development. No swale construction costs or contributions need to be made in advance of this, nor is there any reliance on negotiation and cost recovery between landowners. Construction of the full length of swale allocated to the property is likely to hasten development as a return is sought on the investment in the swale construction costs.	There is no opportunity for one landowner to deny access to the stormwater swale to another landowner. Landowners not wishing to develop immediately are not forced to construct, or contribute to the construction of the stormwater swale until they are ready to develop.
	Costs	No significant environmental costs are identified.	Where there are existing industrial developments in place with onsite stormwater systems there will be an economic cost in having to construct a new stormwater system upon expansion or redevelopment.	There may be some concern that this option discourages partial development as once building development (exceeding the threshold in the plan standard) or subdivision occurs the whole of the stormwater swale allocated to that property would be required to be constructed. The resource consent system would be available to consider situations where

				circumstances may mean that full construction of the stormwater swale is unreasonable or unjustified for the extent of development being proposed.
2 – Proportional Requirement Discounting Land Already Developed	Benefits	The environmental benefits would be the same as with Option 1, provided that no redevelopment or intensification occurred of the 'already developed land'.	The economic benefits would be similar to Option 1 although there would be less incentive for the full redevelopment of existing areas of buildings. Conversely there would be economic benefits to individual property owners with existing onsite systems of not needing to replace these with additional swale areas.	Again there would be similar benefits to option 1, with perhaps the additional benefit to individual owners with existing development and onsite stormwater systems of less economic pressure for any new development to be significant.
	Costs	Long term environmental risk that as the zone fills up there will be more pressure for the full utilisation of those areas already developed with onsite stormwater systems to achieve a greater site coverage. If this occurs over land that was discounted from the stormwater allocation calculations, the allocated stormwater swale may not be sufficient to accommodate the stormwater from such areas.	Less efficient use of land if existing on site systems are relied on at the expense of lower available site coverage. An economic risk to Council if insufficient areas of swale are formed due to discounting current building development, and then those buildings are redeveloped in the future necessitating the construction of additional swale areas.	Similar to Option 1, but to a lesser degree if it is a property with a discounted stormwater swale allocation due to existing development.
3 – Construction of the Stormwater Swale by Council	Benefits	Would ensure the anticipated stormwater disposal needs for the full development of the whole zone would be put in place before any development occurs. Under this option there should be no long term risk of an inadequate stormwater disposal system.	There is no economic benefit in this option compared to options 1 and 2.	Again there is little in the way of social benefits with this option. Arguable there could be a cultural benefit with this option if full construction of the swale ahead of any development provides a long term safeguard that the swale is adequate for mitigating the effects of stormwater on ground and surface water resources.

	Costs	There are no environmental costs from this option.	There would be a significant economic cost to the Council in constructing all of the stormwater swale system prior to development occurring. This would dramatically increase the cost of the development contributions which under Options 1 and 2 would not include any stormwater swale construction costs. Further to this Council's holding costs would also increase with the larger capital outlay, this again would contribute to an increase in the development contributions.	Likely to be just as unacceptable to existing land owners as the Plan Change 57 option if there is no decease in development contributions compared to that option.

Given the above evaluation Option 3 is strong in terms of its environmental benefits but is inefficient in terms of economic and social effects and for this reason cannot be pursued. Option 3 would effectively remove the benefits gained from creating a stormwater system capable of construction on an as required basis for each property.

In comparing Options 1 and 2, Option 1 does provide greater long term environmental security and will better encourage the efficient use and development of the industrial zone land resource with regard to economic efficiency (and environmental efficiency in terms of maximising the use of the versatile soil resource). Option 2 maybe more attractive to individual property owners with areas of existing building development, but it would be difficult to administer in terms of judging which building developments should result in a discount in the swale area to be constructed and which developments are likely to be removed in favour of new or expanded industrial development. The resource consent system would be available to consider cases for an exemption for the expansion of existing development to trigger the construction of the swale under Option 1. For these reasons, Option 1 is considered to be more efficient in terms of achieving the objectives of the Plan in terms of section 32(2).

OPPORTUNITY FOR ECONOMIC GROWTH AND EMPLOYMENT

As explained under the corresponding section of the 'Extent of Zoning' evaluation above, there are significant employment and economic growth benefits to be gained from industrial development at Omahu North. Option 1 and its encouragement of full and efficient industrial development would ensure that

such benefits are more fully realised compared to Option 2 (discount approach), which would result in a lower density of industrial development due to existing onsite stormwater systems preventing full development.

