

A close-up, front-facing view of a yellow Kiwi Rail locomotive. The locomotive is on a railway track, and its headlights are illuminated. The number '5114' is visible in two black boxes on the top front. Below the windshield, the 'Kiwi Rail' logo is displayed. At the bottom front, the identification number 'DXB5114' is printed. The locomotive is pulling a red freight car. The background shows a blurred landscape with trees and a clear sky.

# **SPECIALIST ASSESSMENT – STRATEGIC FIT CRITERION**

**PALMERSTON NORTH REGIONAL FREIGHT HUB MULTI-  
CRITERIA ANALYSIS AND DECISION CONFERENCING  
PROCESS**

**PREPARED FOR KIWIRAIL**

June 2020

# KiwiRail Palmerston North Rail and Freight Hub- Workshop 2

## Assessment – Strategic Fit with (regional) strategies / plans

### 1. Introduction

Date: 13 September 2019

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The following is a comparative assessment of long list site options to inform the MCA workshop for KiwiRail's future Palmerston North Rail and Freight Hub.

This assessment has relied on the following information:

Palmerston North City Council Strategies

- Palmerston North City Council Strategic Transport Plan 2018
- Palmerston North City Council City Development Strategy 2018
- Palmerston North City Council Economic Development Strategy 2018
- Palmerston North City Council Growth Infrastructure Plan 2018
- City Shaping Moves map attached as Appendix 1

Palmerston North City District Plan

- Private Plan Change B
- Proposed Plan Change C: Kikiwhenua Residential Area

Horizons Regional Council Strategies

- Accelerate 25 - Manawatū-Whanganui Growth Study - Economic Action Plan 2016
- Regional Land Transport Plan 2015 - 2025 (2018 Review)

Manawatu District Council Strategies

- Manawatu District Council Economic Development Strategy 2017

Ministry for the Environment and Ministry for Primary Industry

- Valuing highly productive land a discussion document on a proposed national policy statement for highly productive land 2019

The following information was not available for this assessment

### National Policy Statement for Highly Productive Land

The Ministry for the Environment and Ministry for Primary Industry has released a discussion document on a proposed national policy statement for highly productive land. Submissions of the discussion document close on 10 October 2019.

It is anticipated that the National Policy Statement for Highly Productive Land (NPS-HPL) will be gazetted in early 2020. The discussion document sets out proposed policies relating to:

- Maintaining highly productive land for primary production; and
- Restricting urban expansion onto highly productive land.

Councils will need to identify highly productive land as land that is classified as Class 1, 2 or 3 under the Land Use Capability (LUC) system by default, until they are able to complete their own regional or district assessment.

At this point in time it is unclear what the final form of the NPS-HPL will be, but once gazetted it will be an important statutory document that will need to be taken into consideration.

## 2. Constraints identified in each area

Area for Investigation	Constraints - what they are and where they are in the area
Option 1	Areas of Class 1, 2 or 3 under the LUC system identified
Option 2	Areas of Class 1, 2 or 3 under the LUC system identified
Option 3	Areas of Class 1, 2 or 3 under the LUC system identified
Option 4	Areas of Class 1, 2 or 3 under the LUC system identified
Option 5	Areas of Class 1, 2 or 3 under the LUC system identified
Option 6	Areas of Class 1, 2 or 3 under the LUC system identified
Option 7	Areas of Class 1, 2 or 3 under the LUC system identified
Option 8	<ul style="list-style-type: none"> <li>• Areas of Class 1, 2 or 3 under the LUC system identified</li> <li>• the area is within or in close proximity to two sustainable growth modes which are identified for future greenfield residential development refer to the plan in Appendix 1; and</li> <li>• the area is subject to two plan changes for residential development</li> </ul>
Option 9	Proximity to the central area fringe and in particular the residential development to the west and north east of the current site would pose significant constraints to the expansion of the site to accommodate the proposed hub footprint

## 3. Criteria being assessed

Fit with (regional) strategies / plans

This criterion considers how the site aligns with the strategic planning for the sub region and city including:

- Palmerston North City Council strategic plans and District Plan

- Horizons Regional Policy Statement, Regional Transport Strategy and Accelerate 25 - Manawatū-Whanganui Growth Study.
- Manawatu District Council Economic Development Strategy 2017

A full list of the plans, strategies and policies is set out in section 1 above and the extracts relied on from these documents for this assessment are contained in Appendix 2.

Approach to the assessment

A review of the above listed strategies and plans was undertaken to identify references in the documents relating to rail transport, freight distribution, transport hubs and the future spatial development of the land in and around Palmerston North. Appendix 2 contains the relevant extracts from the documents relating to these matters. This information was then analysed to identify common themes, outcomes and drivers. These are set out in Appendix 3.

A summary of the common themes that were identified through the analysis and the implications for scoring the area options are set out in the table below:

<b>Theme</b>	<b>Outcomes / Drivers</b>	<b>Scoring implications (1 best / 5 worst)</b>
Spatial directions	<ul style="list-style-type: none"> <li>• identification of land at City West for greenfield housing – refer to sustainable growth areas on the map in Appendix 1.</li> </ul>	Sites within these locations scored higher
	<ul style="list-style-type: none"> <li>• direct future investment in rail at the north-east and Longburn.</li> <li>• North-east of the city is earmarked for large-format freight, distribution and logistics activities</li> </ul>	Sites within these locations scored lower
	<ul style="list-style-type: none"> <li>• use Palmerston North’s central location and access to road, rail and air transport to build a significant future-proofed freight and distribution hub</li> <li>• Palmerston North is a major intersection requiring more investment in streamlined transport movement.</li> <li>• Palmerston North is at the centre of rail and road networks which go toward all four points of the compass</li> </ul>	Sites within Palmerston North scored lower
	<ul style="list-style-type: none"> <li>• development is directed away from Class I and II versatile soils</li> <li>• land classified as Class 1, 2 or 3 be maintained for productive purposes</li> </ul>	Sites comprising land classified as Class 1, 2 or 3 scored higher

Theme	Outcomes / Drivers	Scoring implications (1 best / 5 worst)
Efficiency	<ul style="list-style-type: none"> <li>• efficient and well-serviced hubbing</li> <li>• capacity to efficiently collect, package and redistribute products</li> <li>• rail network that provides efficient, reliable access and movement for people and freight to and from key destinations, within and outside the region.</li> </ul>	The scores for the option areas under the economic criterion have been used to inform the scoring under this sub-criterion
Integration	<ul style="list-style-type: none"> <li>• reliable multi-modal transport system with less modal conflict</li> <li>• encouraging the integration of rail with other transport modes</li> </ul>	The scores for the option areas under the rail criterion, particularly the other mode compatibility element of this criterion have been used to inform the scoring under this sub-criterion
Connectivity	<ul style="list-style-type: none"> <li>• improvements in rail to provide better connectivity to the expanding North-East industrial zone and Longburn inland port</li> <li>• improve connectivity of strategic routes</li> </ul>	The scores for the option areas under the connectivity criterion have been used to inform the scoring under this sub-criterion

The scores for each of the above sub-criteria were then assessed on a qualitative basis to determine a final recommended score for each of the area options

Assumptions.

