

## Coversheet for Selwyn District Plan Committee decision on:

### Preferred Option Report: BS205 Leeston Industrial Zoning

On the 28 November 2018 a Preferred Option Report was taken to the District Plan Committee Meeting for endorsement.

The Preferred Option Report recommended the following:

*“That the Committee notes the report”*

*“That the Committee endorses the Preferred Option for ‘Leeston Industrial Zoning’ for further development and engagement”*

*“That the Committee notes the summary plan”*

# PREFERRED OPTION REPORT TO DISTRICT PLAN COMMITTEE

**DATE:** 28<sup>th</sup> November 2018

**TOPIC NAME:** Business (BS205)

**SCOPE DESCRIPTION:** Leeston Industrial Zoning

**TOPIC LEAD:** Ben Rhodes – Team Leader Strategy and Policy

**PREPARED BY:** Liz White – Consultant Planner

## EXECUTIVE SUMMARY

|                       |  |
|-----------------------|--|
| Issue(s)              | <ul style="list-style-type: none"> <li>The Committee has endorsed the investigation of incorporating a rezoning proposal as part of the notified Proposed District Plan, for industrial land in Leeston.</li> <li>However this is dependent on suitably located land being able to be feasibly developed for this purpose. The two key elements in feasibility are considered to be servicing constraints and landowner willingness.</li> <li>The Ellesmere Area Plan identified an area – ‘LEE 3’ as the preferred strategic location for Industrial land in Leeston, as well as identifying a further ‘Possible Future Area’ for Industrial Development.</li> <li>Preliminary investigations have identified that both sites can be serviced (with some possible limitations on the type or scale of industrial activity), and landowners are supportive of the LEE 3 area being rezoned. However the ‘Possible Future Area’ is not considered suitable for rezoning due to its strategic importance for wastewater treatment plant purposes.</li> </ul> |
| Preferred Option      | That more detailed investigation and targeted consultation are undertaken on including Business 2 zoning within the Proposed District Plan for the LEE 3 area.   |
| Recommendation to DPC | That the Committee endorses the Preferred Option for ‘Leeston Industrial Zoning’ for further development and engagement.   |
| DPC Decision          |  |



## 1.0 Introduction

On the 8<sup>th</sup> August 2018, the Committee considered a report regarding the capacity of existing business zones in Malvern and Ellesmere. As part of this, the Committee endorsed the investigation of incorporating a rezoning proposal as part of the notified Proposed District Plan, for industrial land in Leeston.

This decision stemmed from the Ellesmere Area Plan (2016) which, while concluding that towns in Ellesmere have capacity to meet growth projections through existing zoned land, stated that there was scope to investigate the appropriateness of additional Business 2 zoned land, including through the DPR. In particular, and as shown in Figure 1 below, it identified 'LEE 3' as the preferred future development area for industrial development, as well as a 'possible future area' for industrial development.



*Figure 1: Ellesmere Area Plan preferred and possible industrial development areas*

Subsequent investigations using the Selwyn Capacity for Growth Model, and additional research undertaken by Fordbaker also concluded that there was sufficient *theoretical* capacity for industrial development within Leeston within the next 10 years, but that this relied on more efficient use of existing land (e.g. infill development), rather than development of vacant land. The willingness of landowners to further develop existing business zoned land therefore impacts on supply. In addition, on a per capita basis, Leeston has significantly less industrial business land supply when compared to Darfield, which has a similar function as a Service Township for the District. In addition, anecdotal feedback from land and business owners indicates a perceived shortage in industrial land supply over and above what was discussed in the Fordbaker report.