9.3.5 District Plan Provisions Amended by Variation

The section 32 evaluation carried out above demonstrates that the most appropriate methods for achieving the objectives of the Industrial Section of the Proposed Plan are: the stormwater infiltration swale vested in Council; an extended industrial zone area (70ha); immediate rezoning and no staging (as opposed to the use of a deferred zoning); and a stormwater standard requiring construction of an area of the swale corridor proportional to the size of the property, upon subdivision or development of that property. The Proposed Variation document proposes amendments to various sections of the Proposed District Plan to implement these methods for achieving the objectives.

It is not practicable or efficient to carry out a full section 32 alternatives assessment evaluation for each of the changes to the district plan provisions proposed by the Variation. The following table (Table 20) therefore lists either a description of the change or the actual plan provision proposed in the left column and then provides comments in the right column as to why that change is justified. Where the actual plan provision is listed, *italic font* is used. The changes proposed by the Variation are shown in **red bold font** for text to be added and ~~strike through font~~ for text to be deleted.

Table 20 – Assessment of Amended Plan Provisions Proposed by Variation

Proposed Hastings District Plan Provision	Comment
SECTION 14.1 INDUSTRIAL	
14.1.2 Anticipated Outcomes	
IZAO2 *Concentration of specific industry in appropriate locations, …* *(c)* ***Dry*** *Industry* ~~*requiring*~~ ***with*** *profile along the Omahu Road arterial route.*	This addition acknowledges that with the change in depth of the Omahu Road strip from an average of 120 – 130 metres to 250 – 300 metres, rear sites are likely to be created which will not necessarily have the same profile exposure benefits as those sites with frontage to Omahu Road, but nevertheless will still have the benefit of the profile of the general location. New rear sites in the Omahu North area will provide a valuable land resource for dry industry.
14.1.3 Objectives and Policies	
Amendments to Policies IZP4 and IZP5 to delete all references regarding the use of deferred zoning and staging at Omahu North.	Necessary amendments to reflect the change in approach from PC57 to a straight rezoning with no deferment staging in the Variation.
Explanation of IZP15 – similar amendment as for IZAO2 above.	Same comment as for IZO2 above.
14.1.5 Rules	

14.1.5.2 Deferred General Industrial Zone – Uplift of the Deferred Zone Remove all references to Omahu North from this section.	Same comment as for Policies IZP4 & IZP5.
14.1.5.3 Rule Table – Deferred General Industrial Zone Remove all references to Omahu North from this table.	Same comment as for Policies IZP4 & IZP5 and Rule 14.1.5.2.
14.1.6A General Industrial Zone – General Performance Standards and Terms	
14.1.6A.2 HEIGHT IN RELATION TO BOUNDARY *(a) On any boundary with a site zoned Plains[1], Rural, Residential or Public Open Space, buildings shall not project beyond a building envelope constructed by recession planes from points 2.75 metres above the boundary. The angle of such recession planes shall be determined for each site by use of the recession plane indicator in Appendix 60.* ***Note 1: In the case of the boundary of the Omahu North General Industrial Zone with the designated stormwater swale and / or services and access corridor, the recession plane calculation shall be from the Plains Production Zone side of this designated corridor.***	The designated stormwater swale and access corridors have an underlying zoning of Plains Production Zone rather than General Industrial. The effect that the standard seeks to mitigate is amenity effects from shading and building bulk from the industrial zone adversely affecting properties in the Plains Production Zone. Where a designated infrastructure corridor is present between an industrial site and a Plains Product site, a physical buffer is provided between the two properties by the corridor. This standard is intended to apply in situations when there is no buffer area in between the neighbouring property and the Industrial Zone property. By specifying that the recession plane control applies from the Plains Production Zone side of the corridor provides some additional flexibility to the industrial property in terms of building height, while still providing the same level of protection to the neighbouring property as intended by the standard.
14.1.6A.3 SETBACKS … *Storage Setbacks* *No structure shall be erected or item/s stored in manner that exceeds a height of 1.5m from ground level within 2m of a boundary adjacent to a Residential, Open Space or Plains Zone[1].* ***Note 1: In the case of the boundary of the Omahu North General Industrial Zone with the designated stormwater swale and / or access corridor, this storage setback rule shall not apply as the designated corridor will ensure a physical separation from industrial activities to adjoining Plains Production Zone properties. For the avoidance of doubt, this exemption does not apply where there is an easement for underground service connections only.***	As above, where a designated infrastructure corridor is present between an industrial site and a Plains Product site, a physical buffer is provided between the two properties by the corridor. This standard is intended to apply in situations when there is no buffer area in between the neighbouring property and the Industrial Zone property, to ensure that objects cannot be stacked to excessive heights on the boundary in a manner that dominates the neighbouring property. The additional wording proposed will ensure that flexibility will still be provided for industrial properties to utilise their yards for storage up to the boundary where an infrastructure corridor provides a physical buffer to the neighbouring Plains Zone property. There are still some zone interfaces that are direct property to property, with no Council owned stormwater swale or access corridor forming a buffer. In these situations the storage setback rule would apply, just as it does to other industrial zone interfaces throughout the District.
14.1.6A.4 LANDSCAPING	Objectives IZO2 and IZO3 refer to avoiding or mitigating adverse effects on the environment and maintaining acceptable amenity levels respectively.

