

Memo

MAEA FIELDS STAGES 3A AND 3B

PLANNING MEMO FOR FAST TRACK REQUEST

KA Matamata GP Ltd

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(Project Manager)

FROM: Ben Inger (Senior Planner/Director)

DATE: 1 May 2024

1.0 Introduction

It is understood that this memo will be included as part of KA Matamata GP Ltd's request for Stages 3A and 3B of the Maea Fields development to be included in Schedule 2 of the Fast-track Approvals Bill. We have been asked to provide planning comments on the following questions in relation to the request:

- *What are the anticipated and known adverse effects of the project on the environment?*
- *What is the general assessment of the project in relation to any relevant national policy statement (including the New Zealand Coastal Policy Statement) and national environmental standard?*

2.0 Anticipated and Known Adverse Effects

The land within Stages 3A and 3B is subject to the Banks Road to Mangawhero Road Structure Plan under the Operative Matamata-Piako District Plan (ODP). **Figure 1** below is an annotated version of the Structure Plan which shows the location and extent of Stages 3A and 3B. The Stage 3A land (7.6445ha) is zoned Residential and the Stage 3B land (8.6ha) is zoned Rural with a Future Residential Policy Area (FRPA) overlay.

Ordinarily a plan change would be required prior to subdivision of the Stage 3B land to rezone it from Rural Zone to Residential Zone. The ODP explains that *"The purpose of the Structure Plan is to provide for progressive residential development of the Structure Plan area in a way that manages the transport effects of residential development and potential conflicts with existing activities"* and that the FRPA land *"may be appropriate for future residential development, when demand requires, and subject to further analysis and plan change processes"* (Appendix 9.4).

The Structure Plan text identifies indicative transport connections and upgrade works that may be required to support rezoning the FRPA, including an indicative roading connection (collector road) to Banks Road, urban upgrade of Banks Road, potential walking and cycling connections, wastewater and water supply reticulation, and stormwater retention on land east of the Structure Plan area (where a stormwater pond has been built as part of Stages 1 and 2 of the Maea Fields development). The Structure Plan requires transport effects and potential transport upgrades to be assessed through an Integrated Transport Assessment.

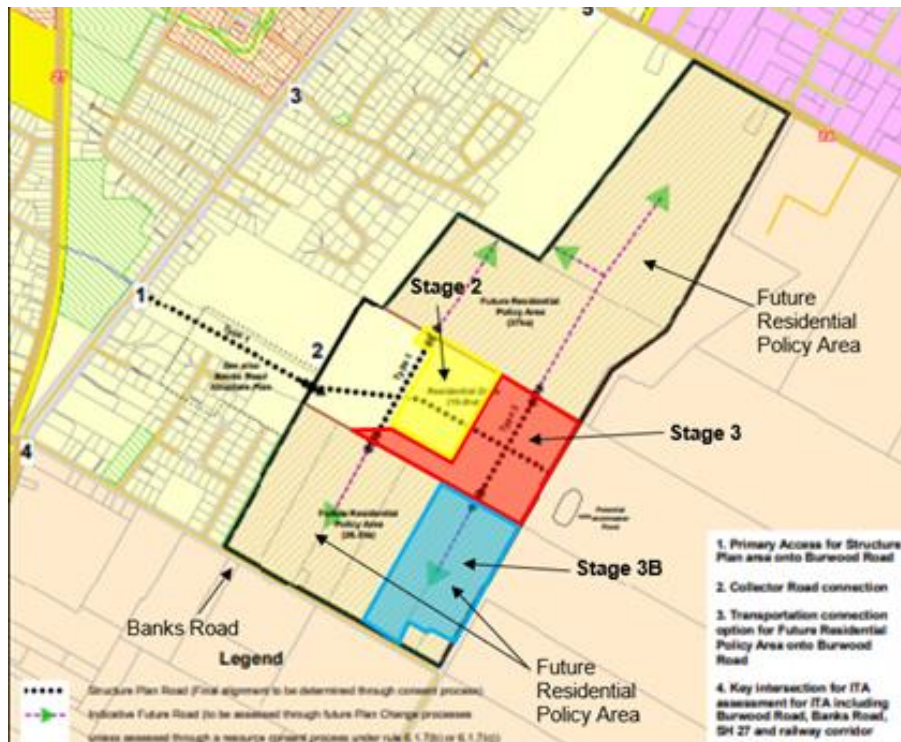


Figure 1: Annotated Banks Road to Mangawhero Road Structure Plan

Subdivision consents have been granted for Stages 1 and 2 of the Maea Fields development. The Stage 1 subdivision has been completed and construction of Stage 2 is underway. Many of the specialist reports that were prepared to accompany the subdivision consent application for Stage 2 (which consists of 70 residential lots) also assessed the environmental effects associated with future subdivision of Stage 3A (a further 101 lots). This included the Integrated Transport Assessment, Urban Design Assessment, Geotechnical Investigation Report, Preliminary Site Investigation (for soil contamination) and Cultural Values Assessment. These reports confirm the suitability of the Stage 3A land for development, with no significant issues or adverse effects identified.

