

ORDINARY AGENDA

COUNCIL

DATE: Wednesday, 27 May 2009

TIME: 9.15 am

VENUE: Council Chambers
Matamata Piako District Council
35 Kenrick Street
TE AROHA

MEMBERSHIP – Quorum (6)

Members:

Mayor G W H Vercoe QSM, ED, JP
Cr J E Barnes
Cr S D Gillard JP
Cr C L Greenville JP
Cr M L Gribble
Cr J W Harris
Cr P M Jager
Cr T J M Johnston JP
Cr R J McGrail
Cr G R Stanley
Cr M P Steffert
Cr L M Tisch

Information and recommendations are included in the reports to assist Council in the decision making process and may not constitute Council's decision until considered by Council.

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1 MEETING OPENING**2 PRESENT****MEMBERS PRESENT****OFFICERS PRESENT****IN ATTENDANCE****3 APOLOGIES****MEMBERS APOLOGIES****4 NOTIFICATION OF URGENT BUSINESS**

Pursuant to clause 3.7.5 and 3.7.6 of the Standing Orders NZS 9202:2003 and Section 46A (7) of the Local Government Official Information and Meetings Act 1987, the Chairman to enquire from members whether there are any additional items for consideration which qualify as extraordinary or urgent additional business.

5 OFFICER REPORTS

5.1 CHIEF EXECUTIVE

5.1.1 PROPOSED PLAN CHANGE 31 - PRECINCT F, MATAMATA

File No:	RMR 200629
Attachments:	PreF MM A3 PlanningMap14_34_19May09.pdf 2009_01_Amended DENSITY Map_02.pdf 2009_01_Amended MOVEMENT AND OPEN SPACE Map_03.pdf
Responsible Officer:	D McLeod Chief Executive Officer
Author:	P Rolfe Community Development Manager

EXECUTIVE SUMMARY

A private plan change has been submitted to Council under the requirements of the Resource Management Act 1991 (RMA) and its amendments to rezone land that bounds Hinuera Road through to Station Road on the western side of Matamata from rural-residential to residential, rural to rural-residential and rural to residential. In conjunction with this it is proposed to introduce a structure plan for the entire area, along with an area within Eldonwood to identify a neighbourhood node and reserve.

The proposal needs to be considered under the requirements of the RMA and in particular as to whether or not it promotes the sustainable management of natural and physical resources. As part of this process Council has a number of options to consider in terms of the legislation on how it wishes to deal with this application.

Growth for Matamata is at a crossroads whereby additional zoned land needs to be provided for future growth. Current infrastructure is near its limits for the town and no matter where development occurs it needs addressing to provide for growth.

Councils Draft Growth Strategy Study has indicated that growth be concentrated around our towns along with the need for future zoned land. This proposal would provide for development over the next 20 years taking into account land that has already been granted approvals for development in recent times.

This proposal becomes the driver for the options and costs to service the area for roading, water, wastewater, stormwater and reserves. Council will need to act as banker for some of this infrastructure and over time costs can be recouped through development contributions as development will relate to "growth" but this carries a financial risk.

The proposal has now been put together after Council agreed to a Memorandum of Understanding. This proposal must now be considered and Council must accept the plan change as a private plan change, adopt it as its own or reject it. Alternatively it can request further information.

BACKGROUND

In 2006 consultation was undertaken within the community at Matamata to introduce a structure plan for the rural-residential zones of the district plan to provide for roading, water, stormwater and wastewater. Through this process it was identified that the road should be moved to accommodate plans that the applicant had at the time, which is similar to what is proposed in the structure plan as part of this proposed plan change.

In July 2007 public workshops were held to investigate the community's favoured locations for future residential growth in Matamata due to a need to provide for future development. One of the areas identified was referred to as Area F. Area F (known as Precinct F) covers the large area (106 hectares) to the south east of Matamata Township. It encompasses the land between Hinuera Road and Station Road covering all rural-residentially zoned land as well as some rural zoned properties and bordering the residential areas bounded by Jellicoe Road properties. The Eldonwood development is within this area. The area was identified for a mixed use area of rural-residential and residential zoned properties.