*(a) ~~The full~~ **A minimum of 25% of the** length of each front boundary (excluding vehicle entrances) shall be landscaped for the minimum width identified below:* *Boundaries adjacent to Omahu Road – ~~2~~ **3**m* *All other instances – Nil*	Policy IZP 9 seeks to specifically implement these objectives in terms of landscaping as follows: *Require the provision of on-site landscaping along front boundaries in industrial areas located along the high profile arterial routes which provide an entrance to the Hastings urban areas.* *Explanation: Industrial activities along high profile arterial routes such as Omahu Road and the Southern Expressway can create reduced visual amenity for visitors entering the Hastings Urban areas. On-site landscaping will help to break the visual monotony of large buildings, industrial yards, and carparks. The cumulative effect of such landscaping will be to enhance the visual amenity of the District's highly visible industrial areas* Objectives IZO1 and IZO4 seek to 'facilitate the efficient and optimum use of industrial resources' and 'the efficient and effective use of resources', respectively. Standard 14.1.6A.4 as currently worded in the Proposed Plan would not necessarily provide the opportunity for businesses to effectively use the profile of Omahu Road. Landscaping along the full length of the front boundary will screen the building or yard displays of the property behind, or will encourage businesses to minimise the use of trees and shrubs in meeting this requirement. The standard as Proposed in the Variation still seeks to achieve Policy IZP9 in requiring landscaping along the front boundary to enhance the visual amenity of Omahu Road as an important entrance to Hastings. The landscaping is however required along only 25% of the boundary but to a 3m, rather than 2m, depth. This will allow property owners to utilise the profile of their property to Omahu Road (optimum and effective use of industrial resources achieving objectives IZO1 and IZO4) without it being obscured by landscape plantings, while ensuring that meaningful portions of the frontage are landscaped to achieve the amenity objectives of IZO2 and IZO3 and policy IZP9.
14.1.6A.5 SCREENING *All other Internal boundaries adjacent to a Plains zone* *Either a 1.8m high solid fence; or a 2m wide landscaping strip shall be provided along the full length of any side or rear boundary adjacent to a Plains Zone. **This requirement does not apply to boundaries adjacent to the designated stormwater swale corridor in the Omahu North General Industrial Zone**.*	Given the 24m wide physical buffer created by the stormwater swale and access corridor (or 17m wide buffer where there is no associated access corridor) and the intention to include amenity plantings within the buffer (see Figures 4 & 5 above), there is no amenity justification to require a screening fence or landscaped strip along the industrial zone boundary. This exemption also helps in providing for optimum and effective use of