- That the NPS-HPL will require that land classified as Class 1, 2 or 3 be maintained for productive purposes
- As all the sites except site 9 comprise areas of Class 1, 2 or 3 under the LUC system at this short listing stage this factor was not used to differentiate sites 1 to 8
- That the economic criterion can used to inform the scoring of the efficiency sub-criterion;
- That the rail criterion, particularly the other mode compatibility element of this criterion can be used to inform the scoring of the integration sub-criterion
- That the connectivity criterion can used to inform the scoring of the connectivity sub-criterion

# 4. Comparative assessment

## Summary

Area for Investigation	Assessment of the option				Overall Score
	Spatial	Efficiency	Integration	Connectivity	
Option 1	3	4	3	3	3
Option 2	3	3	3	4	3
Option 3	2	2	3	4	3
Option 4	2	2	2	3	2
Option 5	2	4	3	3	3
Option 6	3	4	3	3	3
Option 7	3	4	4	3	4
Option 8	5	3	4	4	4
Option 9	2	4	2	3	3

### Contextual or assessment explanations

#### **Spatial**

Option 8 scored high because the area is within or in close proximity to two sustainable growth modes which are identified for future greenfield residential development and the land is subject to two plan changes

Options 3, and 4 scored lower because of their location within Palmerston North City and their proximity to the north-east and the airport

Options 1, 2, 6 and 7 scored higher because they are located outside or mainly outside Palmerston North, but noting they are still in reasonable or close proximity to either the north-east and the airport or Longburn

Option 9 scored lower because of its location within Palmerston North and because it does not contain any areas of Class 1, 2 or 3 under the LUC system.

#### **Efficiency**

These scores are based on the Economic criterion scores

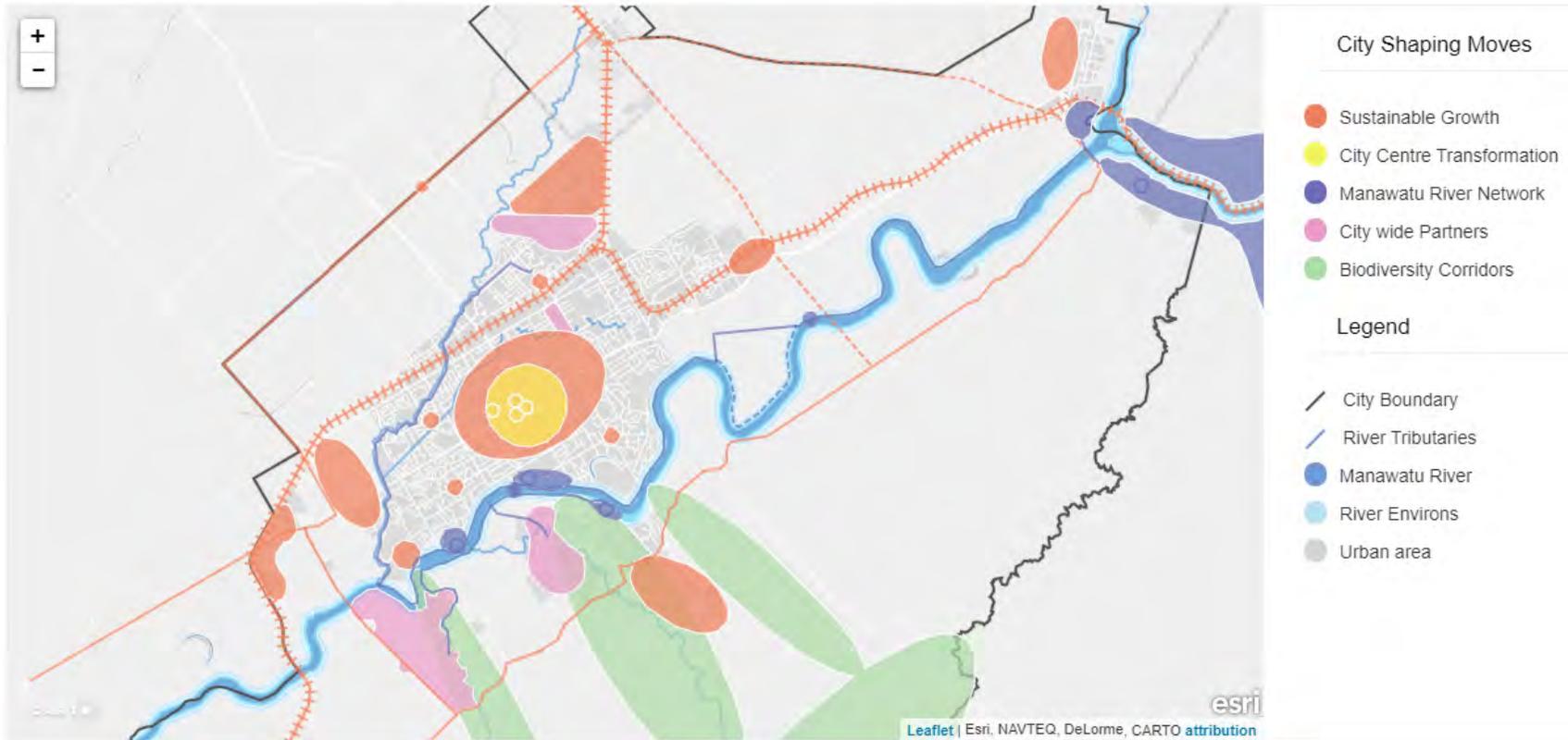
#### **Integration**

These scores are based on the Rail sub-criterion c) other mode compatibility scores.

#### **Connectivity**

These scores are based on the Connectivity criterion scores

## Appendix 1



## Appendix 2 Strategy, Plan and Policy Extracts

### Palmerston North City Council Strategies

#### Palmerston North City Council | Strategic Transport Plan 2018

The purpose of the Strategic Transport Plan is to provide infrastructure to enable growth and a transport system that links people and opportunities, and provides amenity, safety, interconnectivity, accessibility, resilience and reliability

(Priority 2: City Development Strategy and Economic Development Strategy).

Where we want to be

- A transport system that provides a choice of intermodal transport connections and integration of modes of transport that safely and efficiently gets freight, services, and people where they need to be.
- There is resilient and reliable interconnected intermodal transportation of goods, services, and people.
- Reliable road - rail links for industry.
- Resilient rail and road infrastructure and interconnectivity form a key part of freight, distribution and logistics activities in the north-east industrial zone and Longburn.

#### Palmerston North City Council | City Development Strategy 2018

Priority 1: create and enable opportunities for employment and growth

To release pressure and meet updated growth projections, land at City West identified for medium to long-term greenfield housing will need to be released earlier than previously anticipated. The most suitable land for early release is the area bound by the Mangaone Stream, Te Wanaka Road and Pioneer Highway (the Racecourse land), which will need to be rezoned.

Industrial land has been made available to the north-east of the city and at Longburn. The north-east is earmarked for large-format freight, distribution and logistics activities, while Longburn is best suited to wet or processing industries. Both locations are well placed for the new regional ring road.