A Memorandum of Understanding (MOU) was entered into between Matamata-Piako District Council and the developers (Eldonwood Limited). The MOU specified that the preparation of a proposed plan change document, including Section 32 analysis, structure plan and assessment of environmental effects would be co-ordinated by both parties to rezone the land within the area known as Precinct F. In addition both parties agreed to a timetable for implementation of the process and actions to be undertaken to achieve the objective of having a hearing in November 2009. This is to obtain certainty of process and agreed outcomes and to minimise costs incurred by either party.

THE PROPOSAL

The proposed plan change is to rezone 32 parcels or part thereof of land from rural-residential to residential (approx 50 hectares), 20 parcels or part thereof of land from rural to residential (approx 34 hectares) and 10 parcels or part thereof from rural to rural-residential zone (approx 24 hectares). A small area of approximately a hectare will remain zoned rural-residential.

The affected properties are legally described as follows:

Rural-residential to residential zone:

Lot 1 DPS 14362, Lots 4 & 5 DP 384886, lots 1-3 DP 404835, lot 1 DPS 65481, lots 1- 3 & 5 DP 365568, lot 2 DP 380025, Lot 16 DPS 4476, lot 2 DPS 62506, lot 1&2 DP 402844, lot 1 DPS 42731, lots 1-9, 15, 16 DP 395522 and lots 15,16,18,22 DP 386534

Rural zone to residential zone

Pt lot 2 DP 21055, Pt lot 3 DPS 14362, Pt lot 2 377005, Pt lot 2 DP 380025, Pt lot 1 DPS 62506, lots 2-7 DPS 2354, Pt lot 29 DP 14138, lots 1 & 2 DPS 9250, lot 3 DPS 2410, and lots 1-5 DPS 1503.

Rural to rural-residential zone

Pt lot 2 DP 21055, lot 1 & Pt lot 2 DP 377005, Pt lot 2 DP 380025, Pt lot 1 DPS 62506, lot 1 & 9 DPS 2354, lot 4 DPS 2410, lot 6 DPS 1503, and Pt lot 29 DP 14138.

As well as changes resulting from the rezoning, a structure plan will be inserted into the District Plan which proposes to provide for:

- A range of different housing opportunities and residential environments through providing for three different densities at 1500m², 1000m² and 400m² for comprehensive residential development or 250m² for retirement villages
- Neighbourhood nodes that can provide a focal point for small-scale convenience retail, recreation and amenities that can serve the day to day needs of the local community.
- Proposed and existing reserves including pedestrian and cycle ways
- Collector and indicative roads
- Stormwater pond/wetland

In addition to the above some objectives, policies and rules regarding the structure plan and urban design issues as they relate to subdivision and development are included within the proposed plan change along with some consequential changes arising from these.

All the proposed changes to the District Plan including adjustments can be viewed in the attached document.

ISSUES

1 GROWTH

Over the last couple of years it has been identified that Matamata needs further land to be rezoned to enable growth to occur, and as a result of this, this plan change has been submitted.

Councils Draft Growth Strategy adopts a concentrated growth model that predicts by 2038 to see Matamata increase to 8500-9000 people.

Growth is therefore needed to be provided for regardless as to when this will occur. If it is not provided for it won't happen. If Council and the community want to see "growth" then provision needs to be made for it.

Precinct F was identified as suitable place for growth in terms of the areas identified by the community. Reasons for this is that Stanley Downs has been granted resource consent within area C; Areas A and J have been previously zoned residential and rezoned back to rural; Area I is unlikely to be developed in the future due to ownership, and Area H (Banks Road) has already been rezoned. Area D is already compromised, and it is understood that it would be expensive to service Area B.

Growth for Matamata is at a crossroads whereby additional zoned land needs to be provided for future growth. Current infrastructure is near its limits for the town and no matter where development occurs it needs addressing to provide for growth.

2 CHANGES TO DISTRICT PLAN

The changes to the district plan will put in place objectives, policies and rules for the area providing a mix of residential and rural –residential development. This includes criteria for subdivision as well as development of dwellings, comprehensive housing developments, neighbourhood nodes, etc.

Good urban design principles have been used throughout which also introduces more sustainable practices. Criteria have been developed for inclusion within the district plan for restricted discretionary activities whereby this criteria is used against applications for subdivision or development that has been given this status. This is more restrictive for subdivision than what exists for all other residential areas within the urban areas as this is a controlled activity at present meaning that the application cannot be turned down but must meet the rules as outlined in the plan.

This discretion provided is only for within Precinct F and within the outline of the structure plan. It means that if Council doesn't consider that the standards are being met an application could be turned down, but a decision can only be made on the grounds of any of the criteria that are outlined within the plan. For example if an application for subdivision is submitted one of the criteria that must be considered by an applicant is:

"Servicing

- i Whether sites can be adequately serviced for stormwater, wastewater, water supply and utilities.*
- ii Whether the subdivision is in general accordance with any Council adopted Development Manual for urban subdivision.*
- iii Whether the layout of building platforms and underground services is appropriate to avoid adverse effects on infrastructure.*
- iv Whether there is a need for easements or other mechanisms for securing access to services or utilities on sites.*
- v The effects on the public services the Council is responsible for in the locality or District and which the residents or occupants of the subdivided or developed area would make use of, generate a need for, or have an impact on (and for which "development contributions" may be required to offset adverse effects).*
- vi The undergrounding of any utility lines within or outside the site being subdivided.*
- vii Whether subdivision provides appropriate infrastructure in a coordinated manner, ensuring that subdivision, development and the provision of infrastructure keep pace with each other.*
- viii Whether the subdivision is consistent with any approved discharge consent, and/or relevant regional technical publication and appropriate measures are proposed to avoid, remedy or mitigate the effects of stormwater discharges on the subdivision and any other site or property; and*
- ix In an identified Structure Plan Area, whether low impact stormwater management practices, including rainwater detention, reuse and groundwater recharging are proposed to be utilised. Council maintains discretion to impose conditions of consent and consent notices on certificates of title specifying the requirements for*

stormwater detention and low impact stormwater management practices that all development must comply with.”

This will mean greater onus is on the applicant to show that development should occur and services can be provided within their applications to Council.

3 **STRUCTURE PLAN**

As outlined above as part of the proposal a structure plan is being proposed to be put in place covering a number of issues. The issues that have been identified have been designed on good urban design principles and are proposed to be put into the District Plan so that recognition is given to them as part of any future development.

One of the plans that form part of the structure plan shows the Movement and Open Space Network. This includes a “collector road” which will provide for traffic from Hinuera Road through to Station Road. We have previously advised Council and requested the developer to show as part of this proposal the continuation of this collector road from Station Road through to meeting the road that comes down from Peria Road. This is so that continuation of this road can be co-ordinated whilst a significant section is worked through.

If Council decide not to achieve this as part of this proposal an additional plan change would be required costing a minimum \$30,000 or alternatively Council could decide not to do anything.

As part of the structure plan the collector road is likely to be required at a 30 metre wide reserve to cater for the type of road and its design. It could be argued that this is to be provided by the developer as it is shown on the structure plan, however it could also be argued that if our standards don't require a collector road for such a catchment that if an additional 10 meter width is required then Council would be required to pay for this, which could then be recouped from development contributions. As these are based on a district wide basis for roading an additional \$500,000 (at today's costs) would be added to the roading contributions.

A stormwater ponding area is also identified on one of the reserves. This area is a key for the development and should be designated or purchased by Council as soon as possible if the proposal becomes operative. The reason is that this area has been identified as the most logical area for this structure and that if it is ever lost the costs could be far greater in the long run. Costs for this could be recouped through development contributions regardless if it is for stormwater or reserves.

4 **SERVICES**

Councils Engineers have raised the following issues:

- a) **Stormwater** –Stormwater soakage is of the poorest soakage where the higher density areas are identified on the structure plan. As Council is going through the process of putting in place a bylaw to require at a general level that stormwater is dealt with on each site, the subdivision of sites need to be designed to cater for this.

The writer advises that we are also providing for urban design outcomes and looking for alternative means to deal with stormwater on a more sustainable basis. It is my understanding that if you have a higher density it provides more options on how to deal with such matters, including putting in place on-site retention ponds for development. Such retention ponds are likely to be more economic on a shared basis with higher numbers.

Rough order costs estimate that stormwater costs will be \$9.6 million whereby \$4 million is estimated for internal road drainage only as a “worst case” scenario and the likely hood of this occurring is low.

The remaining costs are for soakage trenches for road drainage only whilst the remainder is for the development of an overland flow path (excluding land purchase) and the stormwater retention pond. These latter costs are seen as being at high risk due to a number of unknowns in relation to soakage.

It is of note that Council will be relying on the developer to pay these costs through the development or development contributions, but Council may have to act as Banker.

- b) Water** – The proposal requires the commitment of an additional bore over and above the one that has already been committed to for this side of Matamata. If water can be found within a 2km radius of Precinct F costs of \$1.9 million are likely. However a worst case scenario is that if a source cannot be found costs could be significantly higher to source water from the Waihou River or Waikato River. It is considered that there is a high risk that costs will be more.

It is of note that Council will be relying on the developer to pay these costs through the development contributions, therefore Council would act as Banker.

- c) Wastewater** – this service can be provided to the area through various means. A package plant could be provided or a separate line to Councils own treatment plant at a cost of approximately \$4.25 million. This estimate is based on a 20% share of a pump station that would be required to upgrade other areas within Matamata. It is considered that these costs are reasonably accurate and there is a low risk of additional costs.

It is of note that Council will be relying on the developer to pay these costs through the development contributions, therefore Council would act as Banker.

5 ROADING

The comments above under the heading “Structure Plan” is relevant here. In addition a Safety Audit of the intersection at Hinuera Road and State Highway 27 will be available prior to the meeting. This issue is one that exists now and this proposal has pushed the issue along.

Through consultation it was identified that the effects on the State Highway at various points need to be considered. As a result criteria have been included within the proposed rules that require this issue to be dealt with as part of any future proposal.

6 RESERVES

All reserves are identified to be vested in Council as part of any development, including the proposed walkway/cycleway along the edge of the area. It also requires the development of the reserves at the same time of the development.

Council has no strategy for its reserves and currently provides 3.18 ha of reserve per 1000 persons. The average over 43 Councils in NZ is 7.95 ha.

The area is already served by the Haig Road reserve (0.44 ha) and two further reserves are proposed to serve the higher density areas. The first is 0.7 ha and the second 1.5 ha of which 2000m² is for stormwater. In addition the walkway/cycleway provides for an additional 4ha of open space for use by the public. This provides a total of 6.44 ha for 700 households or 1540 persons.

In addition the structure plan identifies the Millie Khan Green as open space. Although this will be retained in private ownership it will be available for public use.

The ongoing maintenance costs for Council are likely to be greater than the average area within the District as there will be a greater portion of reserve to look after upon it all being developed due to our current provision of 3.18 ha per 1000 people. (Equalling 4.8 ha per 1500 persons). Therefore based on 6.44 ha being provided this is an additional 1.6 ha to maintain. This amount may seem insignificant however based on maintenance costs for the likes of Tom Grant Drive additional costs of \$40 per household are anticipated for this area. Council has the ability to set a targeted rate for this area if it wishes to or alternatively spread the costs. At present Council costs are \$130 per household per annum across the district.

7 RISKS

There is a risk that the developer walks away and does not pursue the proposed plan change due to the significant worst case scenario costs for services identified. This will mean that Council will need to at some stage provide for future development at its own cost through undertaking its own plan change. Such costs will be significantly more for that process than this one, and as identified it doesn't matter where development takes place infrastructure is required to be provided in Matamata to provide for growth.

The risks for the cost of services are identified under each heading above in 4. Without more in depth investigation it is difficult to be more definitive about the costs of providing the services to this area –so at this point we must assume some worst case scenarios to prudently assess the impact of the development.

Council will have to act as Banker if the services are to be provided as community based and put in place certain infrastructure for development to proceed progressively. The financial risk is that the infrastructure will be put in place prior to full development of the area taking place and Council is then either not able to recoup its costs through development contributions either within a reasonable time period as had been assumed or at all if no further development beyond some initial subdivision is undertaken for what ever reason.

Interest can be charged when acting as Banker and included within the development contributions. We can also periodically review the contributions for future areas that

remain undeveloped and recoup interest costs that have been incurred because of slow development or higher costs incurred in construction. However if development is low and interest and inflation costs compounds with a regular review of the contributions the development contributions could reach a level where it simply becomes too expensive to develop.

Given the magnitude of the infrastructure costs and the potential debt that Council may incur there is a high risk that we will need to undertake an amendment to the LTCCP as part of next years annual plan process if the plan change is made operative. This in itself will incur expense.

There is also a risk that the Plan Change process itself will give rise to appeals etc and the potential outcome is an additional \$30,000 plus in cost over and above the costs of the process itself.

STATUTORY ISSUES

RESOURCE MANAGEMENT ACT 1991 (RMA)

A plan change is where changes can be made to an operative district plan through the process outlined in the RMA. Plan changes can either be promoted as Council's own plan changes or as private plan changes.

In this case Proposed Plan Change 31 is a privately instigated plan change where Council has agreed through a Memorandum of Understanding to have the plan change proceeds through a partnership between Council staff and the developers. Other Council staff that have been involved through this process include the Roding Manager, Community Facilities Manager, Water & Waste Manager, Utilities Engineer, District Planner, Environmental Services Manager and Operations Services Manager

To date the section 32 report and proposed plan changes to the district plan have been worked through by various staff and with the exception of a couple of minor drafting issues everything has been agreed to date.

In order to progress a plan change, it must be prepared in accordance with the functions outlined in the Resource Management Act 1991 and this is the document that is circulated to you separately on cd. Hard copies can be made available upon request.

Under Part 2 of Schedule One of the RMA Council must now consider the request within 30 days of receiving the application. The MOU as agreed by Council states that this is to happen on the 27th May 2009 at a Special Council Meeting.

Under Schedule 1 Part 2 Clause 25 of the RMA the options for Council to deal with this matter include:

1. Adopt the proposed plan change as a Council adopted plan change
2. Accept the proposed plan change in whole or part as a private plan change
3. Reject the proposed plan change in whole or part on the grounds that it is not in accordance with sound resource management practice, or it would make the District Plan inconsistent with Part 5 of the Resource Management Act;

or

As outlined under clause 23 further information may be requested to better understand:-

“(c) the benefits and costs, the efficiency and effectiveness, and possible alternatives to the request”

POLICY AND BYLAW ISSUES

This proposal once completed through the statutory process will put new policy and rules within the District Plan through providing for the future development of Matamata and will have an impact on the Long Term Council Community Plan. This is outlined above in the issues and financial implications.

LONG TERM COUNCIL COMMUNITY PLAN

COUNCIL ACTIVITIES

Community Development

Community Development has a focus on economic, social, environmental and cultural well being and includes activities such as Democracy, District Plan, the Long Term Council Community Plan and generally increasing community input into Council decision making. Improving representation in Council's decision making and finding other ways to improve the process of democracy in our district is important.

- *District Plan*
 - *Amenity*
 - *Development Contributions*
 - *Land and Development*
 - *Natural Environment and Heritage*
 - *Subdivision*

FOUR WELL-BEINGS

The proposal takes into account the social, cultural, economic and environmental wellbeing of the community of Matamata through providing for future urban development and growth through good urban design principles and sustainable practices.

COMMUNITY OUTCOMES

The following community outcomes would be contributed towards through the proposed plan change:

- Economic Development: Prosperity
- Healthy Air, Water, Land: Healthy People
- Heritage: Our past

- Our Social Infrastructure
- Planning and Development
- Transport: People Going Places

SIGNIFICANCE POLICY

This issue is significant however it must proceed through a formal statutory process for it to become operative.

COMMUNICATION AND CONSULTATION ISSUES

See Section 9 of the section 32 report separately circulated for details of consultation undertaken with stakeholders, iwi and the public. Upon Council adopting or accepting the proposed plan change further consultation will occur through the statutory stages. This will include inviting submissions and further submissions, having pre-hearing meetings prior to a hearing with Council.

FINANCIAL IMPLICATIONS

The proposed plan change will put in place zonings that will give land owners the opportunity to develop these properties for residential or rural-residential purposes.

The actual plan change process from hereon is estimated at \$80,000 plus which includes commissioner time and potential appeal costs. If no appeal is lodged and no commissioner is used costs would be significantly less.

To work through a designation process to secure the stormwater ponding area upon the plan change becoming operative will be a cost of approximately \$80,000. Alternatively Council could negotiate with the land owner to purchase the land without having to go through the process. Land purchase would be recouped from development contributions.

Total rough order of costs for services are estimated at \$16 million. As all the development would relate to "growth" Council can require the costs to be recouped as part of its development contributions. Based on 700 households a sum of \$23,000 per household would be required, which is not unusually high in comparison to some adjoining authorities, although it is greater than what Matamata pays for now. The rough order of costs may however be as much as \$4 million less or far greater up to \$30 million if water needs to be obtained from the Waikato River whereby a rough order of costs of \$12 million is provided of which 20% would be from Precinct F. If costs were recouped at the higher end contributions would be in the order of \$43,000 per lot which may make development unaffordable.

Of note is that due to the need to provide services for part of an area that will develop ahead of other areas, there may be the need for Council to act as banker and provide for the services and recoup this when the development contributions are collected. This may take time as the entire development could take 20 years to complete. Interest is however charged within the development contributions regime.

The additional roading contribution if required would be insignificant and reserves would be vested in Council and developed when development occurs. However ongoing maintenance of the reserves will be higher although it could be argued that a

greater area than the precinct could utilise the reserves, eg Station Road residents. Council could look at the option of putting in place a targeted rate for the area to pay for the additional costs rather than charging the general community for this.

Regardless of this it needs to be determined as to whether or not “growth” should be provided for in Matamata.

OPTIONS

The public has identified the area subject to Proposed Plan Change 31 (Area F) as a favoured area for further mixed residential development in Matamata so the proposed plan change is in keeping with the desires of the community.

If this plan change doesn't proceed Council will need to undertake its own plan change to provide for growth in Matamata.

Under Clause 25 of Schedule 1 of the Resource Management Act 1991 Council has three options in regard to Proposed Plan Change 31:

1. Adopt the proposed plan change as a Council adopted plan change

This option will be in keeping with the Memorandum of Understanding however Council has every right to make its decision in accordance with the requirements of the Resource Management Act and is not required to adopt it as its own. Upon the plan change becoming operative the risks and costs are the same as identified.

2. Accept the proposed plan change in whole or part as a private plan change

This option means that the plan change proceeds as a private plan change and all the processing costs fall on the applicant, except if Council's decision gets appealed then this cost will still fall on Council. Upon the plan change becoming operative the risks and costs are the same as identified.

3. Reject the proposed plan change in whole or part on the grounds that it is not in accordance with sound resource management practice, or it would make the District Plan inconsistent with Part 5 of the Resource Management Act;

This option would be difficult to justify as it relates to National Environmental Standards, National Policy Statements, Regional Policy Statements, and what is to be considered by Councils for its district plan, what the contents of district plans must include and the types of activities provided. The proposal is not in conflict with any of these matters, and it could be debated that this proposal is based on sound resource management practice

or

As provided for by Clause 23 of Schedule 1 Council could require further information to consider the benefits and costs, the efficiency and effectiveness, and possible alternatives to the request, particularly in relation to providing services.

OFFICER RECOMMENDATION

That Council consider all the factors identified above and provide a decision on Proposed Plan Change 31 – Precinct F, Matamata.

6 URGENT ADDITIONAL BUSINESS

7 EXCLUSION FROM THE PUBLIC

8 CLOSURE