	industrial resources in achieving objectives IZO1 and IZO4. Where there is no designated stormwater swale along the boundary however, the screening requirements should apply just as they do along other industrial zone interfaces in the District to help achieve objectives IZO2 and IZO3.
14.1.6A.6 STORMWATER *(d) Omahu North Area* *i) All roof surfaces shall be constructed from inert materials or painted with non-metal based paint and thereafter maintained in good order.* *ii) ~~Stormwater from roof surfaces shall be disposed of on-site. All other stormwater shall be disposed via a council reticulated network when they become available.~~* ***All stormwater shall be conveyed to the designated infiltration swale on the northern boundary of the Zone.*** ***iii) Where the designated infiltration swale has not been formed, any new development requiring stormwater disposal shall necessitate the construction of the swale within the designated area in accordance with the specifications set out in Appendix 17, Figure 3. The length of the swale required to be constructed will be proportionate to the size of the site on which the proposed activity is located as set out in Appendix 17, Figure 3.*** ***Except that ii) and iii) above shall not apply to those properties identified in the Structure Plan in Appendix 17, Figures 1 and 2 as requiring alternative stormwater disposal methods to the designated swale. These properties are subject to the requirements of standard 14.1.6A.6 as it applies to 'All Other Areas' below.*** ***This exemption from ii) and iii) above also applies to building extensions / new buildings resulting in an increased gross floor area across the site of less than 100m^2 over a 24 month period.***	The amendments to this standard are required to implement the infiltration swale stormwater solution that this Variation is based upon. The exemption at the end of the standard is required for the properties at either end of the zone, which are already largely developed with existing onsite systems or for properties that cannot practicably connect to or accommodate a swale. These sites will just be subject to the stormwater standard that applies to the other industrial zones in the District. The structure plan in Appendix 17 Figures 1 & 2, identifies 'indicative service corridors' which provide for easements to enable properties with no frontage to the swale to connect to it. This is how properties with no frontage to the designated swale will be able to meet Standard 14.1.6A.6(d)(ii). With regards to Standard 14.1.6A.6(d)(iii), a trigger mechanism is provided for the swale to be formed upon any new development. To ensure that the stormwater swale achieves the necessary infiltration and treatment requirements, engineering specifications and drawings are required to be referred to and these are provided in Appendix 17, Figure 3. The exemption for small building extensions or the addition of a small building on site ensures there is some flexibility for relatively minor building work to take place without triggering the need for the construction of the swae.
14.1.6B Deferred General Industrial Zone – General Performance Standards and Terms	
Amend the statement and the heading 14.1.6B and then also standards 14.1.6B.1, 14.1.6B.3, 14.1.6B.4, 14.1.6B.5, 14.1.6B.6 and 14.1.6B.7 to remove all references to Omahu North.	Same comment as for Policies IZP4 & IZP5 and Rules 14.1.5.2 & 14.1.5.3.
14.1.8 Assessment Criteria – Restricted Discretionary and Discretionary Activities	
Amend section 14.1.8.3 'Activities Within the Deferred General Industrial Zone' by deleting all references to Omahu North.	Same comment as above.
SECTION 30.1 SUBDIVISION AND LAND DEVELOPMENT	
30.1.5 Rules	

Amend Rule SLD11 relating to the Deferred General Industrial Zone by deleting references to Omahu North.	Same comment as above.
30.1.6 Subdivision Site Standards and Terms	
Amend Table 30.1.6A by deleting references to Omahu North against the site size standards for the Deferred General Industrial Zone.	Same comment as above.
30.1.6C EXEMPTION TO MINIMUM SITE PROVISIONS *3. Omahu North Industrial Area* *Where:* *(a) A subdivision creates a site or sites within ~~either the Deferred Industrial 2 Zone (Omahu North) or~~ the General Industrial ~~2~~ Zone (Omahu North) which complies with 30.1.7R and a single site within the Plains Zone There shall be no minimum site size for the Plains Zone site[1] .* *Note 1 : New Residential Activities and Visitor Accommodation are defined as a Noncomplying activity where they are located within **50m of the boundary of the General Industrial Zone (Omahu North) or the associated designated stormwater corridor, whichever is closer.** ~~the area identified in Appendix 36 Figure 2~~. Refer to Rule **PP34**~~29~~ (Section 6.2).*	In terms of the Note, both Plan Change 57 and the Proposed Plan referred to an Appendix which shaded properties subject to the Plains Production Zone rule making dwellings a non-complying activity within 30m of the Industrial Zone. The is no need for such a map to be included if both this note and the corresponding Plains Production Zone rule refer to the 30m setback requirement. The Variation is not therefore changing the intent of this standard which is to mitigate against reverse sensitivity effects, rather it is just simplifying the mechanism by which it is achieved. The wording "***or the associated designated stormwater corridor, whichever is closer"*** will ensure that the 50m setback is from the swale boundary rather than the zone boundary. This will provide an additional buffer distance to the 30m used for a greenfield residential zone to plains zone buffer in the Plan. This extra distance is appropriate in an industrial to residential situation to avoid reverse sensitivity.
30.1.7 General Site Performance Standards and Terms	
Amend standard 30.1.7E by deleting references to Omahu North as being zoned Deferred General Industrial.	Same comment as for Policies IZP4 & IZP5, Rules 14.1.5.2 & 14.1.5.3, and provisions under 14.1.6, 14.1.8, 30.1.5 & 30.1.6A.
30.1.7R GENERAL INDUSTRIAL OMAHU NORTH AREA ~~AND DEFERRED GENERAL INDUSTRIAL OMAHU NORTH AREA~~ *1. The subdivision shall be in general accordance with the Structure Plan in Appendix 17.* *2. Each site shall be connected to the Council's reticulated water **and**~~,~~ wastewater ~~and stormwater~~ networks ~~when these networks become available~~.* *3. **(a) The subdivision design shall ensure that stormwater from each site created can be conveyed to the designated infiltration swale on the northern boundary of the Zone.*** ***(b) The designated infiltration swale shall be constructed in accordance with the specifications set out in Appendix 17, Figure 2. The length of the swale***	The deletions to this standard are all to remove references relevant to the previous deferred industrial zoning and staging approach. The same comments apply to the additions in 30.1.7R.3(a) and (b) as apply to 14.1.6A.6(d) above.