As was identified in the Ellesmere Area Plan, servicing in this area is a potential constraint to further development and therefore could require a commitment from Council and the wider community around capital works upgrades, which are potentially significant in scale. Willingness of landowners to develop their land for industrial purposes could also thwart the implementation

of any rezoning. For these reasons, staff have undertaken preliminary investigations for the sites identified in the Ellesmere Area Plan to confirm that:

- The sites can be serviced, taking into account upgrades to the water supply and wastewater systems planned in the LTP, although in terms of wastewater there may need to be limits placed on the industry type or amount of discharge.
- The three owners of land within the identified LEE 3 area are supportive of the potential change to industrial zoning of their land.
- The Asset and Property Managers for the Council (who is the owner of land in the '*Possible Future Area*') have indicated that they consider it is not in the Council's best interests for this land to be zoned for industrial purposes as it is strategically important for waste water treatment plant purposes.

Given the preliminary investigations have indicated that there is landowner support for rezoning of the preferred future development area LEE 3, and that there are no significant servicing constraints, the preferred option identified in this report is for further more detailed assessment to be undertaken to support the inclusion of the Industrial zoning of this area in the Proposed District Plan, and for targeted consultation to be undertaken regarding the re-zoning. It is proposed that this occur between December and March, with the matter brought back to DPC in March 2019.

It is not recommended that the "*Possible Future Area for Industrial (Business 2) Development*" is proposed for rezoning to Business 2 within the Proposed District Plan, given its strategic importance for wastewater infrastructure. However, the detailed assessment and targeted consultation could be extended to include this land if the Committee wanted to pursue its possible rezoning.

## 2.0 Summary of relevant statutory and/or policy context and other background information

### 2.1 Selwyn 2031

Selwyn 2031 provides an overarching strategic framework for achieving sustainable growth across the district to 2031. Selwyn 2031 emphasizes the importance of adopting and implementing a strategic approach to managing urban growth as a means of strengthening the district's self-sufficiency and to ensure that it continues to be a great place to live, work and play. Under the Township Network identified in Selwyn 2031, Leeston is identified as a 'Service Township', along with Darfield, West Melton and Prebbleton, with its function based on providing a high amenity residential environment and primary services to Rural Townships and surrounding rural area.

### 2.2 Ellesmere Area Plan

The Ellesmere Area Plan was adopted in September 2016 and provides high-level planning direction to guide growth and sustainable management of Ellesmere townships through to 2031.

It identified a range of issues and opportunities to help inform that strategic planning and management of township growth, and was intended to help inform the District Plan Review.

The Area Plan acknowledges that Leeston has capacity to meet growth projections through existing zoned land. This existing capacity includes zoned but undeveloped land and developed land with further development potential (e.g. infill). Areas of preferred development for future business growth were indicated in the Area Plan for Leeston (LEE3). The Ellesmere Area Plan concluded that projected industrial growth could also be accommodated within the existing industrial area, but that there was scope to investigate the need for additional Business 2 zoned for Leeston through the DPR, a Town Centre Study or private plan change request. Given the timing of the DPR it is the first process to investigate this issue. The Area Plan, as a high-level strategic document also recognises that the specific consideration of the appropriateness of any rezoning must be considered through the statutory process under the RMA.

## 2.3 Selwyn Capacity for Growth Model (SCGM)

The SCGM is a spreadsheet-based model, endorsed for use in the DPR, made up of a number of different pages, each presenting different background information and results. It allows sensitivity and scenario testing through the ability to change controls that alter the final outputs of the SCGM. The SCGM forecasts development of industrial land/floorspace (Business 2) according to the observed market preferences and capacity available, referred to as 'modified revealed preferences' growth. The SCGM capacity analysis includes both 'vacant' land<sup>1</sup> as well as 'vacant potential' land<sup>2</sup>. In Leeston, there is a relatively low amount of 'vacant' land and a much higher amount of 'vacant potential' land. The amount of 'vacant' land available in Leeston is also lower, in comparison to Darfield, which has a similar function in the Township Network.

If the 'vacant potential' land is removed from consideration, assuming the land will not be developed further by existing landowners, then a relatively significant amount of capacity is lost. Under this assumption only a small area of vacant industrial land would remain.

## 3.0 Summary of Options to address Issues

### 3.1 OPTION 1: Undertake more detailed investigation and targeted consultation on including Business 2 zoning within the Proposed District Plan for the LEE 3 area.

This option provides for further investigation of Business 2 zoning being applied to the location identified within the Ellesmere Area Plan as being strategically preferred. This location is supported by landowners, indicating that there is unlikely to be a constraint to its development if rezoned, from a land ownership perspective.

<sup>1</sup> Land with no building or a building taking up less than 5% of the site.

<sup>2</sup> Land that is currently utilised but has capacity for further development.

Preliminary investigations indicate that the land in LEE 3 can be serviced, taking into account upgrades to the water supply and wastewater systems planned in the LTP. In terms of wastewater, there may need to be limits placed on the industry type or amount of discharge, but this can be considered and addressed through more detailed infrastructure assessments and through appropriate district plan controls if required. This does not unnecessarily impede the type of development anticipated under the Business 2 zoning.

Further technical assessments will be required to support the rezoning, such as: geotechnical; contamination; transport; infrastructure; economic; landscape; cultural; and urban design. These will also inform the development of appropriate planning provisions and support the efficiency and effectiveness evaluation of the rezoning. This will also help identify the most appropriate size and shape of land to be rezoned. It is noted that through the Cultural Sites of Significance Topic in the DPR that a potential spring has been identified near the 'LEE 3' site. The cultural and planning implications of this will be considered further through the Cultural Sites of Significance Topic and a specific Cultural Impact Assessment, which will form part of the package of technical assessments described above.

It is recommended that targeted consultation also be undertaken on the proposed rezoning of the LEE 3 land, including affected parties, key stakeholders, the Township committee, and other landowners in the existing industrial area. This will allow for input of interested and potentially affected stakeholders to be obtained, and to feed into the Committee's further decision-making on this rezoning.

### 3.2 OPTION 2: Undertake more detailed investigation and targeted consultation on including Business 2 zoning within the Proposed District Plan for the 'Possible Future Area for Industrial (Business 2) Development' land

This option provides for further investigation of Business 2 zoning being applied to the location identified within the Ellesmere Area Plan as being a 'Possible Future Area' for Industrial Development. As per Option 1, preliminary investigations indicate that the land in this area can be serviced, and if this option is chosen, further technical assessments would be undertaken to support the rezoning, as well as targeted consultation (refer above in relation to Option 1 for further detail).

However, this option is not supported by the Council's Asset and Property Managers, because of its strategic importance to the wastewater treatment plant. This indicates that there is a risk associated with rezoning this area, in that either it will not be given effect to because the land will not be made available for industrial development even if zoned for this, or if the land was rezoned and disposed of for development, the Council might then have to purchase additional land for wastewater treatment plant purposes. Given that there is another viable alternative (LEE 3 land) this option is not recommended.

### 3.3 OPTION 3: Investigate rezoning of other areas near the Leeston Township for Industrial within Proposed District Plan

This option provides for further investigation of rezoning of alternate sites near the Leeston Township for industrial purposes. This would be outside the preferred areas identified in the Ellesmere Area Plan for the expansion of industrial activity, which are located adjacent to, and would allow for an expansion to, the existing industrial area. Alternate areas would not be as strategically located, in that they would result in the Township having separated industrial areas.

This option would also have additional timing implications, in terms of needing to undertake direct consultation with landowners. As such, there are risks associated with this option in that any further land identified may not be supported by landowners.

Given that there is a viable option, in a strategic location, (LEE 3 land), Option 3 is not recommended.

## 4.0 Summary of stakeholder engagement

The owners of land identified in the Ellesmere Area Plan as either “LEE 3” (Preferred Future Development Area for Industrial Development) or within the “*Possible Future Area for Industrial (Business 2) Development*” were contacted regarding the potential expansion of industrial land in Leeston.

All landowners within the LEE 3 area are supportive of the rezoning of their land.

As the Council is the owner of land in the “*Possible Future Area for Industrial (Business 2) Development*”, feedback was sought from the Asset and Property Managers on the potential for some of the Council land to be zoned and developed for industrial purposes. They have indicated a reluctance to have the SDC land zoned industrial given its strategic advantages for waste water treatment plant purposes. They have also indicated that if this land is rezoned and developed, there may be a need to then purchase further land for wastewater treatment plant purposes.

All three options in this paper identify further stakeholder engagement.

## 5.0 Conclusion

The Committee has previously endorsed the investigation of incorporating a rezoning proposal as part of the notified Proposed District Plan, for industrial land in Leeston. Preliminary investigations have identified that rezoning the area identified in the Ellesmere Area Plan as the preferred strategic location for Industrial land in Leeston (LEE 3) is supported by the affected landowners, and that the site can be serviced (with some possible limitations on the type or scale of industrial activity).

The ‘Possible Future Area’ for Industrial Development identified in the Ellesmere Area Plan can also be serviced, but it is not considered suitable for rezoning due to its strategic importance for wastewater treatment plant purposes.

Wider sites have not been investigated further because no key constraints have been identified in relation to the rezoning of the preferred LEE 3 location, which is strategically located adjacent to the existing industrial area and provides for a logical extension of the zoning.

It is recommended that further more detailed investigation of the LEE rezoning now be undertaken, including targeted consultation.

## 6.0 Preferred Option for further engagement

The Project Team recommends that:

- More detailed investigation and targeted consultation is undertaken to progress the inclusion of Business 2 zoning within the Proposed District Plan for the LEE 3 area.



# Leeston industrial zoning – communications and engagement summary plan

## Key messages

(as of 12 November 2018)

### Background

- As part of the Selwyn District Plan Review additional business land requirements in Leeston are being considered.
- In August this year the Council’s District Plan Committee endorsed preliminary investigation of a rezoning proposal as part of the notified Proposed District Plan, for industrial land in Leeston. For other townships outside of the Greater Christchurch area which currently have business zones (Darfield, Southbridge, Dunsandel, Castle Hill and Coalgate) the decision was that any rezoning should be led by interested parties, eg landowners or developers, and not the Council. Interested parties will need to undertake the investigative and evaluative work in determining appropriateness of rezoning and provide the information as part of their submission on the Proposed District Plan (once it’s publicly notified for formal public consultation).
- For the Greater Christchurch area, business zone capacity and the need to rezone more is being considered through the National Policy Statement for Urban Development Capacity workstream.
- The Ellesmere Area Plan, adopted in September 2016, identified the need for further research in Leeston to help identify the location and quantum of additional business zoned land.
- The Area Plan identified a ‘preferred future development area’ along the south side of Station Street and Leeston Road, east of the existing industrial zoning (LEE3 area), as well as a ‘possible future area’ extending to the southeast of the existing zone south of Station Street. The Area Plan also identified that there may be infrastructure constraints or considerations requiring further investigation.

### Current status

- Preliminary investigations have indicated that:
  - owners of land in the preferred future development area, identified as ‘LEE 3’, support the rezoning.
  - Selwyn District Council staff have indicated a preference not to rezone the ‘possible future area’ as it could impact on the future expansion of the Leeston Wastewater Treatment Plant.
  - ‘LEE 3’ area can be serviced, taking into account upgrades to the water supply and wastewater systems planned as part of the Council’s Long-term Plan. In terms of wastewater, there may need to be limits placed on the industry type or amount of discharge, but this can be considered and addressed through more detailed infrastructure assessments and through appropriate district plan controls if required.
  - while the ‘possible future area’ can also be serviced, it’s not considered suitable for rezoning due to its strategic importance for wastewater treatment plant purposes.
- Other sites in Leeston have not been investigated for rezoning because no key constraints have been identified for the rezoning of the ‘preferred future development area’, which is strategically located next to the existing industrial area and provides for a logical extension of the industrial zoning. This also reflects the preferred location for industrial zoning identified in the Ellesmere Area Plan, which is a strategic growth management document that has already been through a public consultation and hearing process.

### About preferred option

- Given the preliminary investigations have indicated that there is landowner support for rezoning of the ‘preferred future development area’, and that there are no significant servicing constraints, the preferred option is for the Council to:
  - carry out more detailed assessment which will support additional land to be rezoned for industrial purposes as part of the Proposed District Plan. These assessments include geotechnical, contamination, transport, infrastructure, economic, landscape, cultural and urban design.
  - undertake targeted consultation with key stakeholders and affected landowners.

## Audiences<sup>1</sup>

| Internal | Partners  | Key stakeholders <sup>2</sup> | Landowners /occupiers <sup>3</sup>   | General public    |
|----------|---|-------------------------------|--|-------------------|
| DPC      | ECan  | Leeston Community Committee   | Owners of land currently zoned industrial in Leeston   | Selwyn ratepayers |
|          | Te Ngāi Tuāhuriri Rūnanga (represented by Mahaanui Kurataiao) | Selwyn Business Group         | Owners of land identified as a ‘preferred development area (LEE 3 land)’ in the Ellesmere Area Plan  | News media        |
|          | Te Taumutu Rūnanga (represented by Mahaanui Kurataiao)        |                               | Selwyn District Council as the owner of land identified as a ‘possible future area for industrial development (Business 2)’ in the Ellesmere Area Plan | Wider public      |
|          |   |                               | Adjoining land owners  |                   |

| <b>Legend</b> | <i>High level of interest/<br/>High level of influence<br/> (“Manage closely”)</i> | <i>High level of interest/<br/>Low level of influence<br/> (“Keep informed”)</i> | <i>Low level of interest/<br/>high level of influence<br/> (“Keep satisfied”)</i> | <i>Low level of interest/<br/>Low level of influence<br/> (“Watch only”)</i> |
|---------------|--|--|---|--|
|               |  |  |   |  |

<sup>1</sup> “...Differing levels and forms of engagement may be required during the varying phases of consideration and decision-making on an issue, and for different community groups or stakeholders. The Council will review the appropriateness and effectiveness of the engagement strategy and methods as the process proceeds.” [Significance and Engagement Policy: Adopted 26 November 2014; p.6]

<sup>2</sup> Key stakeholders are “the organisations requiring engagement and information as the preferred options for the Draft District Plan are being prepared.” (District Plan Review Community Engagement Implementation Plan; p.6) Key stakeholders “...will advocate for or against decisions that will need to be made...” and “For the District Plan Review, stakeholders include any party that can influence decisions or be influenced by decisions made on policies or rules.” (DPR Engagement Framework)

<sup>3</sup> Landowners are “the individuals and businesses that could be affected by the proposed changes in the District Plan.” (District Plan Review Community Engagement Implementation Plan; p.6)

Engagement during review phases

| Review phases                 | Internal | ECan | Rūnanga | Key stakeholders | Landowners/occupiers                                 | General public |
|-------------------------------|----------|------|---------|------------------|--|----------------|
| Baseline assessments          |          |      |         |                  | <i>[only owners of ‘LEE3’ and ‘Business 2’ land]</i> |                |
| Preferred option development  |          |      |         |                  | <i>[only owners of ‘LEE3’ and ‘Business 2’ land]</i> |                |
| Preferred option consultation |          |      |         |                  |  |                |

2018/2019 communications and engagement key tasks/milestones per month

(more detailed action plans to be developed for each major milestone or as required)

| Audiences            | Pre-November   | November  | February - March 2019   |
|----------------------|--|---|---|
| ECan                 |  |   | Draft detailed assessment report and preferred option report are shared and feedback sought |
| Rūnanga              |  |   | Draft detailed assessment report and preferred option report are shared and feedback sought |
| Key stakeholders     |  |   | Draft detailed assessment report and preferred option report are shared and feedback sought |
| Landowners/occupiers | <i>[only owners of ‘LEE3’ and ‘Business 2’ land]</i> |   | Draft detailed assessment report and preferred option report are shared and feedback sought |
| General public       |  |   | PO report is published on Your Say Selwyn website   |
| DPC                  |  | Preferred option report goes to DPC for endorsement |   |