Council will undertake a collaborative planning exercise to direct future investment in rail at the north-east and Longburn. Integrating rail to form a significant intermodal freight and distribution hub is a major strategic issue. Rail access at Longburn is limited to sidings only and rail is unavailable at the north-east. Traffic flows compromise the industrial land adjacent to the rail corridor at Tremaine Avenue.

Priority 2: provide infrastructure to enable growth and a transport system that links people and opportunities

The north-east industrial zone and Longburn are well located to leverage off the presence of rail within the city, but a plan is needed to make sure rail forms a key part of future freight, distribution, and logistics activities in these locations.

Strategic themes

Sustainable practices

- Intermodal freight, distribution and logistics: Use Palmerston North's central location and access to road, rail and air transport to build a significant future-proofed freight and distribution hub.

#### Palmerston North City Council | Economic Development Strategy 2018

Priority 1: create and enable opportunities for employment and growth

Priority 2: provide infrastructure to enable growth and a transport system that links people and opportunities

Completing the regional freight ring road will reduce car and heavy vehicle transport flows in the main urban area and improve links to national and international markets.

Further improvements in rail and roading infrastructure are needed to provide better connectivity to the expanding North- East industrial zone and Longburn inland port. Council wants to improve regional transport links, to optimise links between the city, the region and wider markets.

Priority 3: diversify the economy to reduce reliance on traditional industries

The city's natural advantages include its central location in the North Island, the availability of key infrastructure (for example, the road and rail hub and the airport's 24-hour freight operations are key factors in the growth of the city's logistics sector), the highly qualified workforce, and the relative affordability of land. These advantages form a basis for Palmerston North's case for regional, national and international investment and partnerships.

#### Palmerston North City Council | Growth Infrastructure Plan 2018

The purpose of the Growth Infrastructure Plan is to provide infrastructure to enable growth and a transport system that links people and opportunities (Priority 2, City Development Strategy).

Where we want to be

- We have a better understanding of the options for servicing City West residential area, including the efficiency and effectiveness of servicing parts of City West individually.
- Infrastructure has started to be established in the extended North East Industrial Zone to support development in stage 1 of the area.
- Council is working collaboratively with the owners of the private infrastructure at Longburn to enable future industrial development. If this is not successful Council should consider upgrading and taking responsibility for the infrastructure.

## **Palmerston North City Council District Plan - 2. City View Issues and Objectives**

2.3 The City View Resource Management Issues for the City

5. The effects of rural subdivision and development on rural amenity and the rural land resource, particularly Class I and II versatile soils

2.5 The City View Objectives

6. Rural subdivision and development is directed away from Class I and II versatile soils.

## Horizons Regional Council Strategies Accelerate 25 - Manawatū-Whanganui Growth Study

### Economic Action Plan 2016

#### Enablers - Distribution and Transport

The region has a mature transport network but with specific future requirements:

- Efficient and well-serviced hubbing. The region needs to have the capacity to efficiently collect, package and redistribute product – and in so doing, reduce costs and increase the speed associated with getting products to market, when compared to other international suppliers
- Palmerston North is a major intersection requiring more investment in streamlined transport movement. Palmerston North is at the centre of rail and road networks which go toward all four points of the compass. This intersection of multi modal and large product and traffic volumes must be as well designed and efficient as possible.

#### Rail

The importance of rail connections for this region is vital if we are to offer a multi-modal freight movement package to potential investors and existing business. While much of the recent effort has been around planning for a well connected roading network, the role rail plays, and could potentially play, is seen as significant. As such, there is a strong desire for central government to support and invest in rail to realise this vision. Given the strategic location of the Manawatū-Whanganui region, and the North Island Main Trunk line having its cross roads in the centre of our region, we believe there is a real opportunity and significant benefits to be realised if this mode of freight movement was unlocked.

### Regional Land Transport Plan 2015 - 2025 (2018 Review)

#### Regional issues

##### Issue 1: land use pressures

Recent development throughout the region has outpaced the planned strategic land transport network, resulting in a network that is no longer fit for purpose and does not function as effectively as intended.

##### Issue 2: network efficiency

Access to and from other regions linking north-south and east-west are under pressure, becoming less predictable, resulting in inefficiencies which could restrict anticipated future growth in the freight distribution logistics chain. Pressures on the roading network are further compounded by an under-utilised rail network that lacks integration.

##### Issue 3: economic development, tourism and growth

Predicted population and economic growth in the central New Zealand sub-area associated with the growth in freight, tourism and people movements will impact on the functioning of the transport network.

#### Objectives

1. An optimised road, rail and public transport network that provides efficient, reliable access and movement for people and freight to and from key destinations, within and outside the region.
2. Maximise the strategic advantage of central New Zealand through efficient and well-serviced hubbing and freight distribution activities, including better utilisation of rail corridors.
3. A safe land transport system increasingly free of death and serious injury.
4. A reliable multi-modal transport system with less modal conflict, including walking and cycling, that mitigates potential environmental effects and improves environmental outcomes.
5. A resilient transport network with secure inter- and intra-regional routes that can perform following an unplanned event.
6. A transport system that provides for the increase in low carbon emission vehicles and other practices to reduce carbon emissions and environmental effects associated with transport.

#### Strategic priorities

Improve connectivity, resilience and the safety of strategic routes to and from key destinations linking north-south and east-west, while factoring in demographic changes and impacts on land use

##### Policy 2.1

Maintain and as necessary improve the strategic transport network to ensure safe, efficient intra- and inter-regional accessibility and links with national transport corridors

2.1.5 Encouraging the integration of rail with other transport modes, including but not limited to buses, and walking and cycling, where possible, to ensure the most efficient and effective inter- and intra-regional movement of freight and people (NZ Transport Agency, territorial authorities, KiwiRail).

##### Policy 2.2

Support the provision of effective connections to the region's principal economic growth and productivity areas

2.3.1 Planning, maintaining and developing transport corridors to support and encourage the region's major role in the efficient distribution of freight throughout New Zealand (NZ Transport Agency, territorial authorities, KiwiRail).

2.3.2 Planning for and supporting the integration of modes, where possible, to encourage the most efficient and effective inter- and intra-regional movement of freight (NZ Transport Agency, territorial authorities, KiwiRail).

2.3.4 Supporting the provision of facilities for the transfer of freight between transport modes, as appropriate (NZ Transport Agency, territorial authorities, Horizons Regional Council, KiwiRail).

Actions/Measures:

3. Number of new businesses locating in the freight hub.

### **Horizons One Plan – Regional Policy Statement**

Objective 3-4: Urban growth and rural residential subdivision on versatile soils

To ensure that territorial authorities consider the benefits of retaining Class I and II<sup>1</sup> versatile soils<sup>2</sup> for use as production land when providing for urban growth and rural residential subdivision.

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<sup>1</sup> As identified in the Land Use Capability Classification system.

<sup>2</sup> For general information purposes these soils largely comprise the following soil series: Egmont, Kiwitea, Westmere, Manawatu, Karapoti, Dannevirke, Ohakune, Kairanga, Opiki and Te Arakura.

## **Manawatu District Council Strategies**

### **Manawatu District Council Economic Development Strategy 2017**

#### Strategic Outcome One

Our land supports a diverse range of economic activity now and into the future. Through strategic and sustainable initiatives, we will use our land to drive the development of innovative businesses that produce goods that are in demand across New Zealand and the world.

#### Strategic Outcome Two

Our infrastructure enables and supports a wide range of economic activity. Utilising our economic development infrastructure, we will develop businesses that improve quality of life and provide employment to attract and retain residents who want to strengthen our communities.

#### Strategic Outcome Three

Our central location encourages and attracts business growth now and into the future. Maximising our location, we will grow businesses to service our local community, the broader region, New Zealand and international markets.

#### Objectives

3. Maximising our location, businesses will grow to service our local community, the broader region, New Zealand and international markets.

## **Ministry for the Environment and Ministry for Primary Industry**

### **Valuing highly productive land A discussion document on a proposed national policy statement for highly productive land 2019**

Under this proposal, councils will need to identify highly productive land as land that is classified as Class 1, 2 or 3 under the LUC system by default, until they are able to complete their own regional or district assessment. When undertaking the assessment of highly productive land councils will be able to consider a number of other factors to exclude some of this land, or to identify additional highly productive land that is not recognised under the LUC system.

#### **Proposed Policy 2: Maintaining highly productive land for primary production**

Local authorities must maintain the availability and productive capacity\* of highly productive land for primary production by making changes to their regional policy statements and district plans to:

- a. prioritise the use of highly productive land for primary production
- b. consider giving greater protection to areas of highly productive land that make a greater contribution to the economy and community;
- c. identify inappropriate subdivision, use and development of highly productive land; and
- d. protect highly productive land from the identified inappropriate subdivision, use and development.

#### **Proposed Policy 3: New urban development and growth on highly productive land**

Urban expansion must not be located on highly productive land unless:

- a. there is a shortage of development capacity to meet demand (in accordance with the NPS-UDC methodologies and definitions); and
- b. it is demonstrated that this is the most appropriate option based on a consideration of:
  - a cost-benefit analysis that explicitly considers the long-term costs associated with the irreversible loss of highly productive land for primary production;
  - whether the benefits (environmental, economic, social and cultural) from allowing urban expansion on highly productive land outweigh the benefits of the continued use of that land for primary production; and
  - the feasibility of alternative locations and options to provide for the required demand, including intensification of existing urban areas.

It is anticipated that the NPS will be gazetted in early 2020

## Appendix 3 Common Themes, Outcomes and Drivers from Strategies

<p><b>Spatial</b></p> <ul style="list-style-type: none"> <li>• direct future investment in rail at the north-east and Longburn. Ensure sure rail forms a key part of future freight, distribution, and logistics activities in these locations</li> <li>• Integrating rail to form a significant intermodal freight and distribution hub is a major strategic issue.</li> <li>• Use Palmerston North’s central location and access to road, rail and air transport to build a significant future-proofed freight and distribution hub</li> <li>• land at City West identified for medium to long-term greenfield housing will need to be released earlier than previously anticipated. The most suitable land for early release is the area bound by the Mangaone Stream, Te Wanaka Road and Pioneer Highway (the Racecourse land), which will need to be rezoned</li> <li>• Palmerston North is a major intersection requiring more investment in streamlined transport movement.</li> <li>• Palmerston North is at the centre of rail and road networks which go toward all four points of the compass</li> <li>• Maximise the strategic advantage of central New Zealand through efficient and well-serviced hubbing and freight distribution activities, including better utilisation of rail corridors.</li> <li>• Maximising our location, businesses will grow to service our local community, the broader region, New Zealand and international markets</li> </ul>	<p><b>Integration</b></p> <ul style="list-style-type: none"> <li>• The importance of rail connections for this region is vital if we are to offer a multi-modal freight movement package to potential investors and existing business.</li> <li>• A reliable multi-modal transport system with less modal conflict</li> <li>• Encouraging the integration of rail with other transport modes</li> <li>• Supporting the provision of facilities for the transfer of freight between transport modes</li> <li>• Planning for and supporting the integration of modes to encourage the most efficient and effective inter- and intra-regional movement of freight</li> </ul>
<p><b>Efficiency</b></p> <ul style="list-style-type: none"> <li>• Efficient and well-serviced hubbing</li> <li>• The region needs to have the capacity to efficiently collect, package and redistribute product</li> <li>• rail network that provides efficient, reliable access and movement for people and freight to and from key destinations, within and outside the region.</li> <li>• ensure the most efficient and effective inter- and intra-regional movement of freight and people</li> <li>• effective connections to the region’s principal economic growth and productivity areas</li> <li>• efficient distribution of freight throughout New Zealand</li> </ul>	<p><b>Connectivity</b></p> <ul style="list-style-type: none"> <li>• Interconnectivity</li> <li>• rail links for industry</li> <li>• improvements in rail and roading infrastructure are needed to provide better connectivity to the expanding North- East industrial zone and Longburn inland port.</li> <li>• Improve connectivity of strategic routes to and from key destinations linking north-south and east-west</li> </ul>

Palmerston North City Council Strategies  
Horizons Strategies  
Manawatu District Council Strategies

## **Addendum # 2 to the Workshop 2 Strategic Fit Assessment**

Prepared by Paula Hunter planning specialist responsible for the strategic fit assessment criterion.

### **Reasons for the addendum**

There are a number of reasons for this addendum to the Workshop 2 assessment for the Strategic Fit criterion. These relate to responding to the outcomes of the workshop discussions (including the reasons why area option 8 was fatally flawed), and requests from workshop participants to consider additional matters.

### **Background**

The factors considered in the strategic fit assessment of the area options were spatial direction, efficiency, integration and connectivity. Spatial direction relates to where future growth has been directed under the various strategies plans and policies reviewed. Efficiency was informed by the economic criterion, integration by the other mode compatibility element of the rail criterion and connectivity by the connectivity criterion.

The scores from other criteria were used to inform the extent to which the strategic intent of the policies and plans will be achieved by the various options.

### **Fatal flaw of area option 8**

At Workshop 2 as part of the presentation of the Strategic Fit assessment, I proposed to change the overall score for area option 8 from a 4 to a 5 and I recommended to the workshop participants that this option should be fatally flawed. The reasons for this recommendation were:

- The area is within or in close proximity to two sustainable growth nodes which are identified by PNCC for future greenfield residential development.
- The area is affected by two plan changes to rezone land residential.
- The development of the proposed freight hub within Option 8 could severely compromise this area for future residential development.
- Potential to create significant reverse sensitivity issues if the proposed freight hub was established in this location prior to the residential development.

The workshop participants agreed with the recommendation, the reasons for the recommendation and confirmed that area option 8 should be fatally flawed.

### **Reassessment of area option 9 (existing site) and area option 3**

At Workshop 2, some of the workshop participants questioned the strategic fit assessments for area option 9 (existing KiwiRail site) and area option 3. They considered that area option 9 should have a less favourable score and that area option 3 should have a more favourable strategic fit score. It was agreed at the workshop that the planning specialist would talk further with the Palmerston North City Council (PNCC) planners about the long term plans for the City in order to assist with the reassessing the scores.