required to be constructed will be proportionate to the size of the parent title being subdivided as set out in Appendix 17, Figure 3. ***Except that (a) and (b) above shall not apply to those properties identified in the Structure Plan in Appendix 17, Figures 1 and 2 as requiring alternative stormwater disposal methods to the designated swale. These properties are subject to the requirements of standard 14.1.6A.6 as it applies to 'All Other Areas' with regards to stormwater disposal.*** ~~*Where a subdivision occurs in advance of the Council's reticulated water, wastewater and stormwater networks becoming available:*~~ ~~*(a) a suitable legal mechanism shall be implemented to ensure that this occurs*~~ ~~*(b) the subdivider shall demonstrate that a satisfactory:*~~ ~~*(i) water supply*~~ ~~*(ii) wastewater system; and*~~ ~~*(iii) stormwater system is available to service each site in advance of the Council's reticulated systems being available.*~~	
30.1.8 Assessment Criteria – Controlled, Restricted Discretionary and Discretionary Activities	
Amendments to assessment criteria 30.1.8.1(2), 30.1.8.2 to delete any references to a deferred industrial zone or staging applying to Omahu North.	Required to implement the immediate rezoning no staging approach of the Variation.
SECTION 6.2 PLAINS PRODUCTION ZONE	
6.2.4 Rules	
Rule PP34 *Residential Activities and visitor accommodation within ~~30~~ **50** metres of ~~any~~ **the General** Industrial Zone **(Omahu North) as** ~~on land~~ identified ~~within~~ **by** Appendix **17** ~~36, Figure 2~~. – NCA*	This amendment changes the reference of this 30m reverse sensitivity set back rule as applying to the Omahu North Structure Plan area in Appendix 17. Appendix 36 which identifies specific properties that the rule applies to is superfluous and is therefore proposed to be deleted by the Variation. The change from 30m to 50m acknowledges that the proximity of residential activities is a significant reverse sensitivity threat to industries. The 30m distance is applied elsewhere in the Plan for a buffer between residential zone boundaries and the Plains Zone. Given the nature of the potential effects involved a greater separation is justified from residential activities to industrial activities to avoid reverse sensitivity effects.
TABLE OF APPENDICIES	
Appendix 17, Figure 1 – Stage 1 and Figure 2 – Stage 2.	Deletion of the staging and redundant servicing features requires no further explanation.

