

**Proposed Plan Change I: Increasing housing
supply and choice**

Rezoning report

**Huia Street Reserve (in part)
17 Summerhays Street
216 Ferguson Street**

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Summary of rezoning proposal

Proposed Plan Change I: Enabling housing supply and choice (PC:I) responds to the direction in the National Policy Statement on Urban Development 2020 (NPS-UD). This places an obligation on Palmerston North City Council (Council) to enable a greater variety and density of homes, provide a well-functioning urban environment, and improve accessibility between housing, jobs, community services, natural spaces, open spaces and public and active transport.

PC:I proposes to replace part of the existing Residential Zone in the operative PNCC District Plan (ODP) with a Medium Density Residential Zone (MRZ). As part of this process, three non-residential sites have been proposed for rezoning, which will provide consistency with the proposed zoning of surrounding properties to MRZ and contribute to medium and long-term housing supply. These sites are known as Huia Street Reserve (part of), 17 Summerhays Street, and 216 Ferguson Street.

This report sets out why it is appropriate for the three sites to be re-zoned MRZ. It includes a detailed description of each site along with an assessment of the relevant constraints and opportunities in relation to each site. The sites are also assessed against the relevant statutory plans and policy documents, and a summary assessment of the overall consistency with the relevant provisions is provided. An evaluation against the Operative District Plan overlays and related provisions is also provided, along with an assessment of alternatives including an evaluation of the overall costs and benefits associated with the rezoning proposal.

1 Background

In October 2024, Council agreed with the current owner of 216 Ferguson Street to consider rezoning this property from Local Business to Residential.

In October 2020, Council approved a preferred option for the future use of Huia Street Reserve, to enable the development of Huia Street Reserve for housing, including the potential for a mixed-use housing development supporting recreational and small-scale commercial activity (Resolution of Council 123-20). The Palmerston North Reserves Empowering Amendment Act became law on 5 September 2022, which enables the Council to sell or develop the land in the future.

Council approved (Resolution 123-20) the future use of the Huia Street Reserve for housing development on 14 October 2020. The Council identified that the Summerhays Street site (formerly the Terrace End Bowling Club) was surplus to recreational requirements following a merger with an adjacent bowling club.

Investigations into development options for each of the three sites have resulted in several reports and planning assessments in recent years, which are detailed in Table 1 below.

2 Purpose of this report

The purpose of this report is to assess whether the three sites are suitable for re-zoning to Medium Density Residential. Currently the sites are zoned either Reserve (Huia Street and Summerhays Street) or Local Business (Ferguson Street). The three sites and their relationship with the proposed MRZ are shown in Figure 1.

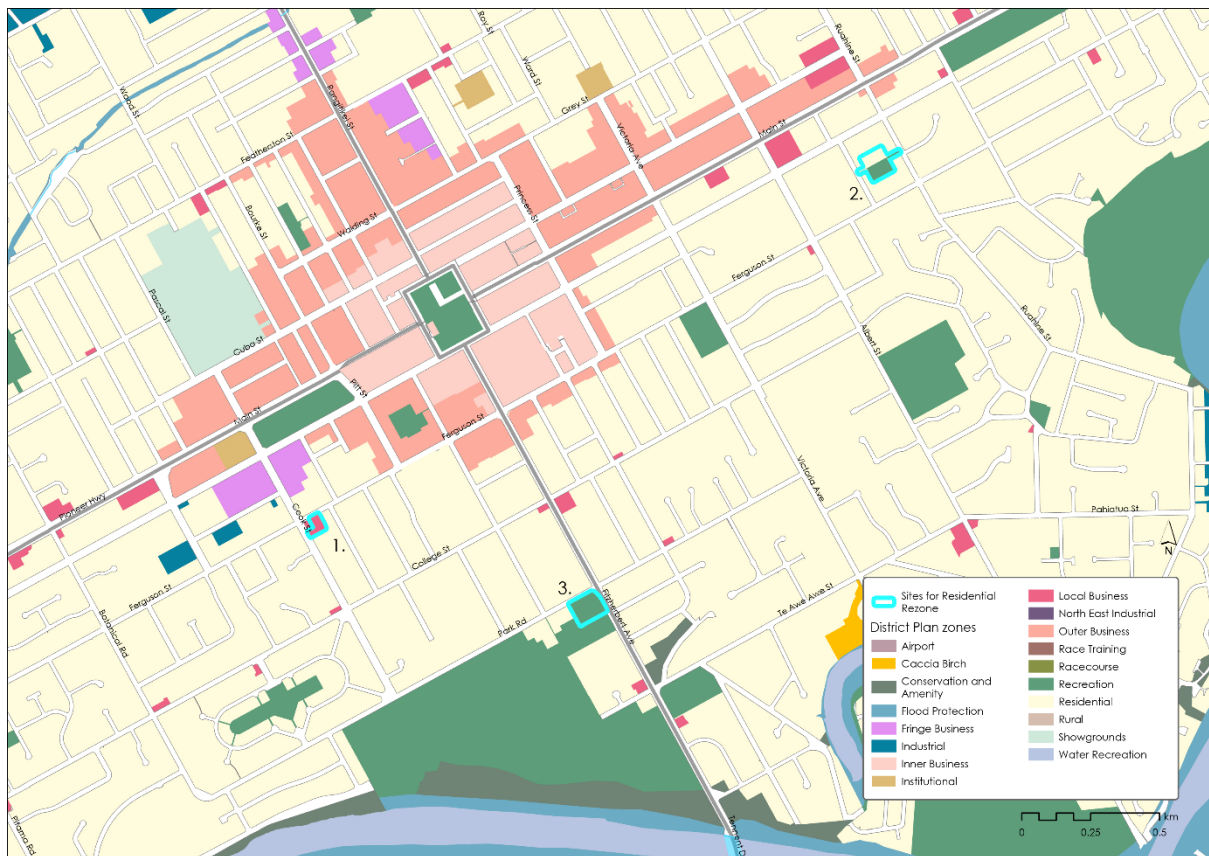


Figure 1: Sites proposed for re-zoning

In Figure 1, the sites are shown in the context of the Medium Residential Zone extent (shown in yellow) proposed in PCI. Site 1 is 216 Ferguson Streets, Site 2 is 17 Summerhays Street, Site 3 is Huia Street Reserve (part).

2.1 Disclaimers

The development potential for each site is based on desk-top exercises and the evidence listed in Table 1. The development potential may change when further detailed, site-specific, assessments are undertaken to support a resource consent application. The District Plan rules at the time of any resource consent application may differ from the operative rules at the time of preparing this report.

3 Supporting evidence

The documents listed in Table 1 informed the findings of this report.

Table 1: Supporting evidence

Document	Author and date
All sites:	
Future Development Strategy (FDS)	June 2024
Palmerston North Housing and Business Capacity Assessment	2023
PNCC Housing and Business Capacity Assessment	May 2019
Plan Change I – Wastewater Servicing Assessment (Draft)	PNCC, July 2024
Plan Change I – Potable Water Servicing Assessment	PNCC, August 2024
Desktop Assessment – additional sites proposed for rezoning through Plan Change I	Kahu Environmental, 4 June 2024
Medium Density Residential Zone Plan Change – Parks and Servicing Assessment	October 2024
Urban Design Memo #3	Andrew Burns, McIndoe Urban Ltd, August 2024
Palmerston North Future Development Strategy 2024	Horizons Regional Council, July 2024
Rangitāne o Manawatū Submission on the Draft Future Development Strategy (2024)	Danielle Harris, 2024
Transport Assessment	Harriet Fraser TE&TP, August 2024
Huia Street Reserve:	
Huia Street Development Analysis	Veros, February 2024
Huia Street Reserve – Infrastructure Assessment & Advice	Stantec, February 2024
Huia Street Residential Development – Concept Design Options – Transport Review	Stantec, February 2024
Huia Street Desktop Contamination Assessment	K8 Limited, September 2023

Document	Author and date
Huia Street Desktop Geotechnical Advice	Resource Development Consultants Ltd, September 2023
Huia Street Reserve – Bulk & Location Package Presentation	Design Group Stapleton Elliott, November 2023
The future use of Huia Street Reserve (corner of Park Road and Fitzherbert Avenue) Statement of Proposal	PNCC Consultation document, November 2019
17 Summerhays Street:	
Summerhays Redevelopment: initial Site Assessment – Transport	Jamie Whittaker, Stantec Wellington, October 2021
17 Summerhays Street Preliminary Planning Assessment	Stantec, September 2021
The Future Use of 17 Summerhays Street (former Terrace End Bowling Club) Statement of Proposal	PNCC consultation document, June 2021
Summary of Submissions from public consultation on the future use of 17 Summerhays Street	June-July 2021 14 October 2020 to council

4 Overview of the sites

Key details in relation to each site are summarised in Table 2 below:

Table 2: Site details

Site – known as	Huia Street Reserve, part that was formerly Manawatū Bowling Club	17 Summerhays Street, formerly Terrace End Bowling Club	216 Ferguson Street
Lot no. / address	224 Fitzherbert Avenue/Huia Street, West End, Palmerston North Pt Lot 2 DO 545, Pt Lot 1 DP 545, Lot 4 DP 545, Lot 3 DP 545	17 Summerhays Street, Terrace End, Palmerston North Lot 1 DP 65471, Pt Sec 920 TN of Palmerston North, Pt Sec 918 TN of Palmerston North, Pt Lot 7 DP 2556, Pt Lot 1 DP 1458	216 – 218 Ferguson, West End, Palmerston North Lot 19 DP 1597, Pt Lot 20 DP 1597, Lot 16 DP 1597, Lot 16 DP 1591
Rates area		7664 m ²	2006 m ²
Owner	Palmerston North City Council	Palmerston North City Council	Privately owned
Current zoning	Reserve	Residential (northern) and Recreational (southern)	Local Business
Public consultation undertaken	Future Development Strategy (2024) – Section D Named as a location for growth by 'growing-in' Maps 1&2	FDS 2023 – Section D Named as a location for growth by 'growing-in' Maps 1&2 Public consultation on the future use of 17 Summerhays Street in June – July 2021 with 57 submissions received	To be undertaken as part of PC:I
Internal consultation undertaken by District Plan	Yes, as part of producing technical reports for climate change and sustainability, cultural,		N/A as this site is not in Council ownership

Site – known as	Huia Street Reserve, part that was formerly Manawatū Bowling Club	17 Summerhays Street, formerly Terrace End Bowling Club	216 Ferguson Street
Change I team	economic, landscape and urban design, parks and reserves, three waters and transport Yes		
Rezoning recommendation, PC:I	Medium Density Residential Zone	Medium Density Residential Zone	Medium Density Residential Zone

5 Rezoning proposal

5.1 Huia Street Reserve (in part)

Table 3: Summary of site description for Huia Street Reserve (in part)

Huia Street Reserve, part that was formerly Manawatū Bowling Club	
Lot no. / address	224 Fitzherbert Avenue/Huia Street, West End, Palmerston North. Pt Lot 2 DO 545, Pt Lot 1 DP 545, Lot 4 DP 545, Lot 3 DP 545
Current zoning	Reserve
Size	Full reserve is 1.6032 ha, area for subdivision is about 6,714.5m ²
Public consultation undertaken	December 2019 – February 2020 Future Development Strategy (2024)
Recommendation for re-zoning	Medium Density Residential Zone

The subject site is owned by PNCC and has the street address 224 Fitzherbert Avenue (Pt Lot 2 DO 545, Pt Lot 1 DP 545, Lot 4 DP 545, Lot 3 DP 545). The full reserve area is 1.6032 ha but only the western half is proposed for rezoning, being the part that was previously occupied by the Manawatū Bowling Club and is now vacant. An assessment of development options by Stapleton Elliot in 2023 cite the total area available for housing development as 6,714.5m². The site is currently zoned for Recreation so rezoning in PC: I to Medium Density Residential Zone will enable the site to be used for housing.

5.1.1 Constraints and opportunities

Land use

The site is situated adjacent to existing housing on Park Road and Fitzherbert Ave, which has an underlying residential zoning. Manawātū Lawn Tennis Club (MLTC) has a lease for the western half of the site comprising 7,124m² and this use is assumed to continue. This leased area includes an unused portion along the lease boundary between the Tennis club house and Fitzherbert Avenue (Pt Lot 2 DP 545, WN 941/84). There is potential to modify the MLTC lease to exclude this unused portion and rezone this area also. The unused strip may be useful to help mitigate any reverse sensitivity effects that might arise such as light spill from floodlights, privacy and noise, as well as for providing amenity. Subdivision from the reserve parcel and subsequent development will also need to allow for a 3m maintenance service access to the back of the MLTC buildings.

In Figure 2, the area proposed for rezoning is shaded in orange. The site is located at the intersection of Fitzherbert Avenue and Park Road.



Figure 2: Aerial image of the reserve

Accessibility

The site is about 1km from the city centre, and close to six schools or colleges. The site has good access to active transport networks such as cycleways (Figure 3). The site also has good access to public transport with bus stops located on Fitzherbert (100m from site) and Te AweAwe Street

(500m from site), with high frequency links to the city centre, Massey University, Palmerston North Hospital and Palmerston North Airport (Figure 4).

Open space and recreation

The site is situated near various outdoor recreation facilities, parks and reserves such as the Manawatū River, He Ara Kotahi, Ongley, Manawaroa, Fitzherbert and Wallace Parks, Palmerston North's Lido Aquatic Centre and the Victoria Esplanade.



Figure 3: Neighbourhood context of Huia Street Reserve¹

¹ Sourced from the Development Analysis document by Design Group Stapleton Elliot.

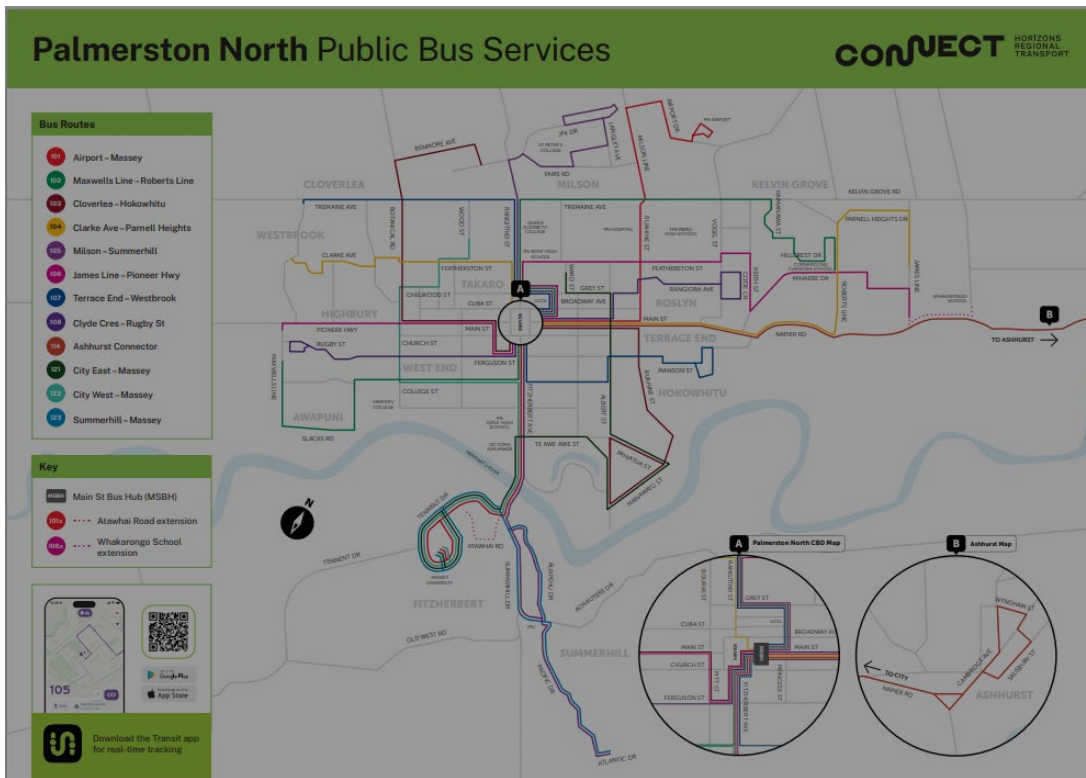


Figure 4: Horizons Regional Council Public Bus Routes (as at September 2024)

Traffic and transport

This site is located at the intersection of Fitzherbert Avenue (a major arterial road) and Park Road (minor arterial), with legal access from both, although the transport assessment prepared by Harriet Fraser (2024) to support PC:I noted that ODP rules would limit the site to two access points via Park Road, and both would need to be $\geq 30\text{m}$ from the intersection, which the site is long enough to accommodate.

The Stantec traffic assessment (2024) concluded that traffic volumes generated by the site could be accommodated by the existing network without impacting safety or capacity. The site is large enough to accommodate on-site vehicle turning for rubbish trucks and emergency service vehicles if needed. While the site has frontage onto Huia Street, it does not have legal access and therefore cannot make use of the private access and shared parking that is available to the MLTC. This would mean that any overspill parking from development of the site would likely occur on Park Road. Active transport would be enabled by a requirement to have pedestrian and cycle connections to both street frontages.

Three waters

Three waters services have been assessed as part of the broader PC:I process and indicate that the site will receive adequate levels of service to enable medium density residential development. Initial modelling of water networks for PC:I indicates there is currently capacity in the network to allow for development of the site, subject to some upgrades to trunk mains and two new bores to service northern and south-eastern parts of the city. While this work

would be required to match levels of service with demand in the medium term to 2038 (with an estimated 1681 dwellings added), this does not affect the three sites proposed for rezoning.

Contamination risk

Given the site's former use as a bowling club, the site is likely to have residual contamination from pesticides, however, it is not identified as a HAIL site in PNCC's records. Despite this, the National Environmental Standards for Contaminated Land (NESCL) will potentially apply, therefore a resource consent may be required for any land disturbance, and an assessment of potential contamination as part of a resource consent application will be required to understand the implications for development and remediation. Veros (2024) cautioned that the site could also be contaminated with asbestos, lead and arsenic from former buildings that have been removed from the site.

Natural hazards

Natural hazards for this site are stormwater flooding (Maps 6a-c) and liquefaction. Liquefaction risk is shown on the Horizons Regional Council Natural Hazard Viewer as moderate. An assessment of this risk would be required at the resource consent stage, and on-site mitigation secured by conditions implemented by the developer as required. The development assessment by Veros (2024) noted that the site is set below ground level from former use as a bowling green, with an overland flow path at the southern end of the site, which makes the site susceptible to flooding during a 2% AEP rainfall event. Again, this risk can be assessed, and mitigation measures developed as part of the resources consent process and secured by condition.



1	Most appropriate primary access	4	Historic land use means potential contamination. Detailed Site Investigation (DSI) required with potential remediation needed.
2	Potential flooding to 130mm in 50-year weather event	5	'Restricted' secondary access
3	Huia Street private shared access and parking. This cannot be used for everyday access to the site.	6	Tennis club lease area

Figure 5: Technical summary of considerations for development of Huia Street site²

² Veros, 2024.

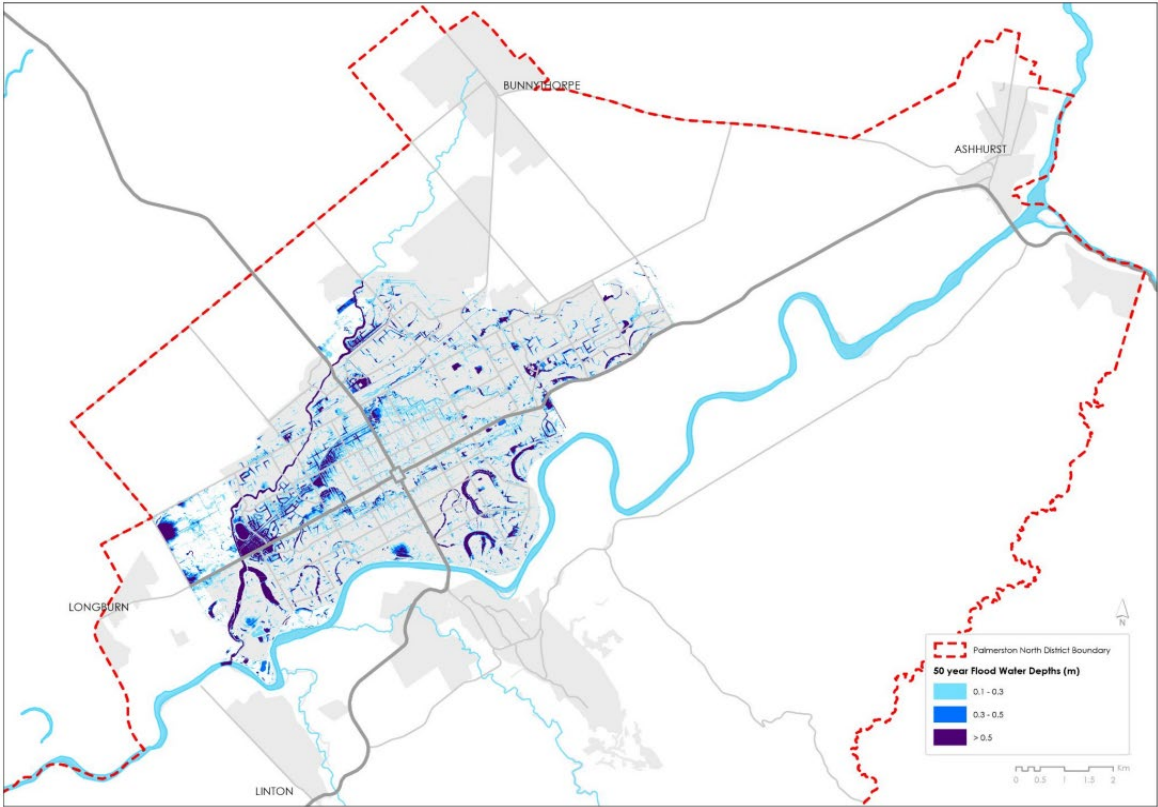
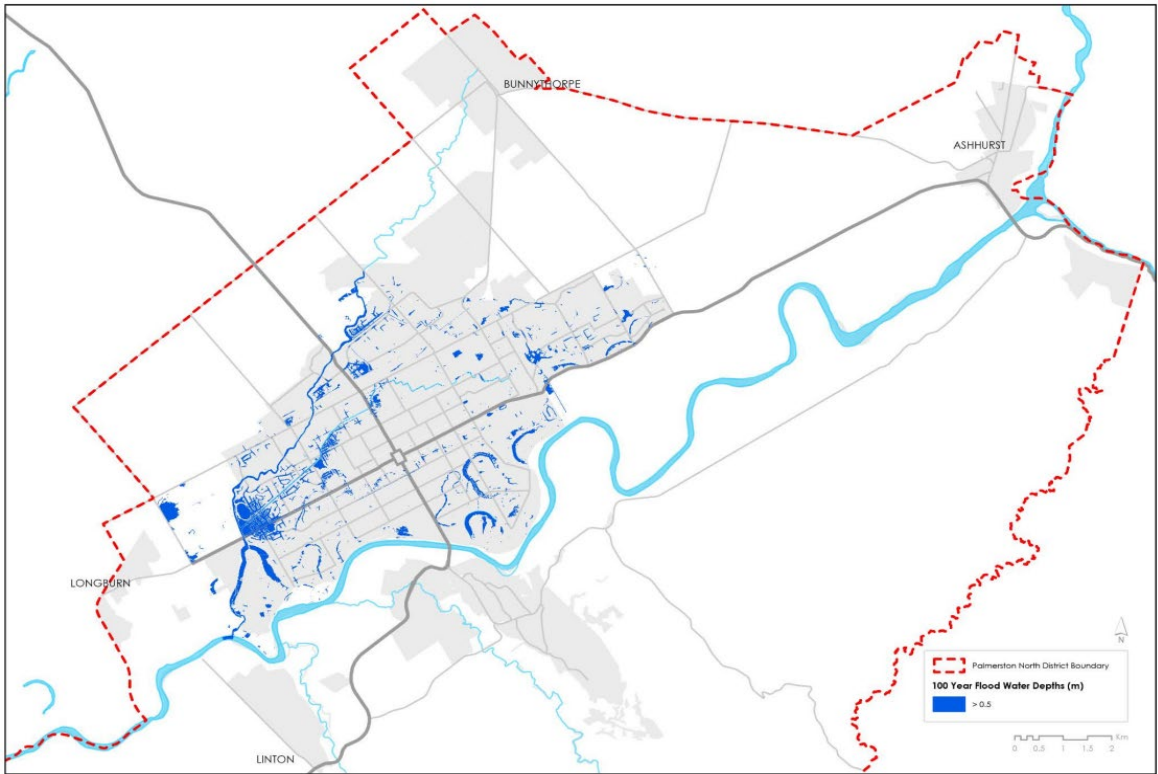


Figure 6: Stormwater ponding up to 0.5m likely in a 50-year flood event³



³ Future Development Strategy (2024) Map 26.

Figure 7: Stormwater ponding over 0.5m likely in a 100-year flood event⁴

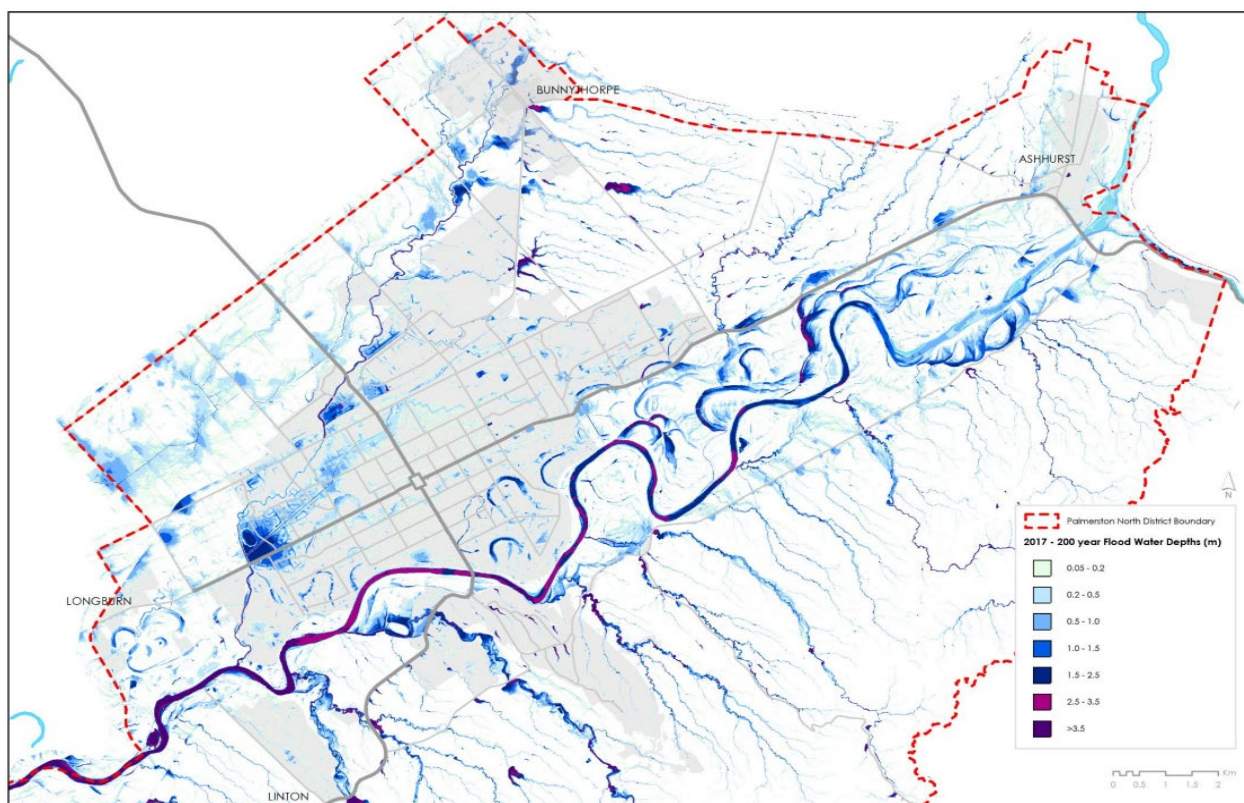


Figure 8: Depths of stormwater ponding in a 200-year flood event based on 2017 modelling⁵

5.1.2 Consultation

The proposal to rezone this site for housing has been the subject of public consultation since 2019. In September 2022 the Palmerston North Reserves Empowering Amendment Act became law, which enables the land to be used for purposes other than recreation. Further consultation occurred when the site was shown as proposed for housing in the Future Development Strategy (2024), where it was named as a location for growth by growing in Maps 1 and 2.

5.1.3 Rangitāne o Manawatū engagement

Heritage and cultural values have not been assessed for the proposed re-zoning of any of the three proposed sites. Rangitāne o Manawatū's (RoM) submission to the FDS (2023) expressed general concerns about how stormwater would be managed on the site, and specifically opposes in part the re-zoning of the Huia Street Reserve until an assessment of the opportunities for reserves as stormwater interventions before engaging with RoM to consider the use of reserves for housing. In the same submission, RoM advocate for restoring and providing for pathways to enhance water ecology, which would be achieved through nature-based solutions.

⁴ Future Development Strategy (2024) Map 27.

⁵ Future Development Strategy (2024) Map 28.

5.2 17 Summerhays Street

Table 4: Summary of site description for 17 Summerhays Street

17 Summerhays Street, formerly Terrace End Bowling Club	
Lot no. / address	17 Summerhays Street, Terrace End, Palmerston North Lot 1 DP 65471, Pt Sec 920 TN of Palmerston North, Pt Sec 918 TN of Palmerston North, Pt Lot 7 DP 2556, Pt Lot 1 DP 1458
Current zoning	Residential (northern part) and Recreational (southern part)
Size	7664 m ²
Public consultation undertaken	June-July 2021 Future Development Strategy (2024)
Recommendation for re-zoning	Medium Density Residential Zone

The subject site is currently zoned for both Residential (northern half) and Recreation (southern half) under the PNCC District Plan. The 7664 m² site is owned by PNCC and was previously occupied by the Terrace End Bowling Club, but is now vacant. Council has passed resolutions (7 April 2021) that confirmed the intent to repurpose this site for housing, followed by public consultation to 9 July 2012, with 57 submitters. Council's initial exploration of options for this site included a potential mix of recreation, community facility and residential development. However, through PC:1, it is proposed to re-zone the site to entirely medium density residential. The proposal to rezone this site has also been presented for public engagement in the Future Development Strategy (2024), which shows this site as potentially providing 40 homes in the medium (i.e., 3 – 10 years) term.

5.2.1 Constraints and opportunities

Land use

The site is surrounded on all sides by housing with an underlying residential zoning. The site is located approximately 1.5km east of the city centre, near employment opportunities in commercial businesses located on Main Street along Ruahine Street and along Broadway Ave into the City Centre (to the west). The site is near community and convenience services, including supermarkets, cafes and other services approximately 300m north of the site. Several primary, intermediate, and composite (i.e., Yr 1 – 13) schools are nearby.

Accessibility

This relative proximity to employment centres, and other amenities within CBD, mean that there are good opportunities for future residents of the site to make use of travel modes other than private car. Access to public transport is approximately 250m away from the site, on either Main Street (north) or Albert Street (near College Street) to the southwest, and bus stops on Ruahine and Ferguson Streets are within 500m. The site is located within the existing and proposed active transport networks (Figure 9) with cycle facilities on Church Street (within 150m) and Ruahine Street (within 300m). Pedestrian connectivity would be further improved if there was a public pedestrian link through the site.

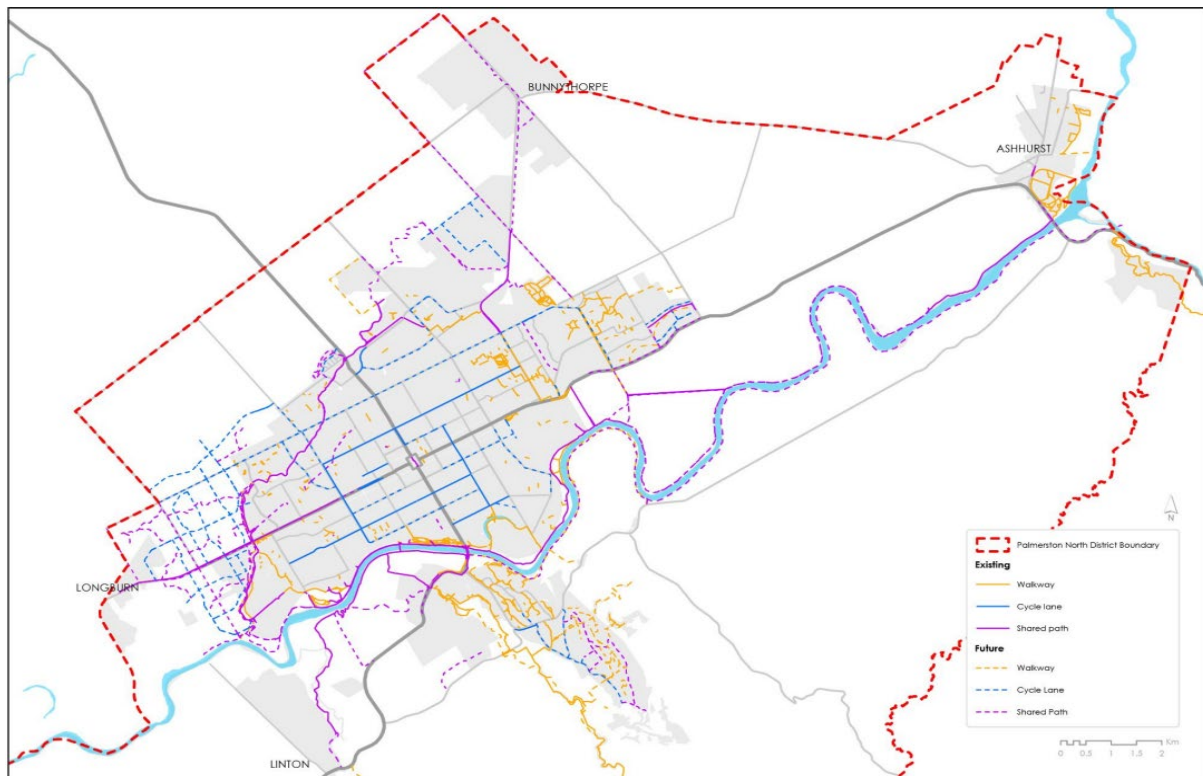


Figure 9: Active transport network (Future Development Strategy (2024) Map 15)

Open Space and recreation

The site is within 1.2km of several public reserves (Memorial and Papaioea Parks) as well as several school playing fields, however the recommended level of service for the MRZ will require more greenspace and recreational facilities as a consequence of PC:I. A memo to Council in October 2021 considered the need for reserve provision to support the repurposing of this site. Proposed development of the PNCC depot on Albert/Ferguson/Summerhays Streets could include some form of reserve to meet resident requirements, and any development proposal will need to include amenity and/or outdoor play facilities.

Traffic and transport

The site has no street frontage (Figure 10) but is highly connected via single lane access points to both Ruahine (collector road) and Summerhays (local road) Streets, then to Main Street,

which is a major arterial route. An initial assessment of transport was completed by Stantec in 2021 with the aim of informing options generation, noting that a dual width access driveway onto Summerhays Street will be needed to accommodate two-way traffic and service and emergency vehicles, with a separate footpath (rather than a shared space). The purchase of 19 Summerhays Street will ensure this access can be achieved.

Kahu Environmental (2024) noted that submitters to the 2021 consultation raised concerns that the development would contribute to problems in peak traffic, and that access arrangements might not support high density housing. The Stantec (2021) assessment considered that the existing traffic network can accommodate predicted increases in traffic volumes and that parking demand can be met through kerbside parking on the adjacent streets. The subsequent transport assessment prepared by Harriet Fraser (2024) to support PC:I noted there was likely to be spare kerbside parking capacity on both streets.



Figure 10: 17 Summerhays Street outlined in red⁶

Three waters

The three water services were summarised by Kahu Environmental (2024), and have been assessed as part of the broader PC:I process. This assessment indicates that the site will receive adequate levels of service to enable new residential development.

⁶ Access points to Ruahine (right side) and Summerhays (left) Streets shown. Note the scope for 19 Summerhays Street to provide dual accessway with a separate footpath.

Natural Hazards

As for Huia Street, stormwater and liquefaction risks (Figure 11) will need to be mitigated through the resource consent process and design measures secured by condition. The site at 17 Summerhays Street is assumed to have no to low liquefaction risk, based on region-wide mapping by GNS and published by Horizons Regional Council (Natural Hazard Viewer).

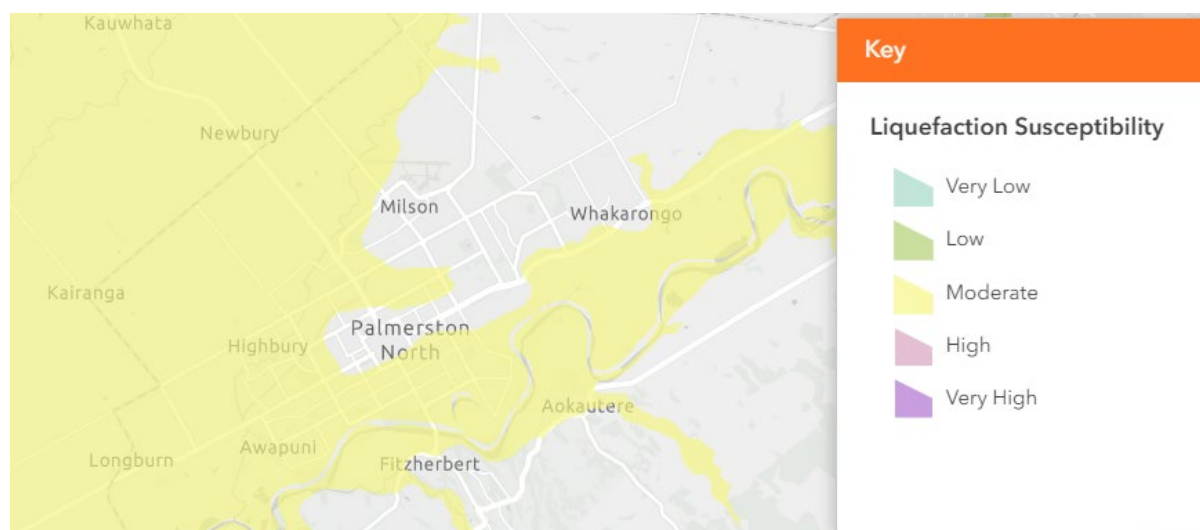


Figure 11: Liquefaction risk mapping⁷

Contamination

The site's former use as a bowling green will mean that the National Environmental Standards Contaminated Land (NESCL) will potentially apply, therefore a resource consent may be required for any land disturbance, and assessment of potential contamination as part of a resource consent process will be required to understand implications for development and remediation.

5.2.2 Rangitāne o Manawatū engagement

Heritage and cultural values have not been assessed for the proposed re-zoning of this specific site, however the submission of Rangitāne o Manawatū to the FDS (2023) expressed general concerns about how stormwater would be managed for infill housing, and opposed in part the disposal of this site until a stormwater assessment has been undertaken. Such an assessment should include Rangitāne, and should first consider if the reserve would be required for stormwater interventions before consideration for housing.

⁷ Source: Horizons Regional Council Natural Hazard Viewer

5.3 216 Ferguson Street

Table 5: Summary of site description for 216 Ferguson Street

216 Ferguson Street	
Lot no. / address	216 – 218 Ferguson, West End, Palmerston North Lot 19 DP 1597, Pt Lot 20 DP 1597, Lot 16 DP 1597, Lot 16 DP 1591
Current zoning	Local Business
Size	2006 m ²
Public consultation undertaken	Future Development Strategy (2024)
Recommendation for re-zoning	Medium Density Residential Zone

5.3.1 Constraints and opportunities

Land use

The subject site is currently zoned as Local Business, surrounded by residential zoning. The property is privately owned and currently leased. The property has been offered for sale, but with limited interest as a commercial property. The owners would like to rezone, as this increases the potential to sell for residential development. It is possible that the re-zoning could be achieved by means of a submission to PC:I. A zone change will require public notification.

The FDS (2023) makes public the general intention to provide potential for homes from repurposed industrial pockets in the longer term (i.e., 10 – 30 years) but does not show this site specifically. Independent estimates show the yield to be 4 – 16 dwellings depending on design.

This 2006 m² site is a little over 1 km from the city centre and close to primary, intermediate and secondary schools. The site is zoned Local Business, as is the adjacent site at 99 – 214 Ferguson Street, and surrounded by residential zoned land. The Housing and Business Needs Assessment (HBA, 2023) shows that Palmerston North has enough development capacity to meet the projected demand for business land over the next 30 years, therefore rezoning this site for residential use should not result in a commercial-zoned land shortage. The HBA (2023) does note the need to monitor the extent that industrial and business land is repurposed for housing.

Accessibility

As with the other two sites proposed for re-zoning, this site is within the public and active transport networks with cycle lanes on Cook Street. There are bus stops on Ferguson Street (within 130m of the site) and on College and Main Streets (within 500m). An assessment of the

need for open green space likely to be induced by PC:I notes that 216 Ferguson Street is outside the optimal walking distance, and proposed remedies for the broader Awapuni area.

Traffic and transport

The site is located near the junction of Ferguson and Cook Streets, with frontage to both these collector roads (Figure 12) which connect to minor and major arterial routes. ODP rules may limit the site to a single vehicle access to either frontage, which must be 20m separate from the intersection. The primary frontage is to Ferguson Street. The secondary, or rear, access onto Cook Street would enable the rear portions of the site to be developed for housing without compromising the primary frontage. A recent assessment of traffic concluded that overspill parking from future development could be accommodated on either street frontage.

The property at 99-214 Ferguson Street will remain zoned as local business.



Figure 12: Aerial image of 216 Ferguson Street and access to Cook Street

Three waters

The LIM report shows the property to be serviced by all three waters. Wastewater modelling for PC: I showed that upgrades would be required to enable growth in this area (known as the Esplanade PC:I intensification area). Two wastewater upgrades were identified as necessary to enable growth in the Esplanade area; the installation of 525mm diameter duplicate main on Ferguson Street, and an upgrade of 160m of 200mm diameter pipe to 300mm. The site is connected to the PNCC water supply network, receiving water from either Papaioea Park Bore, Takaro Park Bore, or Turitea Surface Catchment depending on local demand at the time. Initial freshwater modelling shows there will be sufficient water supply capacity for

development, subject to upgrades to trunk mains and two new bores (to service the northern and southeastern parts of the city).

Natural hazards

The site is not located in a flood-prone area (Figure 7). Stormwater mapping shows mitigation of flood risk can typically be achieved onsite (Figure 8) through minimum floor levels and attenuation techniques. Liquefaction risk is shown in Figure 11 as being moderate, based on Horizons Regional Councils Natural Hazard Portal, although it should be noted that the scale of regional wide hazard mapping is coarse and therefore requires confirmation of risk at site level. Kahu Environmental⁸ noted the level of risk as moderate to high and assumes the appropriate testing would be conducted at the stage of consenting, and any risk managed with on-site remediation by the developer secured by conditions.

5.3.2 Rangitāne o Manawatū position

In their submission to the FDS (2024), Rangitāne o Manawatū voiced concerns about the management of stormwater that will be exacerbated by infill development in this area.

⁸ Kahu Environmental (4 June 2024). Desktop analysis – additional sites proposed for rezoning through Plan Change I.

6 Planning analysis and assessment

6.1 Overview

The three sites proposed for re-zoning are considered under the relevant statutory plans and policy documents below, and a summary assessment of the overall consistency with the relevant provisions is provided. An evaluation against the Operative District Plan overlays and related provisions is also provided, along with an evaluation of the overall costs and benefits associated with the proposal.

6.2 Housing and Business Capacity Assessment (2023) (HBA)

The Housing and Business Capacity Assessment (2023) (HBA) determined that Palmerston North currently has a shortfall in housing supply, and that the city-wide MDRZ rezoning proposal is one of the key methods the City can implement to help address this shortfall. The re-zoning of the three sites will assist with meeting this housing shortfall identified in the HBA.

The HBA also determined that there is sufficient development capacity in the City to meet the projected demand for business land over the next 30-years, thus mitigating the loss of the Local Business zoned land at 216 Ferguson St. The effect of the loss of this business land is also mitigated by the very small extent of business land to be rezoned MRZ (2006m²), relative to the total extent of live-zoned business land (both commercial and industrial) across the City. This will be further mitigated as new greenfield business land is re-zoned and becomes available. As a result, rezoning the site to MRZ will not result in an adverse effect on the supply of business land to meet the reasonably foreseeable business needs of the City.

The HBA does note the need to monitor the extent however to which industrial and business land is rezoned for residential use, and the impact this may have on the supply of business land.

6.3 Future Development Strategy 2024 (FDS)

Although the NPS-UD provides national direction, the FDS provides the regional framing for how Palmerston North will grow over the next 30-years. The proposed rezoning of the three sites meets the outcomes set out under the FDS 2023 as it:

- will contribute to development capacity in the medium term (3 – 10 years) to meet expected demand;
- will contribute to the establishment of medium density housing within the existing urban area that is supported by the necessary physical and social infrastructure, thus supports a more compact and intensive residential living environment;
- is consistent with the three sites' location within the MUHA/residential overlay; and
- will be complementary to the surrounding land use, which is also proposed to be predominantly rezoned MDRZ.

To note, in their submission to the FDS, Rangitāne o Manawatū opposed in part the re-zoning of reserves until they have been assessed with respect to stormwater. The submission also requested that Rangitāne o Manawatū be engaged in development planning where reserves and industrial land is repurposed for housing.

Consideration of issues identified by Rangitāne o Manawatū in their submission have been factored into the draft provisions for the MDRZ, which will also apply to these three sites.

6.4 City View Objectives in the District Plan (2018)

The City View objectives identify the high-level issues and objectives that apply to the city as a whole, and provide strategic direction for the objectives and policies of subsequent chapters of the District Plan that deal with area-specific and district-wide matters. They set the overall direction for how the City will achieve the sustainable management of the City's natural and physical resources. As such, they provide a strategic lens through which rezoning proposals of this nature should be assessed.

There are 27 City View objectives in total, and the three sites proposed to be rezoned have been assessed under each relevant objective in Table 6 below. In summary, the proposed rezoning of the three sites is considered to be consistent with the relevant City View objectives and will assist in achieving the strategic outcomes sought by the District Plan.

Table 6: Assessment against City View Objectives

City View Objectives
<p><i>1. Planning for residential, industrial, commercial and rural-residential growth sustains a compact, orderly and connected urban form which avoids the adverse environmental effects of uncontained urban expansion into the rural zone.</i></p> <p>The three sites are within the existing urban footprint so all are consistent with this objective.</p>
<p><i>2. The provision of infrastructure, particularly within identified growth areas, shall be efficient, timely, environmentally sensitive and economically sustainable.</i></p> <p>All three sites are well served by existing infrastructure services, namely transport and three waters services. With appropriate consent conditions placed on future development, all necessary connections to infrastructure services can be made in an efficient and environmentally sensitive manner. Given the location of all three sites within the existing urban footprint, infrastructure services can also be provided in an economically sustainable way.</p>
<p><i>3. The integrated and efficient provision of, and access to, infrastructure, network utilities and local services is facilitated for all residents.</i></p> <p>As under (2.) above, all necessary infrastructure and utility services can be provided to the sites in an integrated and efficient manner.</p>

City View Objectives
<p><i>4. Transparent and equitable funding mechanisms are in place to support the provision of infrastructure required to service growth.</i></p> <p>Future residential development enabled through the rezoning of the sites will be subject to PNCC's development contributions policy, which imposes a levy on all new development to help fund infrastructure services to provide for growth. Development contributions are calculated on a proportional basis, ensuring funding of new infrastructure is transparent and equitable.</p>
<p><i>5. A variety of high-quality residential living environments are provided to satisfy the needs of all residents.</i></p> <p>The rezoning to MRZ will enable a range of future housing typologies to be constructed on the sites.</p>
<p><i>6. Rural subdivision and development is directed away from Class I and II versatile soils.</i></p> <p>N/A</p>
<p><i>7. The infrastructural demands of rural subdivision and development are minimised.</i></p> <p>N/A</p>
<p><i>8. The distinctive rural and urban character of the City is recognised and a clear differentiation is provided regarding subdivision, development and servicing expectations within rural and urban areas.</i></p> <p>The sites are clearly urban in nature and future subdivision, development and servicing expectations are therefore clear in this respect.</p>
<p><i>9. Subdivisions, buildings and infrastructure are designed and constructed to promote a coordinated, healthy and safe environment.</i></p> <p>The district plan rules and standards (along with other regulatory requirements) with respect to subdivision, building and infrastructure provision will ensure future development comes forward in a coordinated way, and contributes to creating and maintaining a safe and healthy urban environment.</p>
<p><i>10. The visual appeal of the City is enhanced.</i></p> <p>The urban design requirements set out in the policy and rule framework within the MDRZ chapter will assist in achieving appropriate visual and aesthetic outcomes associated with future development of the sites.</p>

City View Objectives
<p><i>11. The principles of good urban design are given effect to for all new subdivisions, urban intensification and major building developments, particularly those located within the City Centre or fronting key transportation routes.</i></p> <p>As under (10.) above, the urban design requirements set out in the policy and rule framework within the MRZ chapter will assist in achieving appropriate urban design outcomes associated with future development of the sites.</p>
<p><i>12. A wide range of business and economic activities are provided for.</i></p> <p>Although the rezoning of 216 Ferguson St involves a loss of Local Business zoned land to MRZ, given the small size of the site relative to the existing business and industrial zone this will not affect the range of business and economic activities that are provided for in the City.</p>
<p><i>13. Investment within the City is stimulated and identified priority sectors such as research, education, public administration, retail, logistics, construction, manufacturing and agriculture are well supported.</i></p> <p>N/A</p>
<p><i>14. The City Centre remains the primary focus for retail, office, commercial and cultural activities within the City. Other commercial centres will be planned to ensure that they support the primary role and function of the City Centre.</i></p> <p>N/A</p>
<p><i>15. Active engagement from tangata whenua within resource management decisions.</i></p> <p>Rangitāne o Manawatū have been engaged on a city-wide basis with respect to development of the MDRZ chapter, and have also been engaged with in relation to the re-zoning proposal for the three sites.</p>
<p><i>16. The historic heritage of the City is researched, identified and preserved within the context of sustainable management.</i></p> <p>N/A</p>
<p><i>17. The natural and cultural heritage features of the City are preserved and enhanced, including the margins of the Manawatu River and sites of significance to tangata whenua.</i></p> <p>N/A</p>
<p><i>18. The characteristics and values of outstanding natural features and landscapes are: a. protected from inappropriate subdivision, use and development; and b. managed in a manner where all subdivision, use and development directly affecting them avoids significant adverse cumulative effects.</i></p> <p>N/A</p>

City View Objectives
<p><i>19. The effects of natural hazards are avoided or mitigated taking into account the effects of climate change and the significant social disruption caused by natural hazard events.</i></p> <p>City wide assessments of natural hazard risk, particularly with respect to stormwater flooding risk, have been a key input to the PC:I planning process. These assessments have also taken into account the three sites and it is concluded that natural hazard effects can either be avoided or adequately mitigated.</p>
<p><i>20. The benefits of renewable electricity generation are recognised, and barriers to the provision of small and community-scale renewable electricity generation are reduced, while adequately managing the potential effects of such activities.</i></p> <p>N/A</p>
<p><i>21. A broad range of recreation and leisure opportunities are provided for in the City which contribute towards an enhanced quality of life.</i></p> <p>N/A</p>
<p><i>22. Appropriate noise standards are in place to protect noise sensitive activities.</i></p> <p>Future residential development enabled by the rezoning will benefit from the District Plan noise rules and standards. These will keep noise effects on future residents to acceptable levels.</p>
<p><i>23. Infrastructure operates in a safe and efficient manner, and the effects of activities which could impact on the safe and efficient operation of this infrastructure are avoided, remedied or mitigated.</i></p> <p>N/A</p>
<p><i>24. All forms of transport, including public transport, walking, cycling and private vehicles are adequately provided for to assist with sustainable energy use and a healthy lifestyle.</i></p> <p>N/A</p>
<p><i>25. Infrastructure and physical resources of regional or national importance are recognised and provided for by enabling their establishment, operation, maintenance, upgrading and protection from the effects of other activities.</i></p> <p>N/A</p>
<p><i>26. Actively provide for a wide range of education, research opportunities, and supporting services in the City.</i></p> <p>N/A</p>
<p><i>27. The effects of activities using hazardous substances are avoided, remedied or mitigated</i></p> <p>N/A</p>

6.5 District-wide planning overlays

The three sites proposed to be rezoned have been assessed against the District-wide planning overlays, as summarised in Table 7. In summary, none of the overlays or related provisions in the District Plan present constraints that will prevent the development of the sites for residential use in accordance with the draft MRZ provisions. The stormwater flood hazard risk for all three sites, in particular 17 Summerhays St, will require mitigation through design secured by consent conditions.

It is noted that a range of design options were generated and costed for Huia Street Reserve^{9,10} but none of these were assessed against the District Plan provisions in detail.

It is also noted that Stantec¹¹ completed a civil engineering assessment of 17 Summerhays Street considering several design options. Stantec¹² also produced a preliminary high-level planning assessment of 17 Summerhays Street to support Council's initial exploration of options for this site in 2021, which at that time was a potential mix of recreation, community facility and residential development. Overall, these assessments support the overall potential for medium density residential development on these sites which will be enabled through rezoning to MRZ.

Table 7: Assessment against District-wide planning overlays

Relevant District-wide planning overlays	
Natural hazards	All sites are protected from river flooding by flood protection structures. 17 Summerhays Street is exposed to stormwater flood hazard risk that requires broader mitigation, but stormwater flood hazard risk for Huia Reserve (part) and 216 Ferguson Street can be mitigated onsite. Huia Reserve (part) and 216 Ferguson Street are exposed to moderate to high risk for liquefaction, therefore more detailed assessments will be required to inform engineering solutions to mitigate risk.
Historic heritage	The sites are not subject to any identified historic heritage item, site or building.
Contaminated land	None of the three sites are identified as HAIL sites, however NESCL will apply to Summerhays and Huia Street due to former use as bowling greens and former buildings.
Notable Trees	The sites do not contain any notable trees and there are no notable trees located on adjacent sites.

⁹ Veros (28th February 2024) Huia Street – Development Analysis

¹⁰ Design Group Stapleton Elliott (30 November 2023) Huia Street Reserve Bulk Location and Presentation Package

¹¹ Stantec (10 February 2021) 17 Summerhays Street Palmerston North Redevelopment

¹² Stantec (22 September 2021) Preliminary Planning Assessment

Relevant District-wide planning overlays	
Sites and Areas of Significance to Māori	Heritage and cultural values have not been assessed for the proposed re-zoning of the three sites, nor have any sites of significance been identified. However, tangata whenua values and norms and how these relate to growth are encapsulated in the submission of Rangitāne o Manawatū to the FDS (2023) that has been considered through the MDRZ plan change process.
Significant Natural Areas	The sites are not subject to a Significant Natural Area overlay.
Natural Features and Landscapes	The sites are not subject to a Natural Features or Landscapes overlay.
Coastal Environment – coastal high natural character areas	The sites are not located within the Coastal Environment.
Vibration and noise overlays	The sites are not subject to any vibration or noise overlays.
Designations	The sites are not subject to any existing or proposed designations.
Draft zoning of surrounding area	The surrounding land is proposed to be zoned Medium Density Residential under PC:I

6.6 Proposed MRZ objectives

The assessment in Table 8 is based on the proposed MRZ objectives as at 25 October, 2024.

Table 8: Assessment against proposed MRZ objectives

<p>MRZ-O1 Purpose of the Medium Density Residential Zone</p> <p>The Medium Density Residential Zone:</p> <ul style="list-style-type: none"> a. Enables residential activities and buildings, including papakāinga, to support provision of a variety of housing types and sizes that respond to housing needs and demand, and b. Provides for non-residential activities and buildings that are compatible with the predominantly residential use of the Zone, reflect the planned built form and do not compromise the existing hierarchy of business zones within the city.
<p>Assessment</p> <p>Rezoning of the sites will enable residential activities and buildings at these locations that could be provided in a range of typologies, and which help meet the City's housing</p>

needs. Given the size of the sites and their former uses, there is also the potential for them to provide for non-residential activities that are compatible with the surrounding (predominantly) residential land use.

MRZ-O2 Planned built form of the Medium Density Residential Zone

Built development in the Medium Density Residential Zone positively contributes to achievement of a predominantly residential urban environment that:

- a. Comprises well-designed buildings, sites, streets, and neighbourhoods;
- b. Supports safe and secure environments that align with Crime Prevention through Environmental Design (CPTED) principles;
- c. Is characterised by an increased building density, a mix of building typologies, and building heights up to (and including) three storeys;
- d. Is adaptable and healthy;
- e. Provides a reasonable level of amenity for residents, adjoining residential properties and the street;
- f. Enables mode shift to public transport and active transport modes;
- g. Integrates with existing and planned infrastructure;
- h. Connects with open space and the natural environment;
- i. Is resilient to the effects of climate change and natural hazards; and
- j. Is energy efficient.

Assessment

Given the location, size, shape and other relevant physical attributes associated with the sites (as described in the above sections), built development of a predominantly medium density residential nature can be readily accommodated. Given these attributes, there are also considered to be no impediments to future built development coming forward in accordance with the matters set out in MRZ-O2 a – j. Overall, the sites are considered ideally suited for medium density residential development based on an assessment against these matters.

MRZ-O3 Protecting water bodies and freshwater ecosystems

Subdivision and development in the Medium Density Residential Zone contributes to an improvement in the health and wellbeing (including mauri) of the Manawatū Awa and its lagoons and tributaries.

Assessment

With appropriate design mitigation measures, secured through conditions on resource consents, development on the sites will positively contribute to freshwater quality in the City.

MRZ-O4 Effects of flooding in the Medium Density Residential Zone

Avoid residential intensification unless the on-site and off-site effects of flooding (including from stormwater) on people, property and the environment as a result of residential intensification are appropriately mitigated.

Assessment

The city-wide assessment of flood hazard risk, with a specific focus on stormwater flood risk and mitigation, did not identify any issues with these sites being rezoned MRZ. How each site deals with post-development stormwater runoff will need to be dealt with through the consenting process however, with conditions securing design measures to mitigate any potential effects.

MRZ-O5 Mitigate effects of development adjacent to infrastructure

Mitigate the adverse effects, including reverse sensitivity effects, of subdivision, use and development which is located adjacent to infrastructure.

Assessment

There are not considered to be any reverse-sensitivity effects associated with medium density residential development on these sites in relation to existing lawfully established infrastructure. All sites are surrounded by residential or local business land uses.

MRZ-O6 Whenua Māori

Tangata whenua are able to protect, develop and use whenua Māori in a way that is consistent with their cultural values and aspirations.

Assessment

Rezoning the three sites will not impact on the ability of Tangata Whenua to protect, develop and use whenua Māori.

7 Assessment of alternatives

For all three sites, two options have been considered, being:

- Rezoning to Medium Density Residential Zone (MRZ); and
- Maintaining the status quo (a combination of Recreation, Residential, and Local Business zoning).

The overall costs and benefits of the Proposal assessed against the status quo are considered below:

Costs associated with the Proposal	Benefits associated with the proposal
<p>Huia St</p> <p>The loss of Recreation zoned land (and the public benefits typically associated with it) is a key consideration. However, in its current state the site is of limited value as recreation zone as it does not provide well for active or passive recreation purposes, is not well used, and does not provide a high level of amenity. The costs associated with rezoning the site from its current Recreation zoning are therefore considered low.</p>	<p>The proposed rezoning of the three sites to MRZ will help meet the shortfall in housing in the City in the short to medium term (3 – 10 years) by contributing realisable housing supply. The Proposal will therefore increase the medium density housing stock within the existing urban area, helping meet the economic, social and cultural needs of the City and its residents.</p>
<p>17 Summerhays St</p> <p>Similar to the Huia St site, the southern portion of the Summerhays Site is zoned Recreation. However, in its current state it is of limited value for recreational purposes as it does not provide well for active or passive recreation, is not well used, and does not provide a high level of amenity for surrounding residents. The costs associated with rezoning the site from its current Recreation zoning to MRZ are therefore considered low.</p>	<p>Based on the above assessment against the ODP overlays, and consideration of other physical constraints, the three sites are considered ideally suited to the establishment of medium density housing. They each have access to the necessary physical and social infrastructure that support a more intensive residential living environment.</p>
<p>216 Ferguson St</p> <p>The loss of Local Business zoned land needs careful consideration given the key role it plays in terms of providing for the needs of the community and providing employment. However, the HBA also determined that there is sufficient development capacity in</p>	<p>Given the above, the benefits associated with the proposal are considered to be high, and outweigh any of the identified costs.</p>

Costs associated with the Proposal	Benefits associated with the proposal
<p>the City to meet the projected demand for business land over the next 30-years.</p> <p>The effect of the loss of business land at 216 Ferguson St is also mitigated based on the small extent of business land to be rezoned (2006m²), relative to the total extent of live-zoned business land (both commercial and industrial) across the City. This will be further mitigated as new greenfield business land is re-zoned and becomes available.</p> <p>As a result, the costs associated with the loss of a small amount of Local Business zoned land are considered low, and it will not affect the range of business and economic activities that are provided for in the City.</p>	

8 Overall recommendation for re-zoning

PC:I responds to the direction in the National Policy Statement on Urban Development 2020 (NPS-UD) for Palmerston North City Council (PNCC) to enable a greater variety and density of homes, provide a well-functioning urban environment, and improve accessibility between housing, jobs, community services, natural spaces, open spaces and public and active transport. It also responds to the FDS (2023). The three sites are proposed to be included within PC:I.

This report has assessed the proposed rezoning of each site in terms of their relevant physical constraints and opportunities, which has indicated their broad suitability for being rezoned to MRZ. The rezoning proposal has also been assessed against the relevant statutory plans and policy documents which has indicated their consistency with these provisions. An evaluation against the Operative District Plan overlays and related provisions has also shown their suitability in this respect, and the assessment of alternatives shows that the benefits of the rezoning proposal outweighs the costs.

Given the above, it is recommended that the sites be rezoned to MRZ as proposed.

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