Following Workshop 2, discussions were held with the PNCC planners and they provided the following information:

- A more detailed copy of the PNCC Integrated Plan which is attached to this Addendum. This plan provides more detailed information than the simplified GIS version attached to the Workshop 2 Strategic Fit Assessment Report.
- Palmerston North City and Manawatu District Industrial Land Use Planning Review Report Stage 1, May 2007.

Following discussions with the PNCC planners and a review of the new information a reassessment of the two options was undertaken in light of this new information.

The reassessment of option 9 concluded that the establishment of a large freight hub on the fringe of the city centre that would significantly encroach into residential areas was not consistent with the PNCC's long term plans for the City and the Integrated Plan. PNCC proposes to locate large scale industrial development including warehousing, depots and logistics activities in the north east of the City and separated from residential development. It is also proposing residential intensification in the central city fringe which is in proximity to option 9.

As a result of this reassessment of option 9 the score for the strategic direction element of the strategic fit assessment for this option was changed from a 2 to a 3.

The reassessment of area option 3 confirmed that the North East Industrial Zone has for some time been PNCC's preferred location for a multimodal freight hub. This is based on:

- The 2007 Industrial Land Use Planning Review identified the northeast of the City as being an appropriate location for large format freight and distribution and Longburn being appropriate location for wet industry. This report was the catalyst for the boundary change with Manawatu District and the 2013 extension of the North East Industrial Zone.
- The PNCC City Development Strategy notes that the north-east is earmarked for large-format freight, distribution and logistics activities, while Longburn is best suited to wet or processing industries.
- Issue 2 of the North East Industrial Zone in the PNCC District Plan is "The opportunity to develop an attractive, efficient industrial area with high internal amenity values, and the ability to connect to road, rail and air transport services".

These findings confirmed that score of 2 for the spatial direction element of the strategic fit assessment for this option was the correct score. As a result, the score for option 3 did not change.

### Revised connectivity scores

During workshop 2, the workshop participants raised some questions relating to the weighting used in the connectivity assessment for area options 2, 3 and 4 and suggested changes to the scores for these options. Following the workshop, the transport specialist reassessed the scores for the options and confirmed that the suggested changes were appropriate. The revised scores for options 2, 3 and 4 are shown in the table below.

The strategic fit assessment relied on the connectivity criterion scores for the connectivity element of the assessment. Consequently, changes had to be made to this element of the strategic fit scores.

### Final scores

The table below sets out the changes that have been made to the strategic fit scores as a result of decisions made at Workshop 2 and the reassessment of options following the workshop. As can be seen from the table below although changes have been made to the spatial direction score for area option 9 and the connectivity scores for area options 2, 3 and 4 these changes have not altered the overall scores that were presented at Workshop 2 as the overall score has been determined by the average of the scores for the sub-criteria. The only overall score that has changed is the option 8 score that was fatally flawed during Workshop 2.

Area for Investigation	Assessment of the option				Overall Score
	Spatial	Efficiency	Integration	Connectivity	
Option 1	3	4	3	3	3
Option 2	3	3	3	<del>4</del> 3	3
Option 3	2	2	3	<del>4</del> 3	3
Option 4	2	2	2	<del>3</del> 2	2
Option 5	2	4	3	3	3
Option 6	3	4	3	3	3
Option 7	3	4	4	3	4
Option 8	5	3	4	4	FF
Option 9	<del>2</del> 3	4	2	3	3

### Reason for the addendum

During Workshop 2 it was recognised that having a specific site to assess rather than a large area could result in changes to the scores presented at the workshop.

To address this concern the masterplan has been applied to the area option assessed in Workshop 2 and sites within those original areas identified. The rail connections have been included and the implications for connecting to the Main Line have been identified.

There are two layout options for areas 1, 2 and 3 and as a result of the constraints at the ends of areas 5 and 6 a new area called site 5 has been created. Sites in areas 7, 8 and 9 have not been identified as these areas were fatally flawed at Workshop 2.

All the specialist have been asked to assess each of the eight sites.

## Assessments

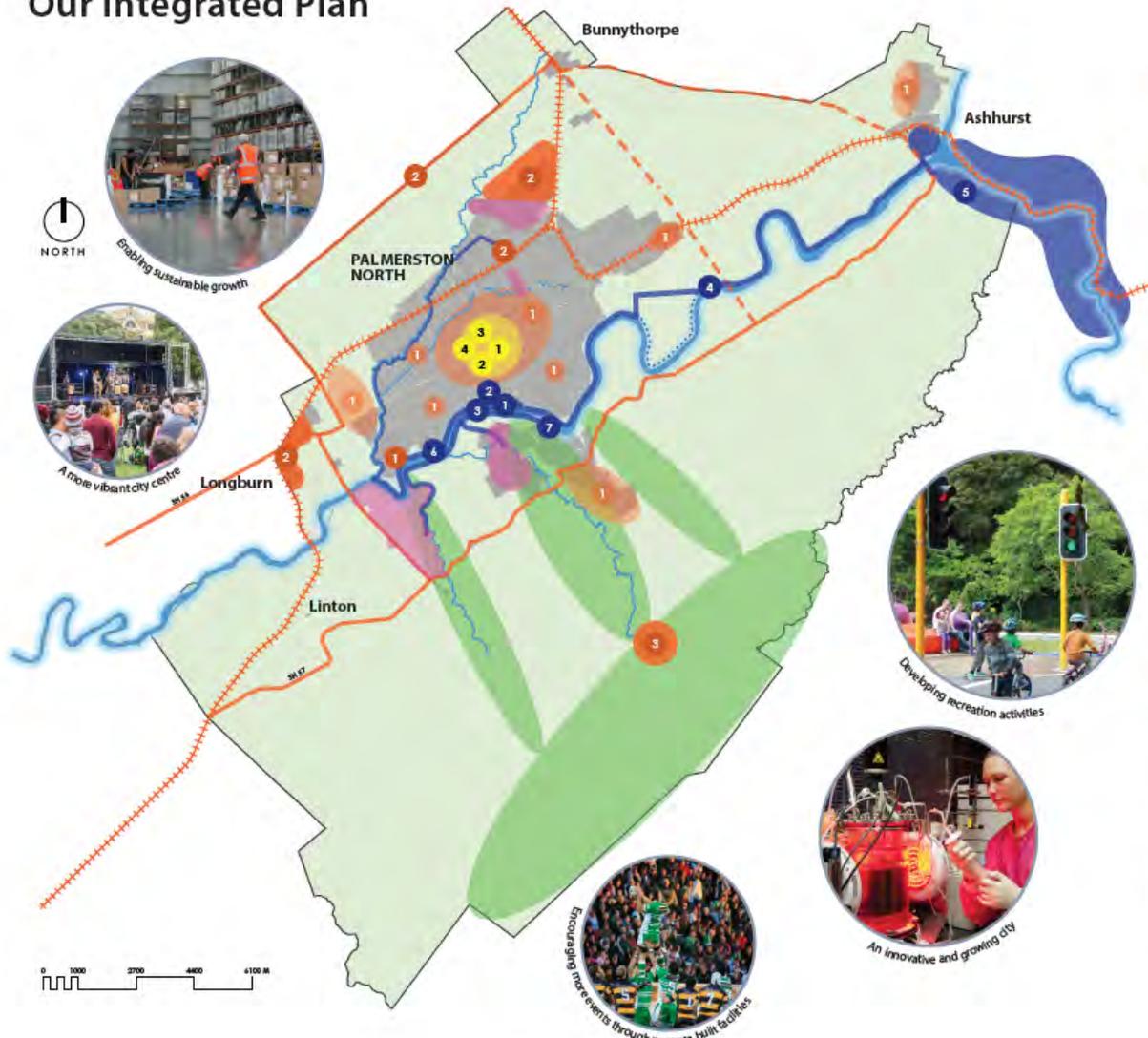
The following table sets out the strategic fit assessment and scoring for each of the site options

Site Option	Score	Assessment
Option 1a	3	The site options have been scored the same as when the assessment of the broader areas was undertaken prior to workshop 2. This is because the strategic fit assessment relates to the general location of an area and does not rely on specific site details.
Option 1b	3	
Option 2a	3	
Option 2b	3	
Option 3	2	
Option 4	2	
Option 5	3	

## Conclusion

Options 3 and 4 scored best primarily because of their proximity to the North East Industrial Zone and the Palmerston North Airport.

# Our Integrated Plan



Enabling sustainable growth



A more vibrant city centre



Developing recreation activities



An innovative and growing city

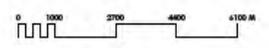


Encouraging more events through purpose built facilities

## Mapping the Future

- **Sustainable Growth (Industrial)**
  1. Wastewater Treatment Plant Upgrade
  2. Regional Ring Road, Rail, Airport & multi-modal infrastructure to enable industrial growth: Longburn & North East Industrial Zone (NEIZ)
  3. Water Storage & Drainage\*  
\* City-wide
- **Sustainable Growth (Residential)**
  1. Infrastructure for residential growth: Whakarongo (our own city development), Aokautere, City West, Urban Intensification, Ashhurst
- **City Centre Transformation**
  1. City Centre Streetscape Plan & Redesign
  2. Te Manawa 2025 Redevelopment
  3. Library of the Future
  4. Central Energy Trust Arena Masterplan & Projects
  5. Heritage Protection Package\*
  6. Initiatives with City Business Partners\*

\* Across City Centre
- **Manawatū River Network**
  1. Central Energy Trust Wildbase Recovery Centre
  2. Victoria Esplanade Masterplan & Projects
  3. He Ara Kotahi Bridge & Shared Pathway
  4. Manawatū River Shared Pathway (Ashhurst to City)
  5. Te Apiti Biodiversity & Recreation
  6. Ahimata Park (Wairotoe Park)
  7. Te Motu o Poutoa (Anzac Park)
- **City-wide Partners:**  
*Rangitāne\*, Central Economic Development Agency (CEDA), Central & Local Government, Massey University, Research & Food HQ, NZ Defence, MidCentral DHB, Airport*  
 \* City-wide
- **Manawatū River & Tributaries**
- **Biodiversity Corridors**
- **Urban Areas**
- ⚡ **Rail**
- **Regional Freight Ring Road**
- - - **Regional Freight Ring Road Options**
- City Boundary**



# KiwiRail: Palmerston North - Assessment Template Workshop 3 Strategic fit with current and future land use planning

## 1. Introduction

Date: 18 November 2019

Author(s)

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credentials

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The following is a comparative assessment of short list site options to inform the MCA workshop 3 for KiwiRail's future Palmerston North Rail and Freight Hub.

This assessment has relied on the following information:

- Palmerston North City Council Proposed Plan Change 15E North East Industrial Zone and Extension Area, Decision of the Hearing Commissioners 22 August 2016, 42A Planning Report
- Palmerston North City Council District Plan
- Palmerston North City Council District Our Integrated Plan
- Palmerston North City and Manawatu District Industrial Land Use Planning Review Report Stage 1, May 2007.
- Manawatu District Plan
- Horizons Regional Council One Plan
- Ministry for the Environment and Ministry for Primary Industry, Valuing highly productive land a discussion document on a proposed national policy statement for highly productive land 2019
- Local Government Commission April 2012, Decision on appeals against the decision of the Joint Boundary Committee of the Manawatu District Council and Palmerston North City Council to adopt the Draft Reorganisation Scheme for the alteration of the boundary between Manawatu District and Palmerston North City
- Palmerston North Housing and Business Development Capacity Assessment Report May 2019

The following information was not available for this assessment

- The final (gazetted) version of the National Policy Statement for Highly Productive Land.
- The current productive use of the land within and surrounding each site

## 2. Constraints identified in each site

The constraints associated with the three sites relate to their classification as highly productive land (Class 1, 2 and 3 of the Land Use Capability Classification system) under the proposed National Policy Statement for Highly Productive Land (NPS-HPL) and versatile soils for use as production land (Class 1 and 2 of the Land Use Capability Classification system) under the One Plan Regional Policy Statement (RPS). These constraints are assessed under 5.1 below.

## 3. Criteria being assessed

### **Strategic fit with current and future land use planning**

This criterion considers how each site aligns with the future land use planning for Palmerston North City Council and Manawatu District Council.

This criterion has been refined from that adopted for the high-level strategic assessments undertaken to assess the long list of area options before Workshop 2. This is because for the site specific comparative assessments a more focused and detailed land use planning analysis is required to differentiate between three sites that are located in relative proximity to each other.

### Approach to the assessment

This comparative assessment is based on the following components:

- 1) An assessment of the extent to which each of the sites contains areas of Class 1, 2 or 3 land as classified under the Land Use Capability system and how each site aligns with the proposed NPS-HPL and the One Plan Regional Policy Statement provisions relating to the protection of productive soils.
- 2) An analysis of the land use planning approach to the area to the north east of Palmerston North over the last 10 – 15 years. This analysis is based on a review of the Local Government Commission decision in 2012 on the alteration of the boundary between Manawatu District and Palmerston North City and the decision of the Hearing Commissioners and the 42A Planning Report on Proposed Plan Change 15E North East Industrial Zone and Extension Area.
- 3) An analysis of the outcome sought under the current district plan zonings that apply to the sites.
- 4) Identification of possible future land use patterns.

### Assumptions.

- That the proposed NPS-HPL will be gazetted and the objectives and policies will remain relatively unchanged.
- That the proposed freight hub is considered to be an urban land use based on the types of activities that are anticipated to be undertaken on the site and the definitions contained in the Palmerston North and Manawatu District Plans.
- No assumptions have been made in relation to mitigation

## 4. Fatal Flaws

No fatal flaws have been identified through the assessment of the options

## 5. Comparative assessment

### 5.1 Highly Productive Land Assessment

The proposed NPS-HPL in the interim classifies highly productive land as Class 1, 2 and 3 under the Land Use Capability Classification system. The RPS identifies class 1 and 2 land under the same system as versatile soils for use as production land.