Replace this Appendix with a new Appendix 17[16], Figure 1 which amends the Structure Plan Appendix to delete reference to staging and other now redundant servicing features of the previous plan; and to show: the extended zone, stormwater swale corridor, access road corridor and associated turning heads, indicative service corridors, road intersection improvements (these are unchanged), identification of Omahu Road as a Regional Arterial, and identification of those areas not required to connect to the stormwater swale as per standard 14.1.6a.6(d).	The stormwater swale corridor (to be designated) has been described extensively in this report. Its alignment is shown to scale on the Appendix 17 structure plan. The access road corridor is required for the servicing and maintenance of the stormwater swale and its alignment (to be designated) is shown to scale on the Appendix 17 structure plan. The turning head is required where the access road terminates without connection to a public road. Indicative service corridors are required to provide access to the stormwater swale and to the water and wastewater services to those properties without frontage to the swale corridor. The road intersection improvements are unchanged from the existing Appendix 17 but are likely to be required to be constructed sooner due to the larger land area involved. The identification of Omahu Road as a Regional Arterial gives effect to policy UD10.3 of the Regional Policy Statement requiring identification of 'strategic infrastructure'. The reason for the areas not required to connect to the swale is explained in the comments on standard 14.1.6A.6 above.
Add a new Appendix 17 Figure 2.	This appendix sets out the design specifications and construction requirements for forming the swale.
Add a new Appendix 17 Figure 3.	This appendix sets out the area of swale that is required to be constructed in association with the development or subdivision of each property.
Delete Appendix 36, Figure 2.	As explained in the comments on standard 30.1.6C and rule PP34, this Appendix map is now superfluous with the amendments made in the Variation to the aforementioned standard and rule.

9.4 Assessment of the Risks of Acting or Not Acting

Section 32(2)(c) of the RMA requires that the assessment of the efficiency and effectiveness of the provisions in achieving the objectives must *'assess the risks of acting or not acting if there is insufficient information about the subject matter of the provisions'.*

[16] The proposed new Appendix 17, Figures 1, 2 and 3 is attached as 'Appendix 9' to this report.

In this case, the information about the subject matter of the provisions is robust and founded on engineering design and assessment in terms of the stormwater swale system proposed. This information will be further tested through the HBRC resource consent process with regards to the stormwater discharge via the swale infiltration system proposed.

The risk of not acting is significant and is quantified under section 9.3.2, Table 14 above. Assuming full uptake of the zone over time the opportunity cost of not proceeding is worth $106.69 million per annum at the point of full uptake. Although on a District-wide basis, some of this opportunity cost would be averted by industrial development locating in other industrial zones, provided a sufficient land supply was available.

Should the Omahu North rezoning not proceed, there is also the risk of less sustainable ad hoc industrial development occurring in a dispersed manner throughout the existing Plains Production Zone in response to a would be lack of supply of industrial zoned sites. This could be partially offset if development at Irongate commences however this may not satisfy the demand for 'high profile' industrial sites.

Given the above there is adequate information on which to make a decision, costs in not acting, and benefits in acting, accordingly the proposed Variation should be proceeded with on the basis of the options favoured by the above assessment which are summarised in Table 22 overleaf:

Table 22 - Options Favoured by the Section 32 Evaluations for Incorporation into the Variation

Issue		Recommended Option
1.	Alternative Stormwater options	Option 3 – Infiltration Swale Vested in Council
2.	Zone Extent	Option 3 – Extended Zone (70ha)
3.	Deferment & Staging	Option 2 – Immediate Rezoning and no Staging
4.	Implementing the Stormwater Swale	Option 1 – Proportional Stormwater Swale Requirement
5.	District Plan Provisions Amended by Variation	Various as set out in Table 20 above.

10 Conclusion

This report has provided a background as to why a variation to the Plan to address issues with the Omahu North industrial zone provisions is necessary and includes a description of what is proposed with the variation. The potential effects of the Variation are assessed and the consultation that has been undertaken in formulating the variation has been outlined.

Under the RMA any plan change or variation is required to be assessed against various statutory instruments. Such an assessment is provided in this report, including an assessment of the proposed variation against:

- Sections 72 – 75 of the RMA
- The Regional Policy Statement (Hawke's Bay Regional Resource Management Plan)
- Part 2 of the RMA
- Section 32 of the RMA

The purpose of this Variation is stated in section 9.2 above as follows:

To enable greenfields industrial development at Omahu North in accordance with the Hastings District Industrial Growth Strategy and the Heretaunga Plains Urban Development Strategy, in a manner in which landowners and developers are prepared to invest in.

The preceding report demonstrates that the methods and district plan provisions incorporated in this variation to the Proposed Plan for the Omahu North General Industrial Zone promote sustainable management in terms of the purpose of the RMA and are appropriate for achieving the above purpose and the relevant objectives of the Propose Plan.

PART C – Appendices

Appendix A:

Appendix B:

Appendix C: