# **BEFORE A HEARING COMMISSIONER**

**IN THE MATTER** of the Resource Management Act 1991 (RMA)

AND

IN THE MATTER of hearing submissions and further submissions in respect

of Matamata-Piako District Council - Plan Change 58 -

Avenue Business Park

# STATEMENT OF CHRISTOPHER HENRY STEFFERT ON BEHALF OF WARWICK AND MARION STEFFERT

# **APPLICANT**

**14 FEBRUARY 2024** 

# INTRODUCTION

- 1 My full name is Christopher Henry Steffert. I am Warwick and Marion Steffert's son, and my statement is provided on behalf of our family as the Applicant for Plan Change 58 (**PC58**).
- My background is in project management for land development and building projects. I currently work as a Project Manager and Director for Steffert Property, which is a company that I established in 2022. Prior to this I was employed in Hamilton as a Project Manager for Stark Property for 3 years and for Greenstone Group (now Colliers Project Leaders) for 10 years. I have a total of 13 years' experience in these roles.
- I have worked in project management roles on a range of industrial, commercial and residential development projects, including Avenue Business Park Stage 1 in Morrinsville, Hills Apartments in Hamilton East and The Base in Te Rapa.

# **INVOLVEMENT WITH PC58**

- I have been directly involved as Project Manager for PC58 since 2021. This has involved a range of workstreams, including engaging the team of experts who are working on the plan change, attending meetings with MPDC staff, undertaking consultation with neighbours and other stakeholders and keeping my family informed of progress.
- I have also provided information to the project team about my experience with sales for Stage 1 of the Avenue Business Park development. This included preparation of a market demand summary memo which forms part of the Plan Change Request Addendum for PC58<sup>1</sup>.

# **SCOPE OF EVIDENCE**

- 6 My evidence covers:
  - (a) Background to my family's interests in the PC58 site and the adjacent land which is being developed as Stage 1 of the Avenue Business Park;
  - (b) Our rationale for progressing PC58;

<sup>1</sup> 'Avenue Business Park – Plan Change 58 Market Demand Summary' dated 10 November 2023. Refer to Appendix 2 of the Plan Change Request Addendum dated 30 November 2023.

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- (c) Brief comments on the s42A Report; and
- (d) Some concluding comments.
- 7 In the course of preparing this evidence I have considered:
  - (a) The application lodged with Council on 22 December 2022, further information provided on 1 May 2023 and the Plan Change Request Addendum dated 30 November 2023;
  - (b) The 14 submissions and 1 further submission; and
  - (c) The s42A Report dated 7 February 2024.

#### **BACKGROUND**

- The Steffert family has lived in the Morrinsville area for around 80 years. My grandparents purchased the 14.265ha property that PC58 relates to approximately 60 years ago, as well as an adjoining title of 10.1129ha which forms the site for Stage 1 of the Avenue Business Park.<sup>2</sup>
- The 14.265ha property is currently owned by my parents, Warwick and Marion Steffert. The 10.1129ha title is currently being developed by my parents and other family as part of the Stage 1 development, which I discuss further below.
- My parents currently run a small number of dry stock beef animals on the 14.265ha property. It is essentially a large lifestyle block. Some of the land has also recently been used to borrow fill for the Stage 1 development. Those earthworks are now complete, aside from some minor reinstatement work which is happening now, and the land will be left for the pasture to regenerate.
- PC58 proposes to rezone 13.4ha of the 14.265ha property from Rural Zone to General Industrial Zone. The balance of the land, which is approximately 8650m² and fronts State Highway 26 (**SH26**), contains my parent's house. That balance land is not proposed to be rezoned through PC58 (it will retain its Rural zoning) and my parents intend to continue living there.

<sup>&</sup>lt;sup>2</sup> I refer to this as "the Stage 1 development" elsewhere in my evidence.

# **RATIONALE FOR PC58**

My family is heavily involved in the Morrinsville community. We want existing businesses to be able to grow and new business to be able to locate in Morrinsville so that the town can thrive. We have been pleased to be able to contribute to this already through development of Stage 1 of the Avenue Business Park, which has experienced strong demand.

13 Titles for the first sub-stage of the Stage 1 development issued in November 2023. That sub-stage has 11 industrial lots which were all presold off the plans directly to purchasers without any external marketing or real estate agent involvement. Development has already started on one of those sites which comprises two lots with a total area of 1.45ha. The site will be used as overflow storage for machinery and vehicles for Piako Group. I expect it will be ready to be used for this within the next 3-4 weeks.

14 Completion of construction of the second and final sub-stage of the Stage 1 development is programmed for the end of May 2024, and I expect titles to issue soon after that. Three of the eight industrial lots within the second sub-stage have been sold. I am confident that there will be good demand for the final five lots when they go on the market, which is likely to happen later this year.

Our main objective for PC58 is to enable expansion of the Avenue Business Park via a Stage 2 development that, once complete, will provide approximately 10.1ha of additional industrial land in Morrinsville to meet future demand.<sup>3</sup> Our experience with the Stage 1 development has given us confidence that the demand for this land exists. There is very little industrial land currently available in Morrinsville to meet the demand.

My family and I think the PC58 site is well suited for industrial growth, being adjacent to the Stage 1 site, close to other industrial development around Avenue Road North and on the edge of the town. We have already constructed a new road, Magistrate Avenue, which provides access to the PC58 site through the Stage 1 development.

17 If PC58 is approved, we understand that resource consents will be required from MPDC and Waikato Regional Council and we intend to start

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<sup>&</sup>lt;sup>3</sup> This is the estimated developable area – excluding land for roads and other infrastructure.

the process to seek those consents relatively quickly. We are hopeful that we could begin earthworks and civil works within 2-3 years.

As identified in the market demand summary<sup>4</sup> that I prepared, Morrinsville has a unique geographical position compared with the other towns in Matamata-Piako District. The proximity to key infrastructure such as the Hamilton Section of the Waikato Expressway (SH1) and the Ruakura Inland Port makes Morrinsville an attractive option for industrial businesses. Ongoing residential growth in Morrinsville (especially at Lockerbie) and the affordability of housing relative to Hamilton adds to Morrinsville's appeal for businesses.

Industrial land prices and development contributions are also much lower in Morrinsville than in Hamilton. The recent market rate for serviced vacant industrial land in Te Rapa in Hamilton is around \$650 to \$700 per m² whereas the recent market rate for serviced vacant industrial land in Morrinsville is around \$400 to \$450 per m². Development contributions for industrial activities in Hamilton vary depending on location. In the Te Rapa Gateway development, which is around Arthur Porter Drive, the development contributions are \$13,316 per 100m² of floor area for transport, wastewater and water and \$1967 per 100m² of site area for stormwater. By comparison, development contributions for industrial activities in Morrinsville are \$4465.89 per 100m² of floor area.<sup>5</sup>

As an example, the purchase price for a 1ha site in Te Rapa might be \$6.5m to \$7m compared to a purchase price of \$4m to \$4.5m for a 1ha site in Morrinsville. The development contributions for a site of this size with a 2,000m² building would be approximately \$463,000 in the Te Rapa Gateway development. Development contributions for the same industrial activity in Morrinsville would be approximately \$89,000. In this scenario, the land and development contribution costs for Morrinsville would be \$2.87m less than in Te Rapa. This cost difference is significant, especially for businesses that require large areas of land, such as yard storage and large warehouses.

Other Waikato industrial locations which are also often considered as alternatives to Hamilton for similar reasons include Hautapu (Cambridge),

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<sup>&</sup>lt;sup>4</sup> Dated 10 November 2023 and included in Appendix 2 of the Plan Change Request Addendum.

<sup>&</sup>lt;sup>5</sup> These figures all exclude GST.

Hamilton Airport and Northgate (Horotiu) which have all experienced significant growth in recent years. Industrial land values in those locations are higher than in Morrinsville.

- I continue to field interest regularly from real estate agents and business wanting to understand the options that are still available in our Stage 1 development. The general enquiry is for larger sites, 1ha and bigger, to accommodate business with a need for a building and large yard area. I have received enquiries for sites as large as 6ha which we cannot currently accommodate. The businesses are often looking to relocate from existing sites which are either landlocked or where costs to expand are too high (for the reasons I have discussed above). Te Rapa is a common example provided to me.
- 23 Bowers Concrete have contacted me regarding the opportunity to acquire 2.3ha of land adjacent to their current site should PC58 be approved. Bowers have made a significant investment on their current site on a new block plant which will service their national operation. Their interest is in expanding their current operations further.

#### **ENGAGEMENT WITH MPDC AND STAKEHOLDERS**

- We first had discussions with MPDC about a potential plan change for our land in 2021. Discussions and meetings with Council staff and consultants has been ongoing since then.
- We have also engaged with neighbouring landowners, mana whenua, the business community (through the local Chamber of Commerce), the NZ Transport Agency and Waikato Regional Council. I have personally met with all the immediately adjacent landowners at least once to discuss the plan change proposal.
- Some of these people and organisations have made submissions on PC58. I am pleased that many of the submissions are either in support or support in part. There are a small number of submissions that raise some concerns about the plan change. I am confident that these matters have been carefully considered and addressed by the technical experts for PC58.

# **RESPONSE TO S42A REPORT**

- 27 My family and I are pleased with the recommendation in the s42A Report.

  There are some matters of detail raised which will be addressed in the evidence of the experts we have engaged.
- One specific matter that I would like to comment on arises from the recommendations in the s42A Report and Transportation Review for upgrades to the intersection of Avenue Road North/Magistrate Avenue and to the footpath along Magistrate Avenue.
- As part of the subdivision consent for the Stage 1 development we were required to extend Magistrate Avenue to the boundary of the PC58 site. We were happy to do this because it aligned with our rezoning plans. We always understood there was the potential for further upgrades to be required to the Avenue Road North/Magistrate Avenue intersection. This could require some localised widening of the road around the intersection (subject to detailed design) and I am comfortable with these upgrades being carried out as part of the development of the PC58 site.
- The footpath that we have just built along Magistrate Avenue and Avenue Road North has been constructed to a standard which was accepted for the Stage 1 subdivision and which I understand is compliant with the Council's engineering standards. I am concerned about the recommendation in the Transportation Review that would require the existing footpath on Magistrate Avenue to be retrofitted over a distance of nearly 300m to double its existing width (from 1.5m to 3m). This would result in significant cost and disruption. I cannot accept that work is either necessary or a cost-effective outcome. This is an extension to existing roading infrastructure that was recently installed to Council's specifications. I struggle to understand how there would be any adverse effects because of PC58 that would warrant a substantially wider footpath than what was accepted by Council for the Stage 1 development.

#### CONCLUSION

The proposed rezoning of the PC58 site will enable an expansion of the Avenue Business Park onto the adjacent land. We consider that it is important to enable this to occur so that existing businesses can have the opportunity to grow and so that new businesses can establish in Morrinsville. We are confident that there is, and will continue to be, strong demand for industrial land in Morrinsville.

We have engaged with MPDC staff, neighbours and other stakeholders and have carefully considered advice from our expert consultant team. We are confident that PC58 will deliver a high-quality outcome that will be positive for Morrinsville.

Date: 14 February 2024