The Stage 3B land has not yet had the same level of effects assessment as Stage 3A. However, Stage 3B adjoins Stage 3A and the land appears to have similar characteristics. The preliminary servicing review by Lysaght Consultants dated 29 April 2024 confirms that three waters and transportation servicing requirements can be met for both Stages 3A and 3B. We expect that any adverse effects associated with subdivision of the Stage 3B land will also be able to be avoided, remedied and mitigated.

3.0 National Policy Statements and National Environmental Standards

3.1 National Policy Statement on Urban Development (NPS-UD)

The NPS-UD applies to all local authorities that have all or part of an urban environment within their district or region (i.e. Tier 1, 2 and 3 Local Authorities) and to planning decisions made by any local authority that affect

an urban environment. Matamata is an 'urban environment' and Matamata-Piako District Council (MPDC) is a Tier 3 local authority. MPDC has prepared a Housing Assessment for the district as part of its obligations under the NPS-UD. The Housing Assessment projects that there will be demand for an additional 1308 dwellings¹ in Matamata between 2022 and 2055. A recent economic review by Property Economics for KA Matamata GP Ltd concludes that total dwelling demand is likely to be higher and existing residential capacity is likely to be lower than identified in the Housing Assessment. It recommends that more land should be zoned for residential development in Matamata within the short-medium term to ensure demand can be met.

Objective 1 of the NPS-UD is for New Zealand to have well-functioning urban environments that enable all people and communities to provide for their social, economic and cultural wellbeing and for their health and safety. Objective 2 is to ensure that planning decisions improve housing affordability by supporting competitive land and development markets. Policy 1 sets minimum requirements for well-functioning urban environments. They include a variety of homes that meet needs in terms of type, price and location of different households.

Our preliminary assessment is that subdivision and development of Stages 3A and 3B will be consistent with the NPS-UD because:

- It will provide additional housing supply for Matamata which will contribute to meeting projected demand for new dwellings;
- Ongoing provision of residential lots to meet demand is important for housing affordability in Matamata and will provide economic benefits; and
- The subdivision will contribute to Matamata being a well-functioning urban environment.

3.2 National Policy Statement for Freshwater Management (NPS-FM)

There are no known freshwater systems (including natural inland wetlands or other water bodies) within Stages 3A and 3B. Provision will need to be made for stormwater treatment and disposal prior to discharge to ground soakage. The preliminary servicing review by Lysaght Consultants dated 29 April 2024 confirms that there are appropriate and viable stormwater solutions.

3.3 National Policy Statement for Highly Productive Land (NPS-HPL)

The NPS-HPL came into effect on 17 October 2022, which we understand is after KA Matamata GP Ltd entered into an agreement to purchase the Stages 3A and 3B land. The NPS-HPL has a single objective which is that *"Highly productive land is protected for use in land-based primary production, both now and for future generations"* (clause 2.1). Clause 3.5(7) of the NPS-HPL explains what land is required to be treated as highly productive land before maps are included in an operative regional policy statement². It states:

"(7) Until a regional policy statement containing maps of highly productive land in the region is operative, each relevant territorial authority and consent authority must apply this National Policy Statement as if references to highly productive land were references to land that, at the commencement date:
(a) is

¹ This figure excludes competitiveness margins.

² The Operative Waikato Regional Policy Statement has not been updated yet to include maps of highly productive land.

- (i) *zoned general rural or rural production; and*
- (ii) *LUC 1, 2, or 3 land; but*
- (b) *is not:*
 - (i) *identified for future urban development; or*
 - (ii) *subject to a Council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle."*

In relation to the Stages 3A and 3B land:

- All the land is classified as LUC 2.
- The Stage 3A land is not 'highly productive land' because it is zoned Residential under the ODP. Accordingly, the NPS-HPL does not apply to that land.
- The underlying Rural zoning of the FRPA under the ODP means that the Stage 3B land is 'highly productive land'. This is despite the land being identified as an area for future residential development under the ODP. The exemption in clause 3.5(7)(b) does not apply to the Stage 3B land because *"identified for future urban development"* is defined in clause 1.3(1) of the NPS-HPL to mean:

"identified for future urban development means:

- (a) *identified in a published Future Development Strategy as land suitable for commencing urban development over the next 10 years; or*
- (b) *identified:*
 - (i) *in a strategic planning document as an area suitable for commencing urban development over the next 10 years; and*
 - (ii) *at a level of detail that makes the boundaries of the area identifiable in practice."*

No Future Development Strategy existed for Matamata-Piako District at the commencement date for the NPS-HPL. *"Strategic planning document"* is defined in clause 1.3(1) of the NPS-HPL to mean *"any non-statutory growth plan or strategy adopted by local authority resolution"*. A district plan is not a *"non-statutory growth plan or strategy"*. Furthermore, the ODP says that the FRPA may be developed for residential purposes *"when demand requires"* but it does not specify whether this is within the next 10 years.

In relation to the Stage 3B land:

- Under clause 3.8 of the NPS-HPL, subdivision of highly productive land must be avoided unless it can be demonstrated that the proposed lots will retain the overall productive capacity of the land over the long term, or the subdivision is on specified Maori land, or the subdivision is for specified infrastructure or defence facilities. Subdivision of the Stage 3B land would not meet these requirements.
- Clause 3.10 provides an exemption to clause 3.8 if a local authority is satisfied that the highly productive land is subject to permanent or long-term constraints that mean its use for land-based primary production is not able to be economically viable for at least 30 years. For an exemption to apply under clause 3.10, the subdivision must also avoid significant loss of productive capacity of highly productive land in the district, avoid fragmentation of large and geographically cohesive areas of highly productive land and avoid if possible, or otherwise mitigate, potential reverse sensitivity effects on land-based

primary production. The environmental, social, cultural and economic benefits of the subdivision must also outweigh the long-term costs associated with the loss of highly productive land.

An evaluation of the Stage 3B subdivision has not yet been undertaken in relation to the matters in clause 3.10. An evaluation of this kind would require numerous technical inputs and considerable effort. Therefore, it is not possible to say at this time whether subdivision of the Stage 3B land would meet the requirements of clause 3.10.

The NPS-HPL has introduced risks, costs and potential delays for subdivision of the Stage 3B land for housing which did not exist when KA Matamata GP Ltd entered into an agreement to purchase the land. The risks, costs and potential delays would also exist for a plan change to rezone the Stage 3B land from Rural Zone to Residential Zone, with the requirements for urban rezoning in clause 3.7(4) and (5) needing to be met. It is notable that the NPS-HPL would not have applied to the Stage 3B land if it was zoned Future Urban Zone rather than Rural Zone with a FRPA overlay because it would not then be 'highly productive land' under clause 3.5(7). A Future Urban Zone is the zoning method that is now mandated under the National Planning Standards³ for future urban areas but the ODP provisions for the Banks Road to Mangawhero Road Structure Plan (including the FRPA overlay) pre-dated both the National Planning Standards and the NPS-HPL. This is an example of an unintended consequence which has arisen from the NPS-HPL.

With the Stage 3B land being planned for residential development under the ODP (FRPA and Structure Plan), it is highly likely that the loss of this area of 8.6ha of 'highly productive land' will occur at some point in the future. The main unknown is when this will be. Based on discussions with KA Matamata GP Ltd, we understand the intended use of the land is low intensity grazing and/or hay/silage production to maintain the property in a tidy state prior to residential development occurring. The loss of this land for land-based primary production due to residential subdivision and development in the short to medium-term is unlikely to be significant in the context of the intended interim use prior to subdivision and development occurring and the availability of highly productive land in the district. Nevertheless, the NPS-HPL could potentially stymie development of the Stage 3B land for a number of years.

3.4 National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NES-CS)

A Preliminary Site Investigation was completed for the Maea Fields site in December 2019, including the Stage 3A land. Based on the conclusions of that assessment, rules in the NES-CS relating to subdivision, land use change and soil disturbance do not apply to Stage 3A as it is not considered to be a "piece of land". A Preliminary Site Investigation will need to be completed for the Stage 3B land.

4.0 Conclusions

Our conclusions based on the available information and our preliminary assessment are:

- We expect that any adverse effects associated with subdivision and development of the Stage 3A and 3B land will be able to be avoided, remedied and mitigated. Specialist reports have already been prepared for subdivision of Stage 3A, including an Integrated Transport Assessment, Urban Design

³ Table 13 of the National Planning Standards describes the Future Urban Zone as "Areas suitable for urbanisation in the future and for activities that are compatible with and do not compromise potential future urban use".

Assessment, Geotechnical Investigation Report, Preliminary Site Investigation (for soil contamination) and Cultural Values Assessment. The preliminary servicing review by Lysaght Consultants dated 29 April 2024 confirms that three waters and transportation servicing requirements can be met for both Stages 3A and 3B.

- Subdivision and development of the Stage 3A land is expected to be consistent with relevant national policy statements and national environmental standards.
- Subdivision and development of the Stage 3B land is expected to be consistent with relevant national policy statements and national environmental standards, although further evaluation of the NPS-HPL would be required. With the Stage 3B land being an area planned for residential development under the ODP (FRPA and Structure Plan), it is highly likely that the loss of this land for land-based primary production due to residential subdivision and development will occur at some point in the future. The loss of this land in the short to medium-term is unlikely to be significant in the context of the intended interim use prior to subdivision and development occurring and the availability of highly productive land in the district. Nevertheless, the NPS-HPL could potentially stymie development of the Stage 3B land for a number of years.



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