The maps in Attachment 1 show the extent of Class 1, 2 and 3 land on each of the sites.

Site 2 comprises Class 2 land apart from a small area of Class 1 land in the south west corner of the site. Site 3 generally comprises Class 2 land with areas of Class 3 land that extend through the middle of the site and across the northern end of the site. Site 4 comprises a mix of Class 2 land and land that is not classified as Highly Productive. There is a small area of Class 3 land at the northern end of the site.

The RPS has a policy focus on retaining Class 1 and 2 land for use as production land when considering urban expansion.

The proposed NPS-HPL has a strong policy direction of protecting highly productive land (Class 1, 2 and 3) from inappropriate subdivision, use and development. The proposed NPS contains policies that effectively set out assessment criteria for the consideration of plan changes and resource consents for urban expansion onto highly productive land. While the policies do not refer to designations, they are considered to be a useful guide to assessing the sites in terms of impact on highly productive land perspective. The criteria are summarised as:

- 1) Alignment with local authority statutory and non-statutory plans and policies relating to urban growth and highly productive land;
- 2) The benefits (environmental, economic, social and cultural) from the proposed use of land compared to benefits from the continued use of that land for primary production;
- 3) Whether there are alternative options for the proposed use on land that has less value for primary production;
- 4) The practical and functional need for the urban expansion to occur at that location
- 5) The extent to which the proposed land use will impact on the existing and future use of the land for primary production

The following assessment is based on the extent of Class 1, 2 and 3 land on each of the sites, the above criteria and the current district plan zoning of each site.

Site	Assessment of the options – Impact on Highly Productive Land	Score
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2	<ul style="list-style-type: none"> <li>• Zoned Rural 1 (which identifies the District’s main areas of versatile land) and is surrounded by rural zoned land</li> <li>• Fully comprises Class 2 land apart from a small area of Class 1 land</li> <li>• Separated from Fielding by rural zoned land. Future expansion of Feilding is to the north and west</li> <li>• Versatile land, not identified for future expansion, does not adjoin existing urban area, use for productive purposes potentially partially compromised by the airfield, challenges in meeting NPS-HPL criteria to support urban expansions</li> </ul>	4
3	<ul style="list-style-type: none"> <li>• Part of the site is zoned North East Industrial. The balance of the site is zoned Rural</li> <li>• Generally comprises Class 2 land with areas of Class 3 land that extend through the middle of the site and across the northern end of the site</li> <li>• Adjoins the urban area of Palmerston North to the south through the existing North East Industrial Zone. Northern extent of the site is adjacent to residentially zoned land and the township of Bunnythorpe.</li> <li>• Productive use compromised by current industrial zoning, adjoins existing urban area, likely to meet NPS-HPL criteria to support urban expansion</li> </ul>	2
4	<ul style="list-style-type: none"> <li>• Zoned Rural, surrounded by rural zoned land with the exception of industrially zone land (North East Industrial Zone) across Railway Road at the southern end of the site.</li> <li>• Comprises a mix of Class 2 land and land that is not classified as Highly Productive</li> <li>• Southern end of the site close to the urban extent of Palmerston North</li> <li>• Productive use potentially comprised to some extent by existing lifestyle development, in close proximity to urban edge of Palmerston North, potential to meet NPS-HPL criteria to support urban expansion</li> </ul>	3

## 5.2 Past, present and future land use planning

### History

The following provides a summary of the land use planning that has occurred on the north eastern edge of Palmerston North City. This is based on a review of the Local Government Commission decision in 2012 on the alteration of the boundary between Manawatu District and Palmerston North City, Palmerston North City and Manawatu District Industrial Land Use Planning Review Report Stage 1 2007. and the decision of the Hearing Commissioners and the 42A Planning Report on Proposed Plan Change 15E North East Industrial Zone and Extension Area.

2004 94ha rural land zoned North East Industrial

2010 additional 10ha zoned North East Industrial

2012 boundary of PNCC extended to include Bunnythorpe and surrounding area

2016 additional 126ha zoned North East Industrial

There have been a number of investigations and reports to support the planned industrial expansion of the north eastern area and the boundary extension of PNCC. As can be seen from the above there has been a long history of industrial growth and expansion in this north eastern area including a boundary extension in 2012. The reasons why PNCC and Manawatu District Council promoted the boundary extension in this area were that:

- Both councils had been dealing with growth pressures on the boundary largely coming from industrial growth which was causing issues with land use and infrastructural planning. Both councils considered that if growth was not addressed in a coordinated way the greater Manawatu area could miss out on economic and social opportunities.
- PNCC was concerned that it was not able to advance the planning, implementation and funding of road improvements adjacent to the city because it did not control those roads. Conversely the Manawatu District Council did not wish to fund infrastructure work primarily benefiting the city.

From investigations to date the land to the south east of Feilding does not appear to have been subject to any recent land use planning studies nor have there been any zoning changes to the land to enable the establishment of non-rural activities<sup>1</sup>. Any future urban expansion appears to be focussed on the north and east of Feilding.

### Current Zoning

The following provides a description of the current zoning that applies to each of the sites.

Site	Zoning	Zone Description / Outcomes
2	Manawatu District Plan "Rural 1 Zone"	<ul style="list-style-type: none"> <li>• Minimise loss of versatile land to urban use</li> <li>• Maintain and enhance rural character</li> <li>• Only Rural Industries are provided for (discretionary activities) in the Rural 1 Zone</li> </ul>
3	PNCC District Plan "North East Industrial Zone" "Rural Zone"	<p><u>North East Industrial Zone</u></p> <ul style="list-style-type: none"> <li>• Designed to provide for large industrial sites 5ha and above which can be accessed on a 24 hour basis</li> <li>• Its location and topography are well-suited to industrial development and due to the proximity to the Palmerston North Airport it is unsuitable for alternative urban uses such as residential.</li> <li>• It can readily be accessed by road and rail, and proximity to the City's airport means that synergies with that mode of transport are also possible.</li> <li>• Permitted activities include industrial activities, warehousing, storage and depots</li> </ul> <p><u>Rural Zone</u></p> <ul style="list-style-type: none"> <li>• Protect rural land from the adverse effects of unnecessary and unplanned urban expansion</li> <li>• protect rural land that has been identified in Council strategies as potentially suitable for future urban growth</li> <li>• encourage the maintenance of sustainable land-uses in the rural area</li> <li>• avoid, remedy or mitigate the adverse effects of aircraft noise on noise sensitive activities in the vicinity of the Palmerston North Airport, while protecting the Palmerston North Airport from the potential adverse effects of noise sensitive activities on efficient airport operations.</li> </ul>
4	PNCC District Plan "Rural Zone"	<p><u>Rural Zone</u></p> <ul style="list-style-type: none"> <li>• Protect rural land from the adverse effects of unnecessary and unplanned urban expansion</li> </ul>

<sup>1</sup> This needs to be confirmed with the MDC planners.

	<ul style="list-style-type: none"> <li>• protect rural land that has been identified in Council strategies as potentially suitable for future urban growth</li> <li>• encourage the maintenance of sustainable land-uses in the rural area</li> <li>• avoid, remedy or mitigate the adverse effects of aircraft noise on noise sensitive activities in the vicinity of the Palmerston North Airport, while protecting the Palmerston North Airport from the potential adverse effects of noise sensitive activities on efficient airport operations.</li> <li>• To minimise the risk to people and property from aircraft undershooting or overshooting the runway at the Palmerston North Airport.</li> </ul>
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### Potential future land uses patterns and zones

The following provides an analysis of the potential future land use and zoning of the sites based on previous land use history and best practice approaches to rezoning<sup>2</sup> set out in Attachment 2.

Site	Analysis of the potential future land use and zoning
2	<p>Current rural zoning unlikely to change based on:</p> <ul style="list-style-type: none"> <li>• not identified or signalled for future urban expansion / land use change<sup>3</sup>;</li> <li>• does not adjoin existing urban area, result in spot zoning</li> <li>• comprises Class 1 and 2 land and current zoning reflects this</li> </ul>
3	<p>Strong potential that the balance of the site could be rezoned North East Industrial based on:</p> <ul style="list-style-type: none"> <li>• Area bought into the city to provide for industrial expansion</li> <li>• Part of the site is already zoned North East Industrial</li> <li>• PNCC has a history of extending the North East Industrial Zone</li> <li>• The North East Industrial Zone provides for activities associated with Freight Hubs</li> <li>• PNCC Our Integrated Plan identifies as “mapping for the future” the north eastern area of the city which includes the southern part of the site as an area of “Sustainable Growth (Industrial) Regional Ring Road, Rail, Airport &amp; multi-modal infrastructure to enable industrial growth: North Eastern Industrial Zone”</li> </ul>
4	<p>Current zoning unlikely to change in the short term based on:</p> <ul style="list-style-type: none"> <li>• Currently not identified or signalled future land use change or urban expansion, noting that the “Sustainable Growth (Industrial)” area identified in the PNCC Our Integrated Plan does not extend to the east across the railway line.</li> <li>• Potential constraints with the operation of Palmerston North Airport</li> </ul>

The following provides an assessment of how each of the sites aligns with current and potential future land use planning for their respective areas.

Site	Assessment of the options – alignment with current and future land use planning	Score
2	<ul style="list-style-type: none"> <li>• Separated from existing urban areas and zones</li> <li>• Rural 1 zoning designed to protect the site’s versatile soils</li> <li>• Not identified or signalled for future urban expansion / land use change</li> </ul>	4
3	<ul style="list-style-type: none"> <li>• Productive use of the land already compromised by partial industrial zoning</li> </ul>	2

<sup>2</sup> These approaches were adopted by the Auckland Unitary Plan Independent Hearings Panel for assessing rezoning requests.

<sup>3</sup> This needs to be confirmed with the MDC planners.

	<ul style="list-style-type: none"> <li>• Area bought into the city to provide for industrial expansion</li> <li>• Part of the site is already zoned North East Industrial which provides for activities associated with Freight Hubs</li> <li>• Potential for the balance of the site to be rezoned North East Industrial</li> <li>• PNCC Our Integrated Plan identifies as “mapping for the future” the north eastern area of the city which includes the southern part of the site as an area of “Sustainable Growth (Industrial) - Regional Ring Road, Rail, Airport &amp; multi-modal infrastructure to enable industrial growth: North Eastern Industrial Zone”</li> </ul>	
4	<ul style="list-style-type: none"> <li>• Industrial expansion has occurred on the other side of Railway Road</li> <li>• Potential constraints with the operation of Palmerston North Airport</li> <li>• Currently not identified or signalled future land use change or urban expansion, noting that the “Sustainable Growth (Industrial)” area identified in the PNCC Our Integrated Plan does not extend to the east across the railway line.</li> </ul>	3

### 5.3 Overall assessment of strategic fit with current and future land use planning

The following is an overall assessment of each of the sites in terms of their strategic fit with the current and future land use planning for the areas within which they are located. It combines the assessments in 5.1 and 5.2 above and provides an overall score for each site.

Site	Overall assessment of the options	Score
2	<ul style="list-style-type: none"> <li>• Classified as having the most highly productive land</li> <li>• Rural 1 zoning does not contemplate the type of land uses associated with a freight hub</li> <li>• Rural 1 Zone designed to protect versatile soils</li> <li>• Challenges in meeting NPS-HPL criteria to support urban expansions</li> <li>• Separated from existing urban areas and zones</li> <li>• Not identified or signalled for future urban expansion / land use change</li> </ul>	4
3	<ul style="list-style-type: none"> <li>• Proposed land use very compatible with adjoining land uses to south, noting however, that the northern extent of the site is adjacent to residentially zoned land and the township of Bunnythorpe.</li> <li>• Productive use compromised by current partial industrial zoning, adjoins existing urban area, likely to meet NPS-HPL criteria to support urban expansion</li> <li>• Area bought into the city to provide for industrial expansion</li> <li>• Part of the site is already zoned North East Industrial which provides for activities associated with Freight Hubs</li> <li>• Potential for the balance of the site to be rezoned North East Industrial, noting PNCC Our Integrated Plan identifies as “mapping for the future” the southern part of the site as an area of “Sustainable Growth (Industrial) and rezoning likely to meet best practice approaches for rezoning criteria.</li> </ul>	2
4	<ul style="list-style-type: none"> <li>• Comprises the least highly productive land when compared with sites 2 and 3.</li> <li>• Productive use potentially comprised to some extent by existing lifestyle development, in close proximity to urban edge of Palmerston North, potential to meet NPS-HPL criteria to support urban expansion</li> <li>• Industrial expansion has occurred on the other side of Railway Road</li> </ul>	3

	<ul style="list-style-type: none"><li>• Potential constraints with the operation of Palmerston North Airport</li><li>• Currently not identified or signalled future land use change or urban expansion noting that the “Sustainable Growth (Industrial)” area identified in the PNCC Our Integrated Plan does not extend to the east across the railway line.</li></ul>	
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From the information currently available Site 3 is the preferred option when compared to Sites 2 and 4 from a strategic fit with the current and future land use planning.

## 6. Mitigation

No assumptions have been made about mitigations.

# Attachment 1: - Land use Capability Maps

# Attachment 2: - Best Practice Approaches for Re-Zoning

- 1) The change is consistent with the objectives and policies of the proposed zone. This applies to both the type of zone and the zone boundary.
- 2) The overall impact of the rezoning is consistent with the Regional Policy Statement.
- 3) Economic costs and benefits are considered.
- 4) Changes should take into account features of the site (e.g. where it is, what the land is like, what it is used for and what is already built there).
- 5) Zone boundary changes recognise the availability or lack of major infrastructure (e.g. water, wastewater, stormwater, roads).
- 6) There is adequate separation between incompatible land uses (e.g. houses should not be next to heavy industry).
- 7) Zone boundaries need to be clearly defensible e.g. follow roads where possible or other boundaries consistent with the purpose of the zone.
- 8) Zone boundaries should follow property boundaries.
- 9) Generally no "spot zoning" (i.e. a single site zoned on its own).
- 10) Zoning is not determined by existing resource consents and existing use rights, but these will be